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Tasmanian Racing Club Optimisation Strategy Thoroughbred & Harness Administration & Facilities

1. Project Overview

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1.1 Project Objectives

- Optimize thoroughbred and harness racing club administrative structures across all three codes, in a manner appropriate to the racing animal population
- Rationalize thoroughbred and harness racing facility usage and operations across Tasmania
- Reduce duplication and inefficiencies in thoroughbred and harness racing club operations
- Improve financial sustainability of racing industry
- Enhance service delivery to participants and patrons of the racing industry

1.2 Project Scope

This review will consider the following:

- **Total Clubs:** 12 racing clubs across two (2) codes, namely:

Thoroughbred Clubs	Harness Clubs
Tasmanian Turf Club (Mowbray)	Tasmanian Trotting Club (Elwick)
Tasmanian Racing Club (Elwick)	Launceston Trotting Club (Mowbray)
Devonport Racing Club (Spreyton)	Devonport Harness Racing Club (Devonport)
Longford Racing Club (Longford)	Carrick Park Trotting Club (Carrick)
King Island Racing Club (King Island)	North-East Pacing Club (Scottsdale)
	Burnie Harness Racing Club (Burnie)
	St Marys Pacing Club (St Mary's)

- **Total Facilities:** 10 distinct racing & training venues, namely:

Facilities	Purpose
Mowbray (Thoroughbred & Harness)	Racing
Elwick (Thoroughbred & Harness)	Racing
Spreyton (Thoroughbred only)	Racing & Training
Longford (Thoroughbred only)	Racing & Training
King Island (Thoroughbred & Harness)	Racing
Carrick (Harness only)	Racing & Training
Burnie (Harness only)	Racing
Scottsdale (Harness only)	Racing
St Marys (Harness Only)	Racing
Brighton (Thoroughbred & Harness)	Training

- **Codes:** Thoroughbred & Harness. This report will specifically exclude consideration of Greyhound Racing Clubs and facilities which are the subject of a sperate transition strategy.
- **Key Issue:** Duplication of administrative costs, facility maintenance, appropriate racing volume for animal population, and operational inefficiencies.

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1.2 Our Approach

In determining the most appropriate optimised structured for both Thoroughbred and Harness Racing Clubs and Facilities, we have taken the following structured approach.

- A. **Determine the racing opportunities required:** Through an historical analysis of race data, including unique horse populations, race scheduling and starts per horse, project out estimated horse population numbers, and anticipated race numbers and meetings required over the next five (5) year period;
- B. **Understand the maximum capacity and capability of facilities to host races (and training):** Outline the historic utilisation of facilities, including seasonal variations, and provide an estimation of the racing and gallop (utilisation) capacity of such facilities should they be required;
- C. **Outline the financial impact of facility utilisation and racing club administration:** Provide an analysis of the historical cost of facility utilisation and associated Club Administration, including overall costs of delivery for Tasracing attached to that club and venue, and forecast capital expenditure required to continue operations at the facility and/or racing club;
- D. **Analysis of potential optimised models:** Taking into account the racing needs, the capacity of facilities and clubs, and the cost of implementation, provide an analysis of various optimised and consolidated club and facility models.

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2. Thoroughbred Racing

2.1 Determining Racing Opportunities Required

2.1.1 Historical Race Meeting Analysis

Over the past 5 racing seasons Tasracing has operated the following race meetings for Thoroughbred participants.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Thoroughbred						
Meetings	58	71	65	70	73	73
Races Held	454	574	534	568	586	575
Overall Starters	3,996	5,108	4,875	5,210	5,573	5,208
Average Races/Meeting	7.82	8.08	8.21	8.11	8.02	7.87
Average Starters/Race	8.8	8.9	9.1	9.2	9.5	9.1

2.1.2 Current Racing Population

The unique racing thoroughbred horse population in Tasmania based on an analysis of race fields has dropped marginally since the FY21 Season, owing largely to a lowering influx of horses (through both breeding and importation).

	Unique Starters	Total Starts	Starts per horse	Horses In*	Horses Out*
FY2025	867	5,216	6.0	322	368
FY2024	913	5,573	6.1	393	384
FY2023	904	5,210	5.8	418	427
FY2022	913	4,875	5.3	376	385
FY2021	922	5,108	5.5		

*Horses In / Horses Out determined by identifying whether a Unique Horse races in the following season, and if not, accounting for this in total number by assuming a horse has come into to replace it up the new seasons unique numbers.

Above churn rates can be compared to and validated by reported thoroughbred retirement data within the Tasracing Annual Reports as follows:

	FY2021	FY2022	FY2023	FY2024	FY2025
Breeding	57	63	55	37	15
Deceased	19	13	9	10	6
Euthanised	43	23	31	31	46
Rehomed	237	181	248	231	228
Other	2	6	2	0	0
Total	358	286	345	309	295

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There is some variation in the churning out numbers which may be accounted for by horses not being officially retired (injured but not racing) or sold and exported and not captured in the numbers. Additionally, the Unique Starter numbers will include interstate thoroughbred horses competing in Tasmania, which would not be included in the retirement numbers.

2.1.3 Five Year Population Projection

Utilising historic unique numbers and their change over the past 5 years, there are a variety of ways we can look to project future thoroughbred racing population, most notably through using linear trend pattern, or different models of CAGR.

Average Annual Change (horses)	(13.75)
Average Annual % Change	(1.5%)
CAGR (FY2021-FY2025)	(1.5%)
Total Decline (FY2021-FY2025)	(55)

Below we compare forecasts using **Linear Progression**, **Historical CAGR**, and the application of an accelerated decline CAGR at -3.0%, and High/Low consolidated range across all models.

Year	Linear Trend	CAGR	Accelerated Decline	High	Low
FY2025	867	867	867		
FY2026	853	854	841	854	841
FY2027	840	841	816	841	816
FY2028	826	828	791	828	791

2.1.4 Race Scheduling Projections

We note that in the 25/26 season racing on King Island will not proceed. This will reduce overall race numbers to 65 Race meetings (Elwick 24, Mowbray 25, Spreyton 15 and Longford 1).

Given King Island races have historically attracted smaller race fields and a limited race card, if we adjust the last three (3) seasons data in terms of average races per meeting, and average starters per race excluding King Island, we get the following:

	2022/2023	2023/2024	2024/2025
Meetings	63	66	67
Races Held	531	552	545
Overall Starters	4,995	5,393	5,061
Average Races/Meeting	8.43	8.36	8.13
Average Starters/Race	9.41	9.77	9.29

Proceeding on the basis of maintaining an average of 6.0 starts per active racehorse (average FY25 & FY24), and using the adjusted rolling 3 year average of 9.49 starters per race and 8.31 races per meeting, this will equate to the following number of race starts, races and meetings required to accommodate the forecast thoroughbred population.

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BASE PROJECTION: RACES & MEETING

Year	25/26		26/27		27/28	
	High	Low	High	Low	High	Low
Forecast Horses	854	841	841	816	828	791
Forecast Starts	5,124	5,046	5,046	4,896	4,968	4,746
Forecast Races	540.07	531.85	531.85	516.04	523.63	500.23
Median Races	536.0		523.9		511.9	
Meetings	64.5		63.1		61.6	

Alternatively, we note that the balance of feedback from leading Thoroughbred trainers received during Strategic Plan consultation is that we race too often, and limited consolidation of meetings further would increase quality through balloting, and possibly lead to an increase in field size in any event, allowing the discretionary allocation of a partial balance of prizemoney across remaining races, making the overall structure more sustainable (less racing costs, racing for more each race).

Applying this reasoning, if we decrease average starts per horse to 5.5 (for reference, FY22 was 5.3) – recognising less races may necessarily simply mean an increase in starters per race in any event – and maintain all other criteria, we have the following projected numbers.

STRATEGIC REDUCTION PROJECTION: RACES & MEETING

Year	25/26		26/27		27/28	
	High	Low	High	Low	High	Low
Forecast Horses	854	841	841	816	828	791
Forecast Starts	4,697	4,626	4,626	4,488	4,554	4,351
Forecast Races	495.06	487.53	487.53	473.04	479.99	458.54
Median Races	491.3		480.3		469.3	
Meetings	59.1		57.8		56.5	

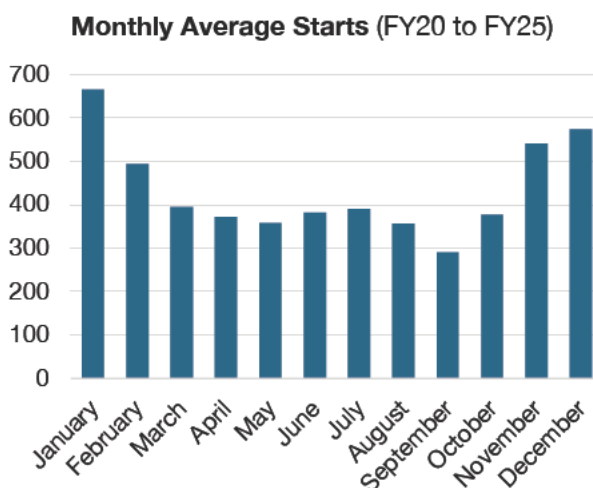
ON BALANCE, WE BELIEVE THAT A **STRATEGIC REDUCTION** IN RACES (AND APPROPRIATE REDISTRIBUTION OF PRIZE MONEY ACROSS REMAINING FIXTURES) AS SET OUT IN **MODEL 2: STRATEGIC REDUCTION** WILL DELIVER INCREASED FIELD SIZES IN REMAINING RACES, AND APPROPRIATELY CATER FOR THE PROJECTED HORSE POPULATION.

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2.1.5 Applying Impact of Seasonal Variations of Race Meetings

It is also important to consider the variation of races and starts across months and seasons to work through any appropriate scheduling considerations. Taking into account the calendar years FY20 through FY25, Thoroughbred starts per month were as follows:

	Total Starts	Average
January	3324	664.8
February	2469	493.8
March	1977	395.4
April	1859	371.8
May	1789	357.8
June	1907	381.4
July	1956	391.2
August	1784	356.8
September	1454	290.8
October	1884	376.8
November	2705	541
December	2865	573



Accordingly, in looking to appropriately schedule allocated race days there is a clear focus for these to be maximised November through February where turf tracks can endure greater utilisation.

Looking more detailed month by month data from Season 2022/2023 through Season 2024/2025, incorporating both race meeting and race data, we can see strong correlation between months with lower race meetings (and races), with higher demand and higher average starters. Whilst total starters may decrease between April and October, per race field sizes are (in most instances) above average, with May, June, July & August in the top 5 highest average field sizes over the past 3 seasons (February only other month ranked at #2).

Month	2022/23			2023/24			2024/25 ¹			3 Yr Average		
	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Starters
August	3	26	9.4	4	34	10.6	4	29	10.4	3.7	29.7	10.2
September	3	26	8.5	4	32	9.2	5	43	8	4	33.7	8.5
October	3	25	8.2	5	42	8.9	5	40	9.2	4.3	35.7	8.8
November	6	48	9.3	8	64	9.1	7	56	9.5	7	56	9.3
December	9	74	8.6	10	71	8.6	8	60	9.6	9	68.3	8.9
January	11	80	8.2	10	76	8.4	11	86	7.9	10.7	80.7	8.2
February	5	44	10.5	6	53	10.8	6	52	10	5.7	49.7	10.4
March	6	49	9.6	5	42	10	6	50	7.6	5.7	47	9
April	5	43	8.8	7	56	8.1	6	48	7.7	6	49	8.2
May	4	34	10.3	4	33	10.3	4	34	9.2	4	33.7	9.9
June	4	35	11	5	45	10.6	5	44	9.3	4.7	41.3	10.3
July	5	41	10.7	4	33	11.7	4	34	10.3	4.3	36	10.9
TOTAL	64	525	9.3	72	581	9.5	73	542	8.8	69	560.7	9.2

¹ *We note variations in Overall Meeting and Race data presented in the Tasracing Annual Reports of FY23, FY24, and FY25, and the analysis of Race by Race, Runner by Runner Results Data captured by Tasracing internally.

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Accordingly, data would suggest during periods (seasons) where Tasracing has deliberately reduced racing frequency, the impact has been increased demand / starting fields for available races. This tends to validate the assumption in Model B (Strategic Reduction) that a decrease in races will lead to an increase in average field size, thus still managing to accommodate a larger horse population.

Using the monthly data presented above, and assuming a similar proportionate monthly distribution of races (minus King Island)², were Tasracing to conduct Race meetings in FY27 and FY28 consistent with the **Base Projection** and **Strategic Reduction Projection** set out above, these race meetings would be scheduled as follows:

Month	% Annual Races*	2027/28		2028/29	
		Model A	Model B	Model A	Model B
August	6%	4	4	4	3
September	7%	4	4	4	4
October	7%	4	4	4	4
November	11%	7	7	7	7
December	10%	6	6	6	6
January	12%	7	7	7	7
February	9%	6	5	6	5
March	9%	6	5	6	5
April	10%	6	6	6	6
May	7%	4	4	4	4
June	8%	5	4	5	4
July	5%	3	3	3	3
TOTAL		63	58	62	57

*Excluding King Island race meetings

We will consider this further later in the document in determining the optimum facility and club scheduling model in delivering these race meetings.

2.1.6 Other Forecast Population Considerations

- **Tasmanian Breeding Industry:** To be addressed.

² As will be set out later in this report, we do note that December and January race meeting numbers are skewed through the staging of a condensed racing season on King Island, which accounted for between 6 and 7 meetings in 2022/23 through 2024/25. We note that in the 2025/26 Season these Non-TAB race meetings will not be conducted. For the purposes of creating a more pragmatic and realistic model, if we remove these King Island meetings from the seasonal breakdown and reapply against the Projected Models, this provides a much smoother allocation of race meetings across the season in delivering projected race models

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2.2 Facility & Club Capacity Assessment

2.2.1 Facility Register

The following summarises the facilities and associated clubs currently hosting thoroughbred racing on behalf of Tasracing:

Facility	Club	Ownership	Lease	Track	Usage
Elwick (Hobart)	TRC	TRC	Tasracing (Until 2052)	Turf (StrathAyr) (1,990m, 350m straight)	Racing, Trials
Mowbray (Launceston)	TTC	TTC	Tasracing (Until 2028 + 10Y + 10Y)	Turf (StrathAyr Installed 2007), (1,830m, 230m Straight)	Racing, Trials
Spreyton (Devonport)	DRC	Devonport City Council	Tasracing (Until 2026)	Tapeta Synthetic (Installed 2011)(1,500m, Straight 350m)	Racing, Training
Longford (Longford)	TTC	Tasracing (TBC)	TBC	Turf (1,700m, 333m Straight) Sand Track	Racing, Trials (≈18 per annum); Jump Outs
King Island (KI)	KIRC	TBC	TBC	Turf	Racing
Brighton Training Centre (Brighton)	Tasracing	TBC	Tasracing (TBC)	Turf (2,000m)	Training

2.2.2 Facility Utilisation: Racing

In terms of race meetings, we set out below the Thoroughbred race meetings staged at each of the facilities by their resident club from the 2022/23 Season through the 2024/2025 Season.

Location	Metric	2022/23	2023/24	2024/25	22/23→23/24	23/24→24/25
SPREYTON	Race Meetings	16	16	16	0	0
	Total Races	134	130	129	-4	-1
	Avg Starters/Race	9.5	9.7	8.7	0.2	-1
ELWICK	Race Meetings	19	24	24	5	0
	Total Races	158	206	201	48	-5
	Avg Starters/Race	9.7	10	9.4	0.3	-0.6
KING ISLAND	Race Meetings	7	7	6	0	-1
	Total Races	37	34	30	-3	-4
	Avg Starters/Race	5.8	5.2	4.9	-0.6	-0.3
MOWBRAY	Race Meetings	22	24	25	2	1
	Total Races	189	204	208	15	4
	Avg Starters/Race	9.6	9.6	9.2	0	-0.4
LONGFORD	Race Meetings	1	1	1	0	0
	Total Races	7	7	8	0	1
	Avg Starters/Race	8	7.4	7.4	-0.6	0

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2.2.3 Facility Capacity

Relevant to how many race meetings and other equine traffic (trials, gallops) a facility can stage, is a reflection on what they have staged historically, overlaid with expert opinion on what the surface can sustain month by month. We will step through each facility in turn.

ELWICK

Historical Data

Over the past 3 seasons, we set out monthly race meetings and associated data for Elwick.

Month	2022/23			2023/24			2024/25		
	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters
August				2	18	11.1	2	14	9.6
September				1	8	11.2	1	9	6.4
October	1	7	7.7						
November	2	15	9.5	3	22	8.8	3	23	9.1
December	2	17	9.1	2	19	10.6	2	19	11.2
January	2	17	8.9	2	19	9.9	3	24	9
February	2	17	10.2	3	25	10.2	3	25	9.4
March	2	16	8	1	8	8.5	1	8	7.2
April	2	19	9.2	3	25	7.9	2	16	8.1
May	2	17	10.4	2	17	10.6	2	18	10.4
June	2	18	11.3	2	20	10.2	2	19	10.3
July	2	15	11.8	3	25	11.7	3	26	10.1
TOTAL	19	158	9.7	24	206	10	24	201	9.4

Over the past 2 seasons, Elwick has been consistent in terms of facility usage and race meetings, with light programs across September, October and March, otherwise racing approximately once per fortnight on the surface (between 16 – 25 races per month) . In terms of days assessing days between races over, and also rainfall data and Track Rating per race and any correlation, we provide the following summary.

Season	Month	# Meetings	Avg Days Between ³	Rainfall (mm)	% of Average	GOOD Races	SOFT Races	HEAVY Races	Total Races
2023/24	August	1	14	39.8	73%	0	18	0	18
	September	1	7	38.4	72%	8	0	0	8
	November	3	28	27.4	51%	14	8	0	22
	December	2	16.5	29.2	51%	19	0	0	19
	January	2	11.5	36	77%	19	0	0	19
	February	3	9.3	4.2	11%	25	0	0	25
	March	1	35	8.6	19%	8	0	0	8
	April	3	11.7	36.8	74%	17	8	0	25

³ Please note in calculating Average Days Between we utilised only the days before a race meet to provide a more accurate picture of recovery for races in that month, and accordingly in some instances there will be significant gaps before the first race in any month making the average larger.

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	May	2	14	32	68%	8	9	0	17
	June	2	14	28.6	53%	0	20	0	20
	July	3	11.7	94.4	183%	0	25	0	25
2024/25	August	1	14	90.4	167%	7	7	0	14
	September	1	7	81.2	153%	0	1	5	6
	November	3	28	25	46%	13	10	0	23
	December	2	16.5	40.8	72%	15	4	0	19
	January	3	10	28.4	61%	16	8	0	24
	February	3	7	14.6	37%	0	25	0	25
	March	1	35	11	25%	0	8	0	8
	April	2	17.5	28	57%	9	7	0	16
	May	2	14	56.8	120%	9	9	0	18
	June	2	14	42.6	79%	0	19	0	19
	July	3	11.7	32.2	62%	0	18	8	26

After racing on no worse than a Soft surface in the 2023/24 Season, extreme rainfall in July 24 and August 24, and a 7 day break into the September meeting led to the first Heavy meeting, and ultimate abandonment of the sole September 2024 Race Meeting.

Analysing the data there is **no statistically significant correlation** between Days Between Race Meetings and Track Condition for Hobart over the 2023/24 and 2024/25 Seasons. There is a direct correlation between weather events and Track condition evidenced in August and September 2024.

A Track condition summary is provided below over these seasons:

Season	Meetings	Races	GOOD	SOFT	HEAVY
2023/24	24	206	118 (57.3%)	88 (42.7%)	0 (0.0%)
2024/25	24	201	69 (34.3%)	116 (57.7%)	13 (6.5%)
Days Between Meetings (Quarterly Averages):			Track Condition Changes (23/24 to 24/25):		
Q1 (Aug-Sep): 10.5 days (both seasons)			GOOD track percentage dropped 23% (57.3% → 34.3%)		
Q2 (Oct-Dec): 23.4 days (both seasons)			SOFT track percentage increased 15% (42.7% → 57.7%)		
Q3 (Jan-Mar): 14.3 days → 12.3 days			HEAVY conditions appeared in 2024/25 (13 races, 6.5%).		
Q4 (Apr-Jun): 13.0 days → 15.2 days			September 2024/25: 3 races abandoned due to weather		

TRACK GALLOP & TRIAL USAGE

Elwick has historically been usage relatively sparingly in terms of Grass Gallops, recoding the following annual usage :

Elwick Grass Gallops	
Elwick FY25	381
Elwick FY26	433
Total	814

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MOWBRAY

Historical Data

Over the past 3 seasons, we set out monthly race meetings and associated data for Mowbray.

	2022/23			2023/24			2024/25		
Month	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters
August	1	8	9.6				1	8	12.2
September	1	8	8.1						
October	2	18	8.4	4	34	9.1	5	40	9.2
November	3	25	9.4	5	42	9.3	4	33	9.8
December	3	25	9.7	2	17	9.6	2	16	10.4
January	3	26	9.2	3	25	9.4	3	25	9.2
February	3	27	10.7	3	28	11.5	3	27	10.6
March	4	33	10.4	4	34	10.4	4	34	7.6
April	1	9	8.2	3	24	8	3	25	7.4
May									
June									
July	1	10	9.9						
TOTAL	22	189	9.6	24	204	9.6	25	208	9.2

Mowbray has significantly more variation in utilisation than Elwick, remaining largely dormant from May through September – hosting only 1 race meeting (a total of 8 races) in the past two years in that period.

Season	Month	# Meetings	Avg Days Between	Rainfall (mm)	% of Average	GOOD Races	SOFT Races	HEAVY Races	Total Races
2023/24	October	3	7	69	111%	34	0	0	34
	November	5	6.6	27.4	51%	41	1	0	42
	December	2	7	29.2	51%	8	9	0	17
	January	3	14.7	36	77%	17	8	0	25
	February	3	11	4.2	11%	28	0	0	28
	March	4	7.5	8.6	19%	34	0	0	34
	April	3	6.3	36.8	74%	24	0	0	24
2024/25	October	5	14.6	33.2	54%	19	21	0	40
	November	4	7	25	46%	17	16	0	33
	December	2	7	40.8	72%	8	8	0	16
	January	3	14.7	28.4	61%	16	9	0	25
	February	3	11	14.6	37%	8	19	0	27
	March	4	7.5	11	25%	7	26	0	33
	April	3	7	28	57%	13	12	0	25

Analysing the data there is **no statistically significant correlation** between Days Between Race Meetings and Track Condition for Launceston over the 2023/24 and 2024/25 Seasons. In fact over the last two seasons Mowbray has not raced on anything worse than a Soft surface, despite experiencing

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similar rainfall levels to Elwick during its racing season. That being said the higher rainfall levels in the 2024/25 season did result in a higher proportion of Soft Tracks (57.2%) than the previous season (8.8%).

Season	Meetings	Races	GOOD	SOFT	HEAVY
2023/24	24	204	186 (91.2%)	18 (8.8%)	0 (0.0%)
2024/25	25	208	88 (42.3%)	119 (57.2%)	0 (0.0%)
Days Between Meetings (Quarterly Averages):			Track Condition Changes (23/24 to 24/25):		
Q2 (Oct-Dec): 6.8 days → 10.5 days (less frequent)			GOOD track percentage dropped 49% (91.2% → 42.3%)		
Q3 (Jan-Mar): 10.7 days (consistent both seasons)			SOFT track percentage increased 48% (8.8% → 57.2%)		
Q4 (Apr-Jun): 6.3 days → 7.0 days (slight increase)			Launceston was a "dry track specialist" in 2023/24 (91% good). Lost this reliability in 2024/25		

MAXIMUM SUSTAINABLE RACE MEETINGS PER ANNUM: MOWBRAY & ELWICK

Over the past two (2) complete seasons Elwick has conducted 24 race meetings. In the current 25/26 season, Elwick is again scheduled to conduct 24 race meetings.

Over the same period, Mowbray has conducted 24, 25 and 25 meetings respectively.

Current maintenance approach & restrictions

Historically, it is our understanding from discussions with ^{s36} CONSULTANT Tasracing Track & Facilities Manager & Turf Consultant (Elwick & Brighton), that Elwick typically undergoes two (2) major turf restoration renovation periods in each year – during which the track is not utilised - namely:

- From early September until Melbourne Cup Day (early November) (approx. 6 weeks); and
- For 3 to 4 weeks following Hobart Cup Day (March).

From a Mowbray perspective, there is a single major renovation conducted on the surface from May through the end of September in each year (5 months), largely closing the facility during this time (with only one meeting conducted at Mowbray during this month period over the past two seasons).

These major renovation periods significantly restrict the time both Elwick and Mowbray are available to race, essentially closing the facilities from racing 2 months and 5 months per year respectively. As can be seen from the Data above, on average across the months of September, October and March, Elwick conducts a total of 2 race meetings. Mowbray has conducted 1 race meeting in the months of May through September in the past two years.

Further, we are instructed by ^{s36} CONSULTANT that, particularly with respect to the major renovation at Mowbray, and the October renovation at Elwick, it is not ideal conducting this work in cooler, wetter months, as the growing and recovery of turf surface will necessarily be slower, and there is always pressure on Elwick recovering adequately for racing in November.

CONDITIONAL ON THE ABILITY TO CONDUCT CONTINUAL TURF RENOVATIONS (AS DISCUSSED BELOW) AND MANAGE/PROTECT TURF THROUGH BARRIER/RAIL MOVEMENTS, IT IS THE OPINION OF ^{s36} CONSULTANT THAT BOTH MOWBRAY AND ELWICK ARE CAPABLE OF RACING FORTNIGHTLY THROUGHOUT SPRING AND WINTER, WITH THE ABILITY TO RACE WEEKLY AS REQUIRED THROUGH SUMMER. THIS WOULD BE ON TOP OF CURRENT GALLOP REQUIREMENTS.

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Meetings per month capacity

Accordingly, this would equate to the following monthly capacities by facility⁴:

	Elwick			Mowbray		
Month	Meetings	Races	Gallops	Meetings	Races	Gallops
August	2	20		2	20	
September	2	20		2	20	
October	2	20		2	20	
November	4	40		4	40	
December	4	40		4	40	
January	4	40		4	40	
February	4	40		4	40	
March	4	40		4	40	
April	2	20		2	20	
May	2	20		2	20	
June	2	20		2	20	
July	2	20		2	20	
TOTAL	34	340		34	340	

Adjusted maintenance requirements

In order to optimise facility capacities, some adjustment is required in the current approach to track maintenance at both facilities. From discussions with ⁵³⁶ [REDACTED] he has proposed an always on, mini-renovation approach to track maintenance, where a combination of smaller ongoing turf repairs, and rail movements allowing for the protection of areas of track surface whilst racing continues, which would allow continued all year racing on both surfaces.

Rail movements and field restrictions

It should be noted that such an approach will require increased rail movements (moving rail outward gradually to protect inner grass) throughout the year to allow mini-renovations to occur. At both Mowbray and Elwick, as the rail moves out to its maximum position (8m) this will not only adjust the geometry of turns (and accordingly will require strong communication strategy with both trainers and jockeys), importantly it will impose restrictions on the size of fields due to width of track.

For Elwick, it is our understanding that when the barrier is in the maximum outward position, 1000m and 1200m races are restricted to 8 runners, 1400m races restricted to 10 runners, and 1600m and above to 12 runners.

We are currently conducting further detailed enquiries as to the specific maintenance program required (and cost implications), and impact on rails and fields throughout the year, to better inform Tasracing Board considerations.

⁴ These are capacities only and not recommendations. During Summer months numbers may be more balanced between both Mowbray and Elwick to allow some extended restoration between meetings.

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SPREYTON

Racing

Over the past 3 seasons, we set out monthly race meetings and associated data for Spreyton (DRC).

Month	2022/23			2023/24			2024/25		
	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters
August	2	18	9.3	2	16	10.1	1	7	9.9
September	2	18	8.7	3	24	8.5	4	34	8.4
October				1	8	8			
November	1	8	8.6						
December	2	16	9.1	2	16	9.1	2	15	9.9
January	1	9	9.6	1	10	9	1	9	8.7
February									
March							1	8	7.9
April	2	15	8.6	1	7	9.3	1	7	8.3
May	2	17	10.3	2	16	10	2	16	7.9
June	2	17	10.8	3	25	10.9	3	25	8.6
July	2	16	10.1	1	8	11.9	1	8	10.8
TOTAL	16	134	9.5	16	130	9.7	16	129	8.8

Spreyton appears to have been strategically used more heavily in those cooler months where Mowbray undergoes renovation to continue required racing volumes (May through September).

Training & Gallops

There are currently ten (10) thoroughbred trainers who have horses training out of the Spreyton facilities, set out below. For reference we also set out monthly usage of the Spreyton track by Trainers.

Trainer	Location	Horses	Month (2024/25)	Gallops
	Spreyton	29	July	1,814
	Spreyton	3	August	1,675
	Spreyton	3	September	1,769
	Spreyton	13	October	2,111
	Spreyton	6	November	1,873
	Spreyton	18	December	1,746
	Spreyton	1	January	1,691
	Spreyton	3	February	1,533
	Spreyton	10	March	715
	Spreyton	12	April	1,495
Total		98	May	1,824
			June	1,587
			Total	19,833

Due to the All Weather Synthetic surface utilised at Spreyton we have not analysed days between races, rainfall and impact of Track Surface.

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KING ISLAND

Historical Data

Over the past 3 seasons, we set out monthly race meetings and associated data for King Island:

Month	2022/23			2023/24			2024/25		
	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters
December	3	16	5.7	4	19	5.4	2	10	5
January	4	21	5.9	3	15	5.1	4	20	4.8
TOTAL	7	37	5.8	7	34	5.3	6	30	4.9

Due to the low level of seasonal usage of King Island we have not analysed days between races, rainfall and impact of Track Surface.

LONGFORD

Racing

Over the past 3 seasons, we set out montly race meetings and associated data for King Island:

Month	2022/23			2023/24			2024/25		
	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters	Meetings	Races	Avg Starters
January	1	7	8	1	7	7.4	1	8	7.4
TOTAL	1	7	8	1	7	7.4	1	8	7.4

Training & Gallops

There are currently 12 thoroughbred trainers training out of the Longford facilities, set out below. For reference we also set out monthly usage of the Longford sand track by Trainers.

Trainer	Location	Horses	Month (2024/25)	Gallops
	Longford	3	July	1,155
	Longford	2	August	1,261
	Longford	3	September	1,243
	Longford	3	October	1,522
	Longford	18	November	1,349
	Longford	9	December	1,462
	Longford	1	January	1,495
	Longford	3	February	1,320
	Longford	43	March	1,295
	Longford	3	April	1,402
	Longford	4	May	1,445
	Longford	7	June	1,219
Total		99	Total	16,168

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2.3 FINANCIAL ANALYSIS OF FACILITIES & CLUB ADMINISTRATION

2.3.1 Historical Cost of Facilities & Club Administration

Before we consider potential models for facility & club optimisation, it is important to understand the historical costs associated with each facility, and the underlying basis of the relevant expenditure.

The following analysis will seek to bring together several sources of financial information all relevant to better understanding the consolidated financial impact of each facility and Thoroughbred Racing Club, including:

- Individual Club Annual Reports;
- Tasracing Raceday costs (allocated across each Race Meeting); and
- Tasracing Non-Raceday Costs & Income (apportioned across each Club).

This analysis does not take into account Stakes money offered at each race meeting, nor wagering income (race fields & POCT) generated off each race. These will be considered in the next section where we look at various optimised models.

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Individual Club Annual Reports:

We have reviewed the Annual Reports of all thoroughbred clubs over FY24 and FY25 and characterised income and expenditure as presented into comparable categories across all clubs as follows:

Annual Profit & Loss Statements: All Tasmanian Thoroughbred Clubs (FY25)(\$)

	TTC	TRC	DRC	Longford	KIRC	Brighton	Total
INCOME							
Food & Beverage	513,848	1,172,175	17,195		41,046		1,744,264
Wagering & Associated	23,331	1,400	7,524		0		32,255
Race Day Income (excl F&B)	395,922	114,241	266,818		18,215		795,196
Membership & Merchandise	37,285	33,188	11,195		3,872		85,540
Investments & Interest	57,455	3,592	6,479		1,706		69,232
Tasracing Contributions	0	0	0		0		0
Sponsorship	247,772	208,649	123,582		77,200		657,203
Grants & Sundry Income	46,831	0	0		11,250		58,081
Nomination & Acceptances	160,945	0	0		0		160,945
Reimbursements & Recoveries	276,534	211,089	0		0		487,623
Rental & Hire Fees	233,430	12,500	0		0		245,930
Miscellaneous & Other	0	59,024	2,807		10,403		72,234
TOTAL INCOME	1,993,353	1,815,858	435,600		163,692		4,408,503
EXPENSES							
Accounting/Legal/Insurance	(347,567)	(45,514)	(778)		(2,012)		(395,871)
F&B Cost of Sale (Incl Wages)	(404,691)	(590,395)	(506)		(17,929)		(1,013,521)
Marketing & Promotion	(142,631)	(7,716)	(26,063)		(6,785)		(183,195)
Staffing Costs (& Associated)	(685,538)	(777,072)	(61,576)		0		(1,524,186)
Race Day Costs (excl. F&B)	(62,402)	(37,010)	(162,112)		(134,449)		(395,973)
Administration & Utilities	(133,819)	(17,681)	(32,257)		(2,158)		(185,915)
Rent	0	0	0		(573)		(573)
Donations	0	(15,755)	0		0		(15,755)
Equipment(Purchase & Hire)	(158,275)	(204,946)	0		(988)		(364,209)
Repairs & Maintenance	(10,982)	0	(200,029)		(3,279)		(214,290)
Licenses & Subscriptions	0	(10,638)	0		(16,250)		(26,888)
Sponsor Expenses	0	(9,422)	0		0		(9,422)
Member Expenses	(13,910)	0	0		0		(13,910)
Stakes & Trophies	(40,346)	(13,849)	0		0		(54,195)
Vet Costs	0	0	0		0		0
Miscellaneous Costs	(46,457)	(77,238)	(7,885)		0		(131,580)
Depreciation	(96,853)	(224,342)	(16,080)		(8,095)		(345,370)
TOTAL EXPENSES	(2,143,471)	(2,031,578)	(507,286)		(192,518)		(4,874,853)
PROFIT/(LOSS)	(150,118)	(215,720)	(71,686)		(28,826)		(466,350)

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Separately, we note below those Tasracing Investments made to each of the clubs. We proceed on the assumption that these investments have been included by relevant as income in their respective Annual Reports, albeit are treated and categorised differently by each club .

Tasracing Investment (FY25)	TTC	TRC	DRC	Longford	KIRC	Brighton	TOTAL
Meeting Payments	0	0	0		(19,172)		(19,172)
Oncourse Commission	(22,719)	(10,236)	(13,356)		0		(46,311)
Maintenance Grant	0	0	0		0		0
Sponsorship & Marketing	(120,000)	(85,000)	(125,000)		(20,227)		(350,227)
TOTAL	(142,719)	(95,236)	(138,356)		(39,399)		(415,710)

Tasracing Raceday Costs

Over and above each Clubs reported profit and loss statements, many of the operational costs associated with the running of each Race Meeting have been internalised and borne by Tasracing, and accordingly it is important to recognise these costs attributed across each relevant Racing Club associated with a Race Meeting. These have been itemised by Tasracing & allocated on a per club basis.

Tasracing Raceday Costs (FY25)	TTC	TRC	DRC	Longford	KIRC	Brighton	TOTAL
4149 - Raceday allowance	(1,925)	(8,155)	(8,640)		-		(18,720)
4150 - Ambulance - Rac	(72,212)	(63,859)	(45,031)		(6,204)		(187,306)
4153 - SMS Fees	-	-	-		-		0
4156 - Wages Race Day	(240,633)	(253,503)	(194,192)		(5,185)		(693,513)
4157 - Contractors Rac	(111,805)	(115,166)	(75,481)		(6,357)		(308,809)
4158 - Trial Riding Fe	(38,500)	(30,450)	(38,067)		(1,890)		(108,907)
4160 - Trial Contractor	(13,906)	(10,713)	(9,323)		-		(33,942)
4161 - Club Catering C	-	-	-		-		0
4162 - Superannuation	(25,326)	(26,510)	(22,093)		(790)		(74,719)
4163 - Race Day Food a	(23,289)	(24,325)	(20,688)		-		(68,302)
4166 - Charter Flights	-	-	-		(49,559)		(49,559)
4174 - Ambulance - Tri	(18,338)	(12,531)	(10,694)		(1,362)		(42,925)
TOTAL	(545,934)	(545,212)	(424,209)		(71,347)		(1,586,702)

Tasracing Non-Raceday Club Costs & Income

Finally we have analysed internal non-raceday costs incurred by Tasracing that are attributable to a club or their associated facility (and code). The detailed summary of these items is contained in **Schedule A**.

Non-Raceday Club P&L (FY25)	TTC	TRC	DRC	Longford	KIRC	Brighton	TOTAL
INCOME							
Total Income	0	0	22,029	0	0	141,406	163,435
EXPENSES							
Total Expenses	(978,156)	(1,138,545)	(741,345)	(678,898)	(214,569)	(772,830)	(4,524,343)
PROFIT/(LOSS)	(978,156)	(1,138,545)	(719,316)	(678,898)	(214,569)	(631,424)	(4,360,908)

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Consolidated Club Financial Performance (FY25)

Bringing each of the above analysis together, we summarise each club and facility (Longford & Brighton) consolidated financial performance as follows:

	TTC	TRC	DRC	Longford	KIRC	Brighton	TOTAL
Club P&L Reporting	(150,118)	(215,720)	(71,686)	0	(28,826)	0	(466,350)
Tasracing Investment	Assume investment included in Club Annual Reports as Income						
Tasracing Race Day Costs	(545,934)	(545,212)	(424,209)	0	(71,347)	0	(1,586,702)
Non-Raceday Club P&L	(978,156)	(1,138,545)	(719,316)	(678,898)	(214,569)	(631,424)	(4,360,908)
PROFIT/(LOSS)	(1,674,208)	(1,899,477)	(1,215,211)	(678,898)	(314,742)	(631,424)	(6,413,960)
Races*	208	201	129	8	30		
Per Race Conducted	\$8,049	\$9,450	\$9,420		\$10,491	NA	

*We note these are the total races conducted over the racing season (1 August to 31 July), as opposed to financial analysis conducted over the traditional financial year (1 July to 30 June), however believe it provides a comparative analysis between clubs.

Not by design, when taking into account financial performance as a function of races conducted, all clubs perform in a similar fashion, with the TTC (Mowbray) most economic on a per race basis, approximately 15% more efficient than TRC (Elwick) and DRC (Spreyton). King Island Race Club remain the least efficient on a cost per race basis.

Stakes & Racefields Income Overlay

If we then overlay both the impact of Stakes and Racefields wagering income to the facility view, this will provide an accurate picture of the facility by facility per race impact on the racing industry as a whole.

	TTC	TRC	DRC	LONGFORD	KIRC	BRIGHTON
(LOSS) AS PER ABOVE	(1,674,208)	(1,899,477)	(1,215,211)	(678,898)	(314,742)	(631,424)
Stakes (24/25)	(\$6,864,000)	(\$6,528,000)	(\$3,515,000)	(\$150,000)	(\$103,900)	
Racefields (24/25)	\$4,437,649	\$3,224,115	\$1,873,462	\$88,914	0	
TOTAL	(\$4,100,559)	(\$5,203,362)	(\$2,856,749)	(\$739,984)	(\$418,642)	
Races*	208	201	129	8	30	
Per Race Conducted	\$19,714	\$25,887	\$22,145	NA	\$13,955	NA

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2.3.2 Club Balance Sheet Analysis

Please see below a consolidated Balance Sheet analysis of each of the thoroughbred racing Clubs.

	TTC	TRC	DRC	KIRC	TOTAL
ASSETS					
Cash and Cash Equivalents	\$471,061	\$378,573	\$439,077	\$153,607	1,442,318
Trade & Other Receivables	\$124,195	\$107,314	\$14,973	\$3,212	249,694
Other Current Assets / Inventory	\$33,264	\$35,934	\$2,785	\$1,215	73,198
Total Current Assets	\$628,520	\$521,821	\$456,835	\$158,034	1,765,210
Property, Plant & Equipment (Net)	\$3,227,853	\$11,310,214	\$130,105	\$65,221	14,733,393
Other Non-Current Assets	\$15,142	\$1,211,905	—	—	1,227,047
Total Assets	\$3,871,515	\$13,043,940	\$586,940	\$223,255	17,725,650
LIABILITIES					
Trade & Other Payables	\$357,105	\$250,117	\$25,117	\$8,212	640,551
Provisions (Current)	\$162,114	\$137,212	\$3,285	—	302,611
Other Current Liabilities	\$45,117	\$65,221	\$1,215	\$3,450	115,003
Total Current Liabilities	\$564,336	\$452,550	\$29,617	\$11,662	1,058,165
Non-Current Provisions	\$32,117	\$42,550	—	—	74,667
Total Liabilities	\$596,453	\$495,100	\$29,617	\$11,662	1,132,832
NET ASSETS / EQUITY	\$3,275,062	\$12,548,840	\$557,323	\$211,593	16,592,818
FINANCIAL RATIOS					
Current Ratio	1.11	1.15	15.42	13.55	31
Debt to Equity Ratio	0.18	0.04	0.05	0.06	0

2.3.3 Requested, Projected and Approved Capital Expenditure

Please see at **Schedule B** the Tasracing 5 Year CAPEX Development Plan as at November 2025.

Below we summarise the totals currently applicable to each of the racing Clubs (and their associated facilities) for FY26 through FY30.

		Projected Capital Expenditure (FY26 through FY30) (\$M)					
		TTC	TRC	DRC	LONGFORD	KIRC	BRIGHTON
Mission Critical	1	0.58	0.15	7.50	0	0	0
Urgent	2	0.39	5.60	0.85	0.50	0	0.12
Non-Urgent	3	0	0	0	0	0	0.02
TOTAL		0.97	5.75	8.35	0.50	0	0.14

The two (2) most significant Capex items of note are the Fibre Replacement of the Tapeta Track at **Spreyton** (≈\$7.5M, Critical), and Horse Stall upgrades at **Elwick** (≈\$5.0M, Urgent).

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2.3.4 Observations

Duplications and inefficiencies plague the current club related structures responsible for the delivery of thoroughbred racing in Tasmania, significantly impacting overall costs to the industry, cost per race delivery, and adding unwarranted layers of complexity to an overburdened administration. These are summarised below.

Administrative Duplication

- Separate governance boards/committees
- Duplication of administrative staff functions (bookkeeping, HR, compliance)
- IT systems and infrastructure duplication
- Insurance and professional services duplication
- Marketing and communications duplication
- Membership management system duplication

Operational Duplication

- Food and beverage procurement (lack of bulk purchasing power)
- Equipment and supplies procurement
- Contractor and service provider duplication
- Staff training and development programs
- Volunteer recruitment and management

Facility-Related Inefficiencies

- Under-utilized and over maintained facilities
- Over-serviced regions
- Maintenance cost duplication across nearby venues
- Amenity and equipment duplication

Financial Impact of Duplication

- Additional costs due to fragmentation
- Lost economies of scale opportunities
- Significant inefficiencies

Accordingly, in order to address the observations above, and taking into account historical and projected racing, operational and financial data, in the following section we step through several alternative models to determine the most appropriate operating model for Thoroughbred racing in Tasmania.

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2.4 Analysis of Models for Thoroughbred Facility and Club Administrations

2.4.1 Models to be considered

For the purposes of this analysis we have considered a variety of potential models that could be adopted for Facility operational and Club Administration in the Tasmanian Thoroughbred Industry, always taking into account the racing needs of the thoroughbred racing population and stakeholders, the capacity of clubs, with the overlay of financial impact of implementation.

Accordingly, we have identified the following structural options to be considered, where applicable looking at both Model A and Model B Race Meeting projections:

MODEL A	MODEL B		MODEL C	MODEL D	MODEL E
Enhanced Status Quo	North & South Consolidation		Consolidation by Code	Consolidation by Location ⁵	Tasracing Integration
	B1: Maintain both venues for racing	B2: Mowbray racing & Spreyton training			
Maintain current structures and facilities, but optimise efficiencies between parties	Optimise TRC and DRC into a single entity managing both venues for racing (and training).	Optimise TRC and DRC into a single entity, consolidating racing at Mowbray, training at Spreyton.	Optimise TRC, TTC and DRC into a single entity, consolidating racing at Elwick and Mowbray.	Model B2 plus incorporation of North and South Harness Clubs into single North and South Racing Clubs.	All Clubs to be absorbed into a central Club Division within Tasracing, and racing optimised across single north and south facilities.

Additionally, within the analysis of each of the above models, we will also consider the application of both race & meeting projection models presented in Section 2.1.4 namely:

- Base Projection; and
- Strategic Reduction Projection.

Unless otherwise stated, these race projection models provide as follows for FY27 and FY28⁶.

Base Projection												
	TTC		TRC		DRC		LONGFORD		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	24.3	23.7	23.3	22.7	14.6	14.2	1	1	0	0	63.1	61.6
Races	202	197	193	189	121	118	8	8	0	0	524	512

Strategic Reduction Projection												
	TTC		TRC		DRC		LONGFORD		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	22.2	21.7	21.3	20.9	13.3	13.0	1	1	0	0	57.8	56.5
Races	185	180	177	173	111	108	8	8	0	0	480	469

⁵ Please note. Consolidation by Location & Tasracing Integration Models will be addressed in detail following discussion of various Harness Industry optimisation models given they both involve multi-code consolidation.

⁶ In order to estimate facility by facility race meetings, we have worked backward from the Total Projected race meetings and races and apportioned these across venues in the same proportion as Season 24/25. You will note the use of decimals as partial races and meetings – rather than determine which facility should be rounded up or down, we have used these partial meetings and races in our analysis on the understanding the impact will even out.

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2.4.2 Model A: Enhanced Status Quo

Description

- Maintain current club structure, albeit review (reduce) the frequency of race meetings in line with projected horse population and a more efficient and appropriate race model (**Base Projection** and **Strategic Reduction Projection**).
- Review efficacy of King Island Racing ongoing
- Retain existing facility operations
- Implement small-scale efficiency measures

Efficiency Opportunities

- Shared procurement arrangements
- Joint marketing program
- Shared services pilot programs (Professional Services, Finance)
- Technology platform standardization
- Collaborative training programs
- Best practice sharing

Model A	
Advantages	Disadvantages
• Minimal disruption to current operations • Preserves club identity and community connections • Low implementation risk • Maintains existing governance structures • Limited stakeholder resistance • Quick wins achievable	• Limited financial savings • Retains most structural inefficiencies • Continued duplication of administrative overhead • Fragmented decision-making • Difficulty achieving strategic coordination • Competitive rather than collaborative culture may persist

Structural & Financial modelling

Model A
Assumptions
No impact on professional costs, insurance, banking & administration costs (Accounting, Audit, Legal & Associated). Maintain separate structures require and costs to still be incurred.
Joint procurement food and beverage services (5% cost reduction)
Joint Marketing Program (5% cost reduction)
Shared Services Program to optimise workforce (20% impact of Total Staffing Costs)
Joint procurement/purchase/lease/sharing of Equipment (25% cost reduction)
Race Day income and costs adjusted to projected race meetings (albeit recognising maintenance of Cup days and disproportionate contribution to both line items). ⁷ Any reduction in race days absorbed equally across Clubs (noting projected KI discontinuance set out below)
King Island racing discontinued (sponsorship & marketing from Tasracing redistributed).
No impact Repairs & Maintenance
Reduction in Tasracing Raceday costs proportionate to projected race day reductions
Reduction in Prizemoney & Racefields Income proportionate to projected race reductions
No Reduction in Tasracing Non-Raceday costs (save for King Island costs)

⁷ Due to the disproportionate contribution of Devonport, Launceston and Hobart Cups to corresponding Clubs Raceday F&B costs and incomes, after weighing such costs for any reduction in races we have included on 25% of any such reduction in both line items.

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Projected Financial Impact

In order to assess each model, we have assessed the projected financial impact of each model against the **Consolidated Club Financial Performance (FY25)** as set out in Section 2.3.1, as well as considering impact on Stakes expenditure, Racefields Income, and projected Capital Expenditure by Club or Facility.

Please see attached at **Schedule A** detailed analysis of the **Financial Impact of Model A: Enhanced Status Quo (Base)**. We summarise these financial impacts as follows:

BASE	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(206,320)	(202,488)	(231,874)	(227,792)	(11,798)	(11,040)	(224,272)	(224,272)	(674,263)	(665,592)
Raceday Costs	(15,958)	(28,557)	(15,937)	(28,519)	(38,138)	(47,316)	(71,347)	(71,347)	(141,380)	(175,738)
Non-Raceday Costs	0	0	0	0	0	0	(214,569)	(214,569)	(214,569)	(214,569)
Stakes & Wagering	(75,375)	(129,214)	(123,659)	(196,488)	(102,780)	(138,018)	(103,900)	(103,900)	(405,713)	(567,621)
Capex Impact	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(297,653)	(360,258)	(371,469)	(452,799)	(152,715)	(196,374)	(614,088)	(614,088)	(1,435,925)	(1,623,519)

We estimate that the **Enhanced Status Quo Model** conducted the **Base** race schedule would achieve **\$1.435M** cost saving in FY27, increasing to **\$1.623M** in FY28.

Please see attached at **Schedule B** detail analysis of the **Financial Impact of Model A: Enhanced Status Quo (Strategic Reduction)**. We summarise these financial impacts as follows:

STRATEGIC	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(192,780)	(189,459)	(217,735)	(214,267)	(9,120)	(8,463)	(224,272)	(224,272)	(643,907)	(636,461)
Raceday Costs	(60,473)	(71,391)	(60,393)	(71,297)	(70,566)	(78,519)	(71,347)	(71,347)	(262,778)	(292,555)
Non-Raceday Costs	0	0	0	0	0	0	(214,569)	(214,569)	(214,569)	(214,569)
Stakes & Wagering	(272,785)	(322,138)	(390,701)	(457,461)	(231,988)	(264,290)	(103,900)	(103,900)	(999,374)	(1,147,789)
Capex Impact	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(526,037)	(582,988)	(668,828)	(743,025)	(311,674)	(351,273)	(614,088)	(614,088)	(2,120,627)	(2,291,373)

We estimate that the **Enhanced Status Quo Model** conducted the **Strategic Reduction** race schedule would achieve **\$2.12M** cost saving in FY27, increasing to **\$2.291M** in FY28.

Observations

- The cessation of racing at King Island, consistent across all models, contributes ≈\$614K of this impact.
- Staffing optimisation at 20% level has largest impact in terms of cost impact at Club level (\$304K across TTC, TRC & DRC), but will be a key implementation challenge. Raceday income reduced slightly from decreased schedule, but associated cost reductions greater.

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- Key difference between Base and Strategic Reduction Models is the impact on stakes and racefields revenue from the decreased schedule (increasing from Base (\$\$405K) impact to Strategic Reduction (\$999K) impact). A consideration for Tasracing may be to redirect some of the funds from Strategic Reduction back into remaining prizemoney to fund any annual increase.
- In reality, across both the Base and Strategic Reduction models in Model A, approximately 20% (≈\$420K) of the financial cost impact in the Base model is generated through better club generated efficiencies, with the balance related to schedule reduction impact (raceday costs, stakes v wagering differential) and King Island racing cessation. This drops to 18.9% in Strategic Reduction scenario.

Risk Assessment

- **LOW** implementation risk, with medium financial impact
- Limited transformation impact
- Opportunity cost of not pursuing deeper reform

Implementation Considerations

- Voluntary vs. mandated efficiency programs
- Incentive structures for collaboration
- Timeline for efficiency initiatives
- Governance of any shared services

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2.4.3 Model B: North & South Club Consolidation

Description

- This model would combine the TTC and DRC into a single entity, looking to achieve further administrative efficiencies over and above Model A.
- There are two variants of this Model B:
 - **Model B1:** Consolidate operations of TRC and DRC into a single entity and maintain racing at both venues in line with projected horse population and a more efficient and appropriate race model (**Base Projection** and **Strategic Reduction Projection**); and
 - **Model B2:** Consolidate operations of TRC and DRC into a single entity, however cease racing at Spreyton which will become a dedicated training venue, and consolidate racing into Mowbray, requiring a commensurate increase in race meetings at both Mowbray and Elwick in line with projected horse population and a more efficient and appropriate race model (**Base Projection** and **Strategic Reduction Projection**).
- Review efficacy of King Island Racing ongoing.
- Implement all other efficiency opportunities as detailed in Model A

Model B1	Model B2
Advantages	Advantages
• Incremental disruption to current operations • Potential for Club collaboration and support implementing. • Addresses short term risk associated with largely volunteer led DRC. • Limited stakeholder resistance • Sharing expertise, costs and services across major carnivals. • Consolidated decision making	• All advantages of Model B1. • Enhanced per race wagering return at both Mowbray & Elwick for transferred meetings. • Maintain all training relationships and outputs • Opportunity to reduce significant necessary Capital Expenditure on Spreyton Track⁸ • Reduction in ongoing maintenance costs for a training only venue.
Disadvantages	Disadvantages
• Potentially compromises club identity and community connections (depending on structure, name and location of new club). • Only minor additional cost efficiencies over Model A given the existing lean operating model of DRC. • Does not address significant maintenance and capital expenditure to continue racing at both venues.	• Compromises DRC identity and community connections, with necessary loss of Devenport Cup from the Spreyton home. • Removes an All Weather option from the potential facility rotation should weather events or surface issues compromise turf meetings at Elwick or Mowbray in the future.

⁸ The assumption that maintaining Spreyton as a pure Training facility may reduce or alleviate the need for a new track at Spreyton, and allow potential other lower cost options to be explored, needs to be further investigated.

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Structural & Financial modelling

In building out the financial modelling and potential financial impact we have applied the following assumptions:

Model B1 Assumptions	Model B2 Assumptions
At a minimum, all efficiency opportunities identified in Model A	
Centralisation of TTC and DRC professional costs, insurance, banking and administration costs (Accounting, Audit, Legal and Associated).	
Centralisation of workforce (assume permanent staffing out of TRC)	
Race Day income and costs adjusted to projected race meetings (albeit recognising maintenance of Cup days and disproportionate contribution to both line items). ⁹	
Reduction in Tasracing Raceday costs proportionate to projected race day reductions	
Reduction in Prizemoney and Racefields Income proportionate to projected race reductions	
Joint procurement food and beverage services (25% cost reduction)	Tavern at DRC ceases operation (removal of lease income and any associated costs)
Centralisation of Marketing Program efficiencies already built in from Model A	DRC no marketing costs
Centralisation procurement/purchase/lease/sharing of Equipment (40% cost reduction)(*NB DRC have not Equipment expense listed)	Nil raceday costs and income at Devonport, with income and costs shifted proportionately to Elwick and Mowbray hosting races.
King Island Racing Discontinued (sponsorship and Marketing from Tasracing redistributed to remaining clubs).	Devonport Cup to be staged at Mowbray, with significant reduction in staging costs efficiencies achieved across Launceston Cup and Devonport Cup. ¹⁰ TTC assumes DRC Raceday costs.
No Impact Repairs & Maintenance	Maintenance costs at Spreyton reduced by 25%
No Reduction in Tasracing Non-Raceday costs (save for King Island costs)	Some reduction in Tasracing Non-Raceday costs at Spreyton
	Increase Legal & Insurance costs at TTC and TRC by 10% (additional race days)
	Increase Marketing & Promotion Costs at TRC and TTC by 10%
	Staffing Costs at TTC & TRC at Model A Efficiency (despite Additional Days)
	Tasracing continues to generate Non-Raceday income from Spreyton Box Rentals
	Tasracing reduce Non-Raceday Spreyton Labour costs by 40%, and all other Non-Raceday costs at Spreyton by 25%.
King Island Capital Expenditure removed	Spreyton Capital Expenditure on the Tapeke Track reduced by 75% allowing for alternative restoration methods.

⁹ Due to the disproportionate contribution of Devonport, Launceston and Hobart Cups to corresponding Clubs Raceday F&B costs and incomes, after weighing such costs for any reduction in races we have included on 25% of any such reduction in both line items.

¹⁰ We note that the scheduling of the Launceston Cup and Devonport Cup should ensure such efficiencies in staging can be optimised, with both Cups to be staged within one fortnight of each other.

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Projected Financial Impact: **Model B1**

Projected financial impact is assessed against the **Consolidated Club Financial Performance (FY25)** as set out in Section 2.3.1, as well as considering impact on Stakes expenditure, Racefields Income, and projected Capital Expenditure by Club or Facility.

Please see attached at **Schedule C** detailed analysis of the **Financial Impact of Model B1: North & South Consolidation (Both Racing)** (Base). We summarise these financial impacts as follows:

BASE	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(206,320)	(202,488)	(231,874)	(227,792)	(105,546)	(104,668)	(224,272)	(224,272)	(768,011)	(759,220)
Raceday Costs	(15,958)	(28,557)	(15,937)	(28,519)	(38,138)	(47,316)	(71,347)	(71,347)	(141,380)	(175,738)
Non-Raceday Costs	0	0	0	0	0	0	(214,569)	(214,569)	(214,569)	(214,569)
Stakes & Wagering	(75,375)	(129,214)	(123,659)	(196,488)	(102,780)	(138,018)	(103,900)	(103,900)	(405,713)	(567,621)
Capex Impact	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(297,653)	(360,258)	(371,469)	(452,799)	(246,463)	(290,002)	(614,088)	(614,088)	(1,529,674)	(1,717,148)

We estimate that the **Model B1: North & South Consolidation (Both Racing)** (Base) model would achieve **\$1.529M** cost saving in FY27, increasing to **\$1.717M** in FY28.

Please see attached at **Schedule D** detail analysis of the **Financial Impact of Model B1: North & South Consolidation (Both Racing)** (Strategic Reduction). We summarise these financial impacts as follows:

STRATEGIC	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(192,780)	(189,459)	(217,735)	(214,267)	(149,768)	(149,108)	(224,272)	(224,272)	(784,554)	(777,106)
Raceday Costs	(60,473)	(71,391)	(60,393)	(71,297)	(70,566)	(78,519)	(71,347)	(71,347)	(262,778)	(292,555)
Non-Raceday Costs	0	0	0	0	0	0	(214,569)	(214,569)	(214,569)	(214,569)
Stakes & Wagering	(272,785)	(322,138)	(390,701)	(457,461)	(231,988)	(264,290)	(103,900)	(103,900)	(999,374)	(1,147,789)
Capex Impact	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(526,037)	(582,988)	(668,828)	(743,025)	(452,322)	(491,918)	(614,088)	(614,088)	(2,261,275)	(2,432,019)

We estimate that the **Financial Impact of Model B1: North & South Consolidation (Both Racing)** (Strategic Reduction) model would be **\$2.261M** in FY27, increasing to **\$2.422M** in FY28.

Observations

- Given nature of DRC lean operations, financial impact versus Model A is limited (≈\$95K), made up of the absorption of DRC staffing costs into TTC and elimination of administration expenses.
- Again, across both the Base and Strategic Reduction models in Model B1, the majority of financial cost impact is generated through schedule reduction impact (raceday costs, stakes v wagering differential) and King Island racing cessation, however club efficiencies now account for ≈35.5% Base impact, or ≈24.8% Strategic Reduction.

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Implementation Considerations	
Legal & Governance	Operational
• Incorporation of a new entity, or transition of DRC & TTC into an existing agreed structure • Brand and naming considerations • Constitutional arrangements • Board composition and election processes • Member transition and rights • Asset and liability consolidation • Employment transitions (if required)	• Technology platform integration • Brand transition strategy • Membership system consolidation • Volunteer program redesign
Stakeholder Management	Risk Assessment
• Community consultation process • Member communication and engagement • Volunteer retention strategies • Historical club legacy recognition	• Moderate implementation complexity • Stakeholder resistance from local clubs (LOW) • Loss of community engagement (MEDIUM) • Volunteer attrition risk (MEDIUM) • Brand transition risk (MEDIUM)

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Projected Financial Impact: **Model B2**

Model B2 does vary significantly from Model B1 in that it proposes the cessation of racing from Spreyton, with all races to be absorbed proportionately by Elwick and Mowbray (and Devonport Cup meeting at Mowbray), and Spreyton to continue as a Training facility only.

This has the following impact of race modelling utilised in both the Base Model and Strategic Reduction Model as follows:

Base Projection												
	TTC		TRC		DRC		LONGFORD		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	31.6	30.8	30.6	29.9	0.0	0.0	1	1	0	0	63.1	61.6
Races	262	256	254	248	0	0	8	8	0	0	524	512

Strategic Reduction Projection												
	TTC		TRC		DRC		LONGFORD		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	28.9	28.3	28.0	27.4	0.0	0.0	1	1	0	0	57.8	56.5
Races	240	235	233	227	0	0	8	8	0	0	480	469

Projected financial impact is assessed against the **Consolidated Club Financial Performance (FY25)** as set out in Section 2.3.1, as well as considering impact on Stakes expenditure, Racefields Income, and projected Capital Expenditure by Club or Facility.

Please see attached at **Schedule E** detailed analysis of the **Financial Impact of Model B2: North & South Consolidation (Racing Mowbray Only)** (Base). We summarise these financial impacts as follows:

BASE	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(357,896)	(352,914)	(341,717)	(336,465)	94,416	94,416	(224,272)	(224,272)	(829,469)	(819,235)
Raceday Costs	143,035	126,657	149,461	132,948	(424,209)	(424,209)	(71,347)	(71,347)	(203,060)	(235,951)
Non-Raceday Costs	0	0	0	0	(256,550)	(256,550)	(214,569)	(214,569)	(471,119)	(471,119)
Stakes & Wagering	629,918	559,927	870,162	774,573	(1,641,538)	(1,641,538)	(103,900)	(103,900)	(245,357)	(410,937)
Capex Impact	0	0	0	0	(6,262,500)	0	0	0	(6,262,500)	0
TOTAL IMPACT	415,057	333,670	677,907	571,056	(8,490,381)	(2,227,881)	(614,088)	(614,088)	(8,011,505)	(1,937,242)

We estimate that the **Model B2: North & South Consolidation (Racing Mowbray Only)** (Base) model would achieve **\$1.749M** cost saving in FY27, increasing to **\$1.937M** in FY28. Additionally, we have identified potential Capital Expenditure impact of (\$6.262M) subject to assumptions discussed below.

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Please see attached at **Schedule D** detailed analysis of the **Financial Impact of Model B2: North & South Consolidation (Racing Mowbray Only)** (Strategic Reduction). Please see summary below:

STRATEGIC	TTC		TRC		DRC		KIRC		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(340,293)	(335,976)	(323,160)	(318,608)	94,416	94,416	(224,272)	(224,272)	(793,309)	(784,440)
Raceday Costs	85,166	70,971	91,113	76,801	(424,209)	(424,209)	(71,347)	(71,347)	(319,277)	(347,783)
Non-Raceday Costs	0	0	0	0	(256,550)	(256,550)	(214,569)	(214,569)	(471,119)	(471,119)
Stakes & Wagering	373,285	309,126	519,670	432,047	(1,641,538)	(1,641,538)	(103,900)	(103,900)	(852,483)	(1,004,265)
Capex Impact	0	0	0	0	(6,262,500)	0	0	0	(6,262,500)	0
TOTAL IMPACT	118,157	44,122	287,623	190,240	(8,490,381)	(2,227,881)	(614,088)	(614,088)	(8,698,688)	(2,607,607)

We estimate that the **Model B2: North & South Consolidation (Racing Mowbray Only)** (Strategic Reduction) model would achieve **\$2.436M** cost saving in FY27, increasing to **\$2.607M** in FY28. Additionally, we have identified potential Capital Expenditure impact of (\$6.262M) subject to assumptions discussed below.

Observations

Some significant observations should be made regarding this model:

- Firstly, significant changes to the racing schedule, and increases in racing at both Mowbray and Elwick, contribute to favourable impact on the P&L at both venues through a combination of enhanced raceday revenues, but also continued efficiencies of scale. These are offset by increased Tasracing Raceday costs associated with the staging of those races (largely simply absorbing Raceday costs from Spreyton), and the increased differential in wagering and stakes revenue at these venue from more racing product.
- It should also be noted that the net impact of moving races from Spreyton to a combination of Elwick & Mowbray is net negative on two fronts:
 - Firstly, we have used historical Race Day costs and proportionately increased or decreased these with projected race meetings. As both Elwick and Mowbray are marginally more expensive per race in terms of Raceday costs, the transfer of races to these venues has a slightly unfavourable result (≈\$70K).
 - Secondly, due to the per race differential for each venue between average racefields revenue received and average stakes paid. Whilst both Elwick and Mowbray generate more per race revenue, they also offer greater average stakes. Whilst the average per race differential at Spreyton (\$12,725) is higher than Mowbray (\$11,665), it is significantly less than Elwick (\$16,437). Given Spreyton meetings have been equally divided, the high differential at Elwick has contributed to the net negative impact. Should more meetings be moved to Mowbray, this would neutralise the result.
- Ultimately, the net impact on DRC Club P&L (Spreyton) costs are unfavourable, as whilst most costs are removed, ongoing maintenance and repairs have been retained, but all income sources now transferred to TRC and TTC. These are offset however by the assumed reduction in Non-Raceday Labour required ongoing (40%), and assumed reduction in other Non-Race Day costs (25%).
- Across both the Base and Strategic Reduction models in Model B2, overall net financial impact on Club P&L has improved as against Model A and Model B1, and also now account for 34.5%

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total financial impact on a Base model and 23.3% at a Strategic Reduction model (each excluding Capital Expenditure impacts).

- Ultimately, whilst Model B2 does deliver a significantly favourable financial impact, its most significant benefit lies in the assumption that currently required significant capital expenditure on the Spreyton Tapeta Track can be substituted for a lower cost maintenance option if we were to cease racing on the surface, and use only for training purposes. This assumption needs to be fully tested, and a better understanding reached as to alternative options and costings should this model be considered. This model currently assumes an alternative expenditure of \$2.1M at Spreyton under Model B2.

Implementation Considerations	
Legal & Governance	Operational
• Incorporation of a new entity, or transition of DRC & TTC into an existing agreed structure • Brand and naming considerations • Constitutional arrangements • Board composition and election processes • Member transition and rights • Asset and liability consolidation • Employment transitions (if required)	• Technology platform integration • Brand transition strategy • Membership system consolidation • Volunteer program redesign
Stakeholder Management	Risk Assessment
• Community consultation process • Member communication and engagement • Volunteer retention strategies • Historical club legacy recognition	• Moderate implementation complexity • Stakeholder resistance from local clubs (MEDIUM) • Loss of community engagement (MEDIUM to HIGH) • Volunteer attrition risk (MEDIUM to HIGH) • Brand transition risk (MEDIUM to HIGH)

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2.4.4 Model C: Consolidation by Code

Description

- a single Thoroughbred Racing Club, to administer all Thoroughbred Racing Facilities in Tasmania – namely Elwick, Mowbray & Longford;
- a single racing club governance board;
- Centralised administration with regional/facility-based operational teams.
- Cessation of King Island Racing ongoing
- Cessation of racing and training out of Spreyton, and deregistration of DRC (but retention of Devonport Cup);
- Expansion of Training facilities and capacity at Longford and Brighton (as required).

Efficiency Opportunities

Model C	
Advantages	Disadvantages
• Code-specific expertise retained • Strong alignment with code-based participant communities • Maintains code identity and culture • Significant reduction in board/governance inefficiencies and overhead • Economies of scale in administration • Enhanced bargaining power with suppliers • Consistent service standards within each code • Streamlined marketing per code • Simplified interface with Tasracing • Code-focused strategic planning	• Loss of local club identity and history • Potential loss of community connections at facility level • Regional communities may feel disconnected • Separate Code and Tasracing administrations still creates some duplication • Potential for code-based siloing • Does not optimize multi-code facility usage • Change management challenges for existing club members/volunteers • Volunteer engagement may decline • Historical assets and liabilities require consolidation

Structural & Financial modelling

From an Organisation structure perspective, this would be centralised within a single administration (location to be agreed), with a simple single administration and management as follows:

- Single racing club board and executive management
- Executive management team (CEO, CFO, CMO)
- Centralized administration (finance, HR, IT, marketing)
- Facility-based operational managers (Facilities to be discussed)
- Consolidated food and beverage operations
- Unified membership program

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Model C

Assumptions

Consistent assumption of Model B2 in so far as they relate to apportioned race days, income and costs from DRC to TTC and TRC. These race and facility related income and costs are now positioned under Mowbray and Elwick in Model Impact document, with administrative, non-raceday, non-facility related costs centralised under **New Entity**.

Closure of Spreyton. Expansion of facilities at Brighton & Longford to accommodate 100 boxes. Increase in associated related costs and Capital Expenditure.

Centralisation of workforce. Assume 40% reduction in collective staffing costs of TRC and TTC FY25

Food & Beverage Income maintained by venue as per Model B2 (assume no change under a central administration). Increased Cost of Sale reduction by 10% from Joint Procurement.

Reduction in Tasracing Raceday costs as per Model B2

Reduction in Prizemoney and Racefields Income proportionate to projected race reductions as per Model B2

Tasracing Sponsorship levels maintained into Consolidated Entity

All current Tasracing Reimbursements and recoveries maintained in Consolidated entity.

50% of total Insurance, Accounting, Legal, Banking and other professional costs incurred by TRC and TTC recognised in Consolidated entity.

Income from Investments & Interests continue to accrue to Consolidated entity

Nomination & Acceptance Fees discontinued and provided as a Tasracing Contribution to Consolidated Entity

Streamlined Marketing & Communication costs within Consolidated entity (20% Cost reduction from FY25 TTC and TRC cumulative investment)

Consolidation of Administration & Utilities costs (30% reduction)

Equipment purchase & hire costs maintained as per Model B2 (25% joint procurement cost reduction)

All other non-specified costs absorbed into Consolidated Entity

If Spreyton facility closed for trainers, assume \$1M capital expenditure required at both Longford and Brighton to accommodate additional trainers, and 40% incremental ongoing annual costs at both facilities. In the modelling below, the \$1M capital expenditure for Longford, and additional allocated Non-Raceday costs, are captured within the New Entity.

Projected Financial Impact: **Model C**

As per model B2, we will utilise the adjusted Base and Strategic Reduction race modelling. Please see attached at **Schedule F** detailed analysis of the **Financial Impact of Model C: Consolidation by Code** (Base), and Schedule G for the **Financial Impact of Model C: Consolidation by Code** (Strategic Reduction). A summary of both is set out below.

Please note, in compiling this analysis, for the purposes of comparison we have maintained all race day related incomes and costs within the TTC (Mowbray) and TRC (Elwick) structures, and consolidated all non-race day administrative costs and revenues into a new structure (entitled **New Entity**)

BASE	TTC		TRC		DRC		NEW ENTITY		KIRC		BRIGHTON		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(1,596,276)	(1,592,501)	(1,404,980)	(1,399,728)	(71,686)	(71,686)	1,699,507	1,699,507	(224,272)	(224,272)	0	0	(1,597,706)	(1,588,680)
Raceday Costs	143,035	126,657	149,461	132,948	(424,209)	(424,209)	0	0	(71,347)	(71,347)	0	0	(203,060)	(235,951)
Non-Raceday Costs	0	0	0	0	(719,316)	(719,316)	271,559	271,559	0	0	252,570	252,570	(195,187)	(195,187)
Stakes & Wagering	629,918	559,927	870,162	774,573	(1,641,538)	(1,641,538)	0	0	(103,900)	(103,900)	0	0	(245,357)	(410,937)
Capex Impact	0	0	0	0	(8,350,000)	0	0	1,000,000	0	0	1,000,000	0	(7,350,000)	1,000,000
TOTAL IMPACT	(823,323)	(905,917)	(385,356)	(492,207)	(11,206,749)	(2,856,749)	1,971,067	2,971,067	(399,519)	(399,519)	1,252,570	252,570	(9,591,310)	(1,430,755)
STRATEGIC	TTC		TRC		DRC		NEW ENTITY		KIRC		BRIGHTON		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(1,582,938)	(1,579,667)	(1,386,423)	(1,381,871)	(71,686)	(71,686)	1,699,507	1,699,507	(224,272)	(224,272)	0	0	(1,565,812)	(1,557,989)
Raceday Costs	85,166	70,971	91,113	76,801	(424,209)	(424,209)	0	0	(71,347)	(71,347)	0	0	(319,277)	(347,783)
Non-Raceday Costs	0	0	0	0	(719,316)	(719,316)	271,559	271,559	0	0	252,570	252,570	(195,187)	(195,187)
Stakes & Wagering	373,285	309,126	519,670	432,047	(1,641,538)	(1,641,538)	0	0	(103,900)	(103,900)	0	0	(852,483)	(1,004,265)
Capex Impact	0	0	0	0	(8,350,000)	0	0	1,000,000	0	0	1,000,000	0	(7,350,000)	1,000,000
TOTAL IMPACT	(1,124,488)	(1,199,569)	(775,640)	(873,023)	(11,206,749)	(2,856,749)	1,971,067	2,971,067	(399,519)	(399,519)	1,252,570	252,570	(10,282,759)	(2,105,223)

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Accordingly, we estimate that the **Model C: Consolidation by Code** (Base) model would achieve **\$2.241M** cost saving in FY27, increasing to **\$2.43M** in FY28. Additionally, we have identified potential net Capital Expenditure impact of (\$6.35M) over FY27 & FY28 subject to assumptions discussed below.

Looking at **Model C: Consolidation by Code** (Strategic Reduction) model, this would achieve **\$2.932M** cost saving in FY27, increasing to **\$3.105M** in FY28. Additionally, we have identified potential net Capital Expenditure impact of (\$6.35M) over FY27 & FY28 subject to assumptions discussed below.

Observations

Some significant observations should also be made regarding this model:

- we have discontinued Nomination Fees going direct to TTC, instead recognising this as a Tasracing Contribution to New Entity.
- Tasracing Raceday Cost reduction do not vary between Model B2 and Model C once Racing at Spreyton is discontinued. Similarly, the Stakes and Race field impact between Model B2 and C are identical. Net Capex Impact between these models is also marginal is assumptions are correct with costs relating to upgrades requires to Longford and Brighton training facilities.
- The significant difference between Model B2 and C in terms of cost impacts are:
 - Projected New Entity cost savings in terms of staffing, administration and professional services; and
 - Removal of all Tasracing Non-Raceday costs for Spreyton (even accounting for additional incremental Non-Raceday costs required at Longford & Brighton Facilities.

Implementation Considerations	
Legal & Governance	Operational
• Incorporation of a new entity, or transition of TRC, TTC & DRC into an existing agreed structure • Brand and naming considerations: Thoroughbred Racing Tasmania, Tasmanian Racing Club, Tasmanian Turf Club, Other • Constitutional arrangements • Board composition and election processes • Member transition and rights • Asset and liability consolidation • Club Deregistration and impacts • Employment transitions and impacts • Contract novation (if required)	• Technology platform integration • Brand transition strategy • Membership system consolidation • Volunteer program redesign • Consolidated Marketing Strategy • Joint procurement and tender process
Stakeholder Management	Risk Assessment
• Community consultation process • Member communication and engagement • Volunteer retention strategies • Historical club legacy recognition	• HIGH implementation complexity • Stakeholder resistance from local clubs (HIGH) • Loss of community engagement (HIGH) • Volunteer attrition risk (HIGH) • Brand transition risk (HIGH) • Employment Relations Risk (HIGH)

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SCHEDULE A TASRACING NON-RACEDAY CLUB COSTS & INCOME

	TTC	TRC	DRC	LONGFO RD	KIRC	BRIGHT ON	TOTAL
INCOME							
1200 - Stable Rent Rec	0	0	22,029	0	0	141,406	163,435
TOTAL INCOME	0	0	22,029	0	0	141,406	163,435
EXPENSES							
2100 - Salaries and Wages	(189,193)	(320,594)	(296,917)	(184,954)		(169,589)	(1,161,247)
2101 - Overtime	(27,196)	(68,226)	(61,961)	(33,796)		(20,056)	(211,235)
2104 - Casual Wages	(10,587)	(25,630)	(47,713)	(177,482)		(20,999)	(282,411)
2105 - Contract Labour	(65,295)	-	(1,661)	(22,459)		(3,799)	(93,214)
2106 - Eligible Termin	(300)	(1,150)	(8,351)	-		-	(9,801)
2107 - Annual Leave	(2,140)	(9,831)	(8,182)	-		-	(20,153)
2109 - Award Super	(26,036)	(47,988)	(45,466)	(45,639)		(24,110)	(189,239)
2110 - Long Service Le	-	(5,179)	(4,508)	-		-	(9,687)
2111 - Travel Allowance	(160)	-	(192)	-		-	(352)
2301 - External Traini	(770)	(151)	-	0	-	(380)	(1,301)
2904 - Consultants Fee	(325)	(2,638)	-	0	-	-	(2,963)
2905 - Catering	(916)	(2,682)	(91)	0	-	-	(3,689)
2908 - Entertainment	0	(16)	-	0	-	-	(16)
2909 - General Expense	(138)	(143)	-	0	-	-	(281)
2912 - Office Consumables	(24)	(3)	-	0	-	-	(26)
2913 - Equipment/Sundry	(11)	0	-	0	-	-	(11)
2914 - Printing & Stat	(556)	0	-	0	-	-	(556)
2916 - Postage & Freight	(6)	0	-	0	-	-	(6)
3209 - Interest Leases	(2,046)	(69)	(955)	(5,530)	(5,530)	(42)	(14,172)
3455 - Amort - RoU Ass	(37,320)	(7,487)	(7,256)	(40,268)	(40,268)	(7,528)	(140,127)
3670 - Travel- Intra	(2,492)	(3,983)	(4,309)	(1,434)	(1,434)	(4,181)	(17,833)
3672 - Travel - Inter	(1,875)	(1,547)	(3,745)	(611)	(611)	(2,670)	(11,058)
3673 - Overseas Travel	(61)	(7)	-	0	-	-	(67)
4351 - Communications	0	0	-	0	-	-	0
4400 - Sand	(12,864)	(13,286)	-	(8,497)	(8,497)	(12,909)	(56,053)
4401 - Summer Carnival	0	(1,336)	-	0	-	-	(1,336)
4402 - Running Rails &	(5,386)	(213)	(7,636)	0	-	(4,075)	(17,309)
4403 - Sand Greyhound	0	0	-	0	-	-	0
4404 - Smudge	0	0	-	0	-	-	0
4405 - Track Equip Hir	(12,104)	(8,880)	-	(2,749)	(2,749)	(2,800)	(29,282)
4406 - Fertiliser	(110,745)	(75,545)	(401)	(20,975)	(20,975)	(900)	(229,541)
4407 - Chemicals	(25,265)	(64,370)	(1,237)	(226)	(226)	(681)	(92,006)
4408 - Seed	(25,210)	(60,242)	(407)	(6,575)	(6,575)	-	(99,009)
4409 - Track Maintenance	(5,104)	0	(1,756)	(4,566)	(4,566)	(13,733)	(29,725)
4410 - Road Repairs	(1,150)	0	-	0	-	(2,150)	(3,300)
4411 - Consumables	(2,257)	(98)	(2,251)	(960)	(960)	(1,543)	(8,068)
4412 - Soil/Track Test	(14,507)	(14,339)	-	(344)	(344)	(548)	(30,083)

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4414 - Barrier Repairs	(5,809)	(4,629)	(5,548)	(1,995)	(1,995)	(3,083)	(23,060)
4415 - Irrigation Main	(9,509)	(18,303)	(674)	(9,482)	(9,482)	(12,510)	(59,959)
4416 - Sand - Harness	0	0	-	0	-	-	0
4417 - Equipment & Mac	(23,598)	(27,835)	(14,256)	(15,270)	(15,270)	(25,399)	(121,628)
4418 - Tools & Requisitions	(2,855)	(3,505)	(1,906)	(3,993)	(3,993)	(4,498)	(20,750)
4419 - Maintenance - S	(4,296)	0	(22,679)	(11,154)	(11,154)	(68,696)	(117,979)
4420 - Maintenance - D	(584)	(783)	(4,266)	(1,821)	(1,821)	-	(9,275)
4422 - Maintenance - B	(3,036)	(1,196)	(4,183)	(205)	(205)	(2,405)	(11,230)
4423 - Maintenance - G	(12,409)	(8,205)	(5,479)	(14,195)	(14,195)	(16,425)	(70,909)
4424 - Maintenance - Other	0	(1,719)	-	0	-	-	(1,719)
4425 - Maintenance - P	0	0	-	(330)	(330)	(37,791)	(38,451)
4427 - Maintenance - S	(2,378)	(729)	(580)	0	-	(1,162)	(4,849)
4428 - Maintenance - W	(2,254)	(1,083)	(40)	0	-	-	(3,377)
4430 - Thoroughbred Li	(48,077)	(4,246)	-	0	-	(5,135)	(57,458)
4431 - Harness Light M	0	0	-	0	-	-	0
4432 - Greyhound Light	0	0	-	0	-	-	0
4433 - Timing System	0	0	(2,740)	0	-	-	(2,740)
4434 - Greyhound Lure	0	0	-	0	-	(5,446)	(5,446)
4435 - Genset Maintenance	(1,150)	0	-	0	-	-	(1,150)
4436 - MV - Petrol & O	(3,770)	(6,660)	(4,208)	(7,932)	(7,932)	(7,631)	(38,133)
4437 - MV - Diesel	(12,873)	(11,454)	(9,412)	(6,473)	(6,473)	(14,398)	(61,083)
4438 - MV - Registrations	(3,141)	(1,803)	(1,140)	(2,641)	(2,641)	(4,135)	(15,501)
4439 - MV - Repairs &	(315)	0	(900)	0	-	-	(1,215)
4440 - Maintenance - V	(20)	(526)	(4)	(419)	(419)	-	(1,388)
4442 - Maintenance-Tractors	(4,043)	0	(503)	(4,603)	(4,603)	-	(13,752)
4443 - Electricity	(72,266)	(69,567)	(68,533)	(6,761)	(6,761)	(36,142)	(260,031)
4444 - Equip Hire Othe	(947)	(10,298)	(9,818)	(569)	(569)	(5,018)	(27,219)
4445 - Postage & Freight	(4,786)	(2,269)	(157)	(2,135)	(2,135)	(3,687)	(15,169)
4446 - Rates & Land Ta	(55,622)	(66,843)	(16,339)	(7,613)	(7,613)	(13,690)	(167,720)
4448 - Workplace Safet	(1,316)	(1,366)	(102)	(641)	(641)	(1,992)	(6,058)
4449 - Protective Clot	(2,008)	(3,934)	(3,824)	(3,185)	(3,185)	(4,387)	(20,523)
4450 - Security - Non	(6,536)	(13,085)	(492)	(2,072)	(2,072)	(30,314)	(54,571)
4451 - Office Supplies	(505)	(234)	(2,378)	(150)	(150)	(644)	(4,060)
4454 - Water Costs	(29,543)	(41,770)	(32,901)	(14,565)	(14,565)	(58,197)	(191,541)
4456 - FireCom TFS Mon	(501)	(1,154)	-	0	-	-	(1,655)
4459 - Waste Management	(9,606)	(14,442)	(6,732)	0	-	(64,854)	(95,634)
4460 - Kitchen and Cat	(2,789)	(6,216)	-	0	-	-	(9,005)
4461 - Cleaning Contra	(36,597)	(26,431)	(5,388)	(468)	(468)	(351)	(69,702)
4462 - Build Maint Off	(7,138)	(9,391)	-	(17)	(17)	-	(16,563)
4464 - HVAC Maintenance	(1,620)	(5,500)	-	0	-	(163)	(7,283)
4465 - Plumbing & Gas	(575)	(2,423)	(307)	0	-	(8,519)	(11,824)
4466 - Electrical Serv	(8,231)	(10,938)	(1,202)	(1,225)	(1,225)	(5,595)	(28,417)
4470 - Fire Exit & Eme	(184)	(2,654)	-	(407)	(407)	-	(3,652)
4471 - Escalators & Li	(4,796)	(7,406)	-	0	-	-	(12,202)
4472 - Fire Equipment	(2,465)	(7,519)	(912)	(189)	(189)	(2,702)	(13,976)
4473 - Refrigeration M	(1,273)	(2,685)	-	0	-	-	(3,958)
4476 - Automatic Door	(617)	(381)	-	0	-	-	(998)
4477 - Audio & Visual	(969)	0	-	0	-	-	(969)

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4478 - Hygiene Service	(749)	(635)	(1,531)	0	-	-	(2,915)
4479 - Gas	(2,728)	(875)	(7,216)	(1,324)	(1,324)	(1,621)	(15,089)
4480 - Painting	0	(27)	-	0	-	-	(27)
4481 - Pest Control	(1,637)	(2,192)	-	0	-	(5,761)	(9,590)
4482 - Track Maint Har	0		-	0	-	(15,552)	(15,552)
4483 - Track Maint GH	0		-	0	-	-	0
4486 - Horse Treadmill	0	0	-	0	-	(12,234)	(12,234)
TOTAL EXPENSES	(978,156)	(1,138,545)	(741,345)	(678,898)	(214,569)	(772,830)	(4,524,343)
PROFIT/(LOSS)	(978,156)	(1,138,545)	(719,316)	(678,898)	(214,569)	(631,424)	(4,360,908)

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SCHEDULE B

TASRACING 5 YEAR CAPEX DEVELOPMENT PLAN (NOV 25)

Major Projects \$M	Criticality Ranking	FY26	FY27	FY28	FY29	FY30	In Progress Y/N	Funding Stream	Fixed Price Y/N
Spreyton Stables/Improvements	2	0.35					Y	Tasracing	Y
GAP	1	1.00	0				Y	Tasracing/POCT	Y
Elwick T/bred 600m tower	1	0.15					N	Tasracing	
Elwick 'Ellas Building'	2	0.35					N	Tasracing	
Elwick Crown Lager Bar Bathrooms	2	0.15					N	Tasracing	
Elwick Media Weather Protection	2	0	0.1				N	Tasracing	
Spreyton Pool	2	0	0.5				Y	POCT	
GAP Kennel Phase 2	2			0			N	Tasracing	
Brighton Bullring	2	0.12					N	Tasracing	
Carrick Upgrades	1	0.3	0.3				Y	Gov Election Commitment	
Mowbray Synthetic Crossing	1	0.12					N	Tasracing	
Raceday Stall Access	2	0.1					N	Tasracing	
Elwick Horse Stalls Barn	2					5	N	Tasracing	
Photo Finish Cameras	1	0.1					N	Tasracing	
Laptops	2	0.07					N	Tasracing	
Accounts Payable Automation IT	2	0.05					N	Tasracing	
Brighton Wash Pad	3	0.02					N	Tasracing	
Elwick Harness Track Upgrade	2	0.15					N	Tasracing	
Elwick Storage Shed	3	0	0				N	Tasracing	

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Longford Pool upgrade	2	0.50					N	Tasracing	
Mowbray Lights Upgrades	1	0.46					N	Tasracing	
Mowbray Semaphore	2	0.09					N	Tasracing	
Mowbray staff facilities	2	0.25					Y	Tasracing	
Mowbray Network Upgrade	2	0.05					N	Tasracing	
Elwick Greyhound Entrance Pad	3		0				N	Tasracing	
Brighton riding academy	3		0				N	Tasracing	
Mowbray Greyhound Track redevelopment	2		0.00	0.00			N	Tasracing	
Tapeta Track (Spreyton)	1	0.3	0.20	7.00					
Mowbray Harness Track redevelopment	2		0.05				N	Tasracing	
Longford tower (filming)	3			0			N	Tasracing	
Quercus Park Concrete (AGFEST site)	3			0.15			N	Tasracing	
Elwick Media Room (similar to Mowbray)	3				0		N	Tasracing	
Contingency		0.50	0.50	0.50	0.50	0.50			
Base CAPEX Approved Plan July 24		0.50	0.60	0.60	0.60	0.50			
Other minor items (P&E)		0.50	0.50	0.50	0.50	0.50			
NW Tracks project		0.25	2.00				Y	Joint Gov/TR	
Capex Totals incl contingency, NW & minor		6.43	4.75	8.75	1.60	6.50			

Criticality Ranking Legend
1. Mission Critical - Stops racing or is safety related
2. Urgent - Industry and/or community expectation
3. Non Urgent - can be postponed indefinitely