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Tasmanian Racing Optimisation Strategy Thoroughbred & Harness Administration & Facilities

Proprietary Assessment Methodology | Alignsport | May 2026

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Executive Summary

Overview

This report presents findings and recommendations from a comprehensive review of the administrative structures and facility utilisation across 12 thoroughbred and harness racing clubs operating across 10 venues in Tasmania. The review was commissioned to identify opportunities to optimise club governance, reduce duplication, improve financial sustainability, and enhance service delivery across both codes.

The analysis encompasses historical race data (FY2020–FY2025), facility capacity assessments, detailed financial modelling of club profit and loss statements, and evaluation of structural consolidation models across both codes. Greyhound racing is excluded from this review, being subject to a separate transition strategy.

Thoroughbred Racing

Race Demand & Scheduling: Tasmania's thoroughbred racing population has contracted from 922 unique starters in FY2021 to 867 in FY2025, a compound annual decline of approximately 1.5%. Our modelling projects continued steady contraction of thoroughbred numbers to between 791 and 828 horses by FY2028 across all scenarios.

Two scheduling models have been developed based on this population trajectory:

- **Base Projection (Base):** Applies the current average of 6.0 starts per horse to projected population, yielding approximately **63 race meetings** per annum — broadly consistent with current programming (excluding King Island, which will not proceed in 2025/26).
- **Model B – Strategic Reduction (SR):** Reduces average starts per horse to 5.5, delivering approximately **58 meetings** per annum. Analysis confirms that periods of reduced scheduling correlate with larger average field sizes, validating the assumption that a strategic reduction increases race quality and financial sustainability. **The Strategic Reduction model is recommended for thoroughbreds.**

Importantly, we are advised that, if required, the Mowbray and Elwick turf surfaces can be utilised year-round using mini-renovations, catering for between 60-64 race meetings between them.

Modelling Approach & Results (Code Specific): Four (4) key structural models were assessed for thoroughbreds, applied against both the Base and Strategic Reduction race programming assumptions:

- **Model A – Enhanced Status Quo:** Scheduling optimisation only, with minimal structural change. Lowest risk and medium-high financial benefit, largely through schedule reduction.
- **Model B – Consolidation by Location (B1 & B2):** Geographic consolidation into two entities (TTC/DRC in North, TRC South) with facility rationalisation. Two variants were modelled: B1 retains Spreyton for racing, B2 converts Spreyton to training only
- **Model C – Code Consolidation:** Full consolidation of all thoroughbred clubs into a single Club entity, centralised administration, and closure of underperforming facilities. Delivers the greatest financial improvement at the club P&L level, with high community risk. No Racing or Training at Spreyton.

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Financial Impact for these Models based on a Strategic Reduction of race meetings is set out below:

THOROUGHBREDS	MODEL A (SR)		MODEL B1 (SR)	
	TOTAL IMPACT (\$)		TOTAL IMPACT (\$)	
	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(643,907)	(636,461)	(784,554)	(777,106)
TASRACING RACE DAY COSTS	(262,778)	(292,555)	(262,778)	(292,555)
TASRACING NON-RACEDAY COSTS	(214,569)	(214,569)	(214,569)	(214,569)
PRIZEMONEY & WAGERING IMPACT	(999,374)	(1,147,789)	(999,374)	(1,147,789)
CAPEX IMPACT	0	0	0	0
TOTAL IMPACT	(2,120,627)	(2,291,373)	(2,261,275)	(2,432,019)

THOROUGHBREDS	MODEL B2 (SR)		MODEL C (SR)	
	TOTAL IMPACT (\$)		TOTAL IMPACT (\$)	
	FY27	FY27	FY27	FY28
CLUB P&L REPORTING	(793,309)	(1,557,717)	(1,557,717)	(1,549,890)
TASRACING RACE DAY COSTS	(319,277)	(319,277)	(319,277)	(347,783)
TASRACING NON-RACEDAY COSTS	(471,119)	(195,187)	(195,187)	(195,187)
PRIZEMONEY & WAGERING IMPACT	(852,483)	(852,483)	(852,483)	(1,004,265)
CAPEX IMPACT	(6,262,500)	(7,350,000)	(7,350,000)	1,000,000
TOTAL IMPACT	(8,698,688)	(10,274,664)	(10,274,664)	(2,097,124)

We note that the significant uplift in financial impact for both Model B2 and Model C is primarily through the potential closure of Spreyton and reduction in required capital expenditure on the Tapeta track.

Harness Racing

Race Demand & Scheduling: Harness racing faces a steeper population decline than thoroughbreds. Total registered standardbreds declined from approximately 773 in FY2021 to 696 in FY2025 (CAGR: - 3.6%), with unique starters per season declining from 643 to 571 over the same period. Projections indicate a further decline to between 499 and 530 unique starters by FY2028 under the high and low models respectively.

Harness race meeting volumes have not been meaningfully reduced in line with the declining horse population – in fact they have increased since FY22— resulting in a progressive deterioration in races per meeting and starters per race over the past four seasons, signalling structural oversupply of race meetings relative to the active horse population.

A scheduling model applied to harness, targeting 11.1 starts per active horse (consistent with the FY24/FY25 average), yields a base projection 71 meetings (620 races) in FY27, and 68 meetings (591 races) in FY28. This represents a significant but data-driven reduction from current programming levels – from approximately 88 meetings in FY2025. The reduction is the appropriate structural response to the declining standardbred population and is expected to restore average field sizes and starters per race to historical norms.

Modelling Approach & Results (Code Specific): Three (3) structural models were assessed for harness racing, all applied against the Base race programming projection:

- **Model A – Enhanced Status Quo:** Maintain current club structures. Cease racing at St Marys and King Island. Deregister DHRC. Shared services across remaining. Limited structural transformation.
- **Model B – North & South Consolidation:** Consolidate LPC & CPPC into a single entity. Cease racing at Burnie, Scottsdale & St Marys. Consolidate north programming into CPPC & Launceston.

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- **Model C – Consolidation by Code:** Consolidate all harness clubs into a single entity. Racing consolidated into two venues — Elwick (south) and CPPC (north). Cessation of LPC, Burnie, Scottsdale, St Marys and King Island clubs and facilities. Single board and centralised administration.

Financial Impact for these Models based on a Base Reduction of Race meetings is set out below:

HARNESS	MODEL A (BASE)		MODEL B (BASE)		MODEL C (BASE)	
	TOTAL (H)		TOTAL (H)		TOTAL (H)	
	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(133,784)	(122,271)	(269,704)	(257,439)	(488,401)	(473,441)
TASRACING RACE DAY COSTS	(99,340)	(115,831)	(61,686)	(79,767)	(81,486)	(96,697)
TASRACING NON-RACEDAY COSTS	0	0	0	0	(336,530)	(336,530)
PRIZEMONEY & WAGERING IMPACT	(869,405)	(1,085,652)	(791,906)	(1,011,778)	(1,098,433)	(1,316,025)
CAPEX IMPACT	0	0	0	0	350,000	500,000
TOTAL IMPACT	(1,102,529)	(1,323,754)	(1,123,296)	(1,348,985)	(1,654,850)	(1,722,694)

Importantly, the vast majority of financial impact comes from schedule reduction. Whilst harness clubs in Tasmania are fragmented and high in number, their low management and maintenance cost base – especially smaller clubs – means the impact from rationalisation of clubs and facilities is low, even at highest levels of consolidation – with largest negative community impact.

Cross Code

Finally, we did consider what a Cross Code solution may look like with an integration of Club Administrations directly into Tasracing through a dedicated GM Clubs. Whilst we believe such a structure would provide an incremental additional financial benefit (≈\$280K), when analysing through a risk assessment framework, and taking on board key stakeholder concerns, we do not believe the incremental financial impact justifies this model.

Recommendations

Whilst we approached this project mindful of a significant and inefficient club & facility ecosystem which in principle seemed surplus to needs for the Tasmanian Racing industry, and with a view to exploring how consolidation and rationalisation of this structure could benefit Tasmanian Racing from a financial and administrative lens, on deeper analysis much of the considered rationalisation and assessed financial impact would in our view be outweighed by community impact and stakeholder risk.

Accordingly, key recommendations are:

THOROUGHBRED

- Reduce scheduling of Thoroughbred race days to 58 (Financial Impact (≈\$1.25M)).
- Continue thoroughbred racing & training at Spreyton, and immediately commit to Tapeta track resurface (no impact on projected Capex);
- Reduce King Island racing to 1-2 day carnival (thoroughbred only), with focus on achieving TAB meet status (≈\$210K);
- Consolidate TTC and DRC into a single administration (≈\$95K) + succession risk minimisation), with increased racing at Mowbray year-round (decreased at Spreyton);
- Lead further efficiency discussions between TRC & TTC (target (≈\$600K) staffing & other costs).

This is essentially a hybrid version of **Model B1 (Strategic Reduction)**, with KI racing retained (limited).

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HARNESS

- F. Reduce scheduling of Harness race days to 71 (~~(≈\$1.17M)~~), with focus on financial performance of race days when apportioning meetings.
- G. Cease Harness Racing at King Island, otherwise no further rationalisation of Harness Racing Clubs or Facilities (save for DHRC below).
- H. Pause all prizemoney increases for Harness Racing.
- I. Cease funding and deregister Devonport Harness Racing Club (LPC to recognise and conduct legacy DHRC races) (~~(\$110K)~~).

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Tasmanian Racing Optimisation Strategy

Thoroughbred & Harness

Administration & Facilities

1. Project Overview

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 Pacing Club (Mowbray)
Devonport Racing Club (Spreyton)	Devonport Harness Racing Club (Devonport)
King Island Racing Club (King Island)	Carrick Park Pacing Club (Carrick)
	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, from both a financial, operational, risk management and stakeholder & community perspective.

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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 (Horses Out) can be compared to and (partly) 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 churn 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.¹

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 based on 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.

¹ Our reasoning for also including an Accelerated Decline Modelling at 2x the 5 Year CAGR was in recognition that the most recent 1 year decline rate in Tasmania was 5.04% (46 horses), and interstate data for key markets in NSW and Victoria show that after a period of growth in unique thoroughbred numbers, the last two (2) seasons have seen a decline in unique starters on the back of a declining foal crop that has more than halved since 1989, and in 2025 dropped a further 4.84% to 11,283 live foals.

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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 further consolidation of meetings 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	

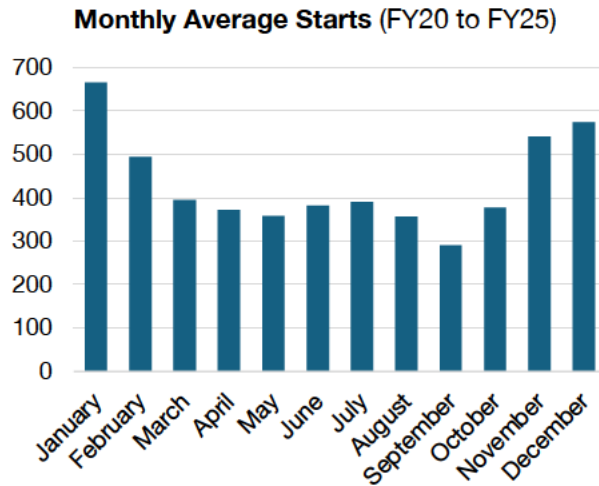
ON BALANCE, WE BELIEVE THAT A **STRATEGIC REDUCTION** IN RACES (AND APPROPRIATE REDISTRIBUTION OF PRIZE MONEY ACROSS REMAINING FIXTURES, OR UTILISATION OF FUNDS FOR OTHER STAKEHOLDER INITIATIVES) AS SET OUT IN THE ABOVE **STRATEGIC REDUCTION** WILL DELIVER INCREASED FIELD SIZES IN REMAINING RACES, AND 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 current focus for these to be maximised November through February where turf tracks can endure greater utilisation.

More detailed monthly data from Season 22/23 through 24/25, 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) are 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 ²			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

² 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 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 **Strategic Reduction model** 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)³, 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.

³ 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

Below is a summary of the facilities and clubs currently hosting thoroughbred racing in Tasmania:

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	Northern Midlands Council	Tasracing (until 31 Jan 2034 (with 3 x 10 Y options)	Turf (1,700m, 333m Straight) Sand Track	Racing, Trials (≈18 per annum); Jump Outs
King Island (KI)	KIRC	King Island Council	KIRC (Annual Licence)	Turf	Racing
Brighton Training Centre (Brighton)	Tasracing	Brighton Council	Tasracing (20/09/2029, Option further 15 years)	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 assessing days between races, and also rainfall data and Track Rating per race and any correlation, we provide the following summary.

Season	Month	Meetings	Avg Days Between ⁴	Rainfall (mm)	% of Average	GOOD Races	SOFT Races	HEAVY Races	Total Races
23/24	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

⁴ 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
24/25	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 23/24 and 24/25 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 been used 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.

Month	2022/23			2023/24			2024/25		
	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
23/24	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
24/25	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 Mowbray over the 23/24 and 24/25 Seasons. In fact over the last two seasons Mowbray has not raced on anything worse than a Soft surface, despite experiencing 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%).

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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, if required, this would equate to the following monthly capacities by facility⁵:

Month	Elwick			Mowbray		
	Meetings	Races	Gallops	Meetings	Races	Gallops
August	2	20	To be determined	2	20	To be determined
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 ³⁶CONSULTANT, 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.

⁵ 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.

RTI RELEASE

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 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
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);
- Tasracing Non-Raceday Costs & Income (apportioned across each Club);
- Stakes and Racefields revenue attributable to each Club's race days.

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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 into comparable categories across all clubs as follows (for FY25 only below):

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) ⁶		(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)

⁶ We note that the DRC invested approximately \$150,000 in various capital improvements at Spreyton which were included in their Profit & Loss Statement for FY25, but could have been capitalised. Accordingly, it is our view the financial performance of DRC for this period should be viewed in a more positive light, and would more accurately be described as an ≈\$80,000 operating profit.

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We note Tasracing Investments have been made to each of the clubs, and proceed on the assumption these investments have been included as income in their respective Reports.

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	-	-	-		-		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)

RTI RELEASE

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	0.58	0.15	7.50	0	0	0
Urgent	0.39	5.60	0.85	0.50	0	0.12
Non-Urgent	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, to address the observations above, and considering 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 **Base** and **Strategic Reduction 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 ⁷	Tasracing Integration
	B1: Maintain both venues for racing	B2: Mowbray racing & Spreyton training			
Maintain current structures and facilities, but optimise efficiencies between parties	Optimise TTC and DRC into a single entity managing both venues for racing (and training).	Optimise TTC 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 FY28⁸.

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

⁷ 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.

⁸ 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 approximate actual impact once actual meeting decisions are made.

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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). ⁹ 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)

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.

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Projected Financial Impact

In order to assess each model, we have projected the 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 C** 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)	(106,026)	(106,026)	(556,017)	(547,346)
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)	(495,842)	(495,842)	(1,317,679)	(1,505,273)

We estimate that the **Enhanced Status Quo Model** conducted the **Base** race schedule would achieve **\$1.317M** cost saving in FY27, increasing to **\$1.505M** in FY28.

Please see attached at **Schedule C** 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)	(106,026)	(106,026)	(525,661)	(518,215)
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)	(495,842)	(495,842)	(2,002,381)	(2,173,127)

We estimate that the **Enhanced Status Quo Model** conducted the **Strategic Reduction** race schedule would achieve **\$2.0M** cost saving in FY27, increasing to **\$2.17M** in FY28.

Observations

- Cessation of racing at King Island, consistent across all models, contributes ≈\$495K (≈25%) of this impact. It is however recognised that King Island racing has historically been exceptionally important to the King Island community, and a complete cessation of racing would have a significant impact on that racing community and the industries it supports. As an alternative to total cessation of King Island Racing, as a hybrid option of Model A the Tasracing Borad may consider the following options which would still deliver positive efficiencies and financial impact, whilst continuing to

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support the King Island racing community:

- A restriction of King Island Racing to a single meeting, or period (2 days) of racing, modelled on a Warrnambool Carnival structure;
- A further restriction to thoroughbred only racing in King Island, and a dedicated strategy to optimise field size and race numbers;
- Putting in place a process and requirements (broadcast, operations) to move King Island to a TAB Meeting.

We believe it would be possible through this approach, through the limitation of non-Raceday and Raceday costs¹⁰, alongside optimisation of wagering revenue¹¹, to still achieve cost efficiencies of ≈\$213K (as compared to \$495K), reducing overall impact to ≈ \$1.79M, but retaining a racing footprint in King Island.

- 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.
- 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 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

¹⁰ We have assumed Raceday and Non-Raceday costs through limitation of meeting to one weekend, alongside restriction to thoroughbred only, could be reduced by 60%, however this requires further detailed substantiation.

¹¹ We have assumed through conversion to a TAB meeting we could achieve 40% stakes recovery.

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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 TTC 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 TTC 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 Track¹² • 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.

¹² 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). ¹³	
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. ¹⁴ 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 Tapeka Track reduced by 75% allowing for alternative restoration methods.

¹³ 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.

¹⁴ 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), summarised below:

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)	(106,026)	(106,026)	(649,765)	(640,974)
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)	(495,842)	(495,842)	(1,411,428)	(1,598,902)

We estimate that the **Model B1: North & South Consolidation (Both Racing)** (Base) model would achieve **\$1.41M** cost saving in FY27, increasing to **\$1.598M** in FY28.

Please see attached at **Schedule C** detailed analysis of the **Financial Impact of Model B1: North & South Consolidation (Both Racing)** (Strategic Reduction), summarised below:

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)	(106,026)	(106,026)	(666,308)	(658,860)
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)	(495,842)	(495,842)	(2,143,029)	(2,313,773)

We estimate that the **Financial Impact of Model B1: North & South Consolidation (Both Racing)** (Strategic Reduction) model would be **\$2.143M** in FY27, increasing to **\$2.313M** in FY28.

Observations

- We refer to and repeat our comments regarding King Island Racing from Model A, and the hybrid option to retain a restricted format of King Island Racing at a reduced cost saving of **(≈\$213K)**.
- 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. We do also note that at present the DRC relies heavily upon the assistance of volunteers to operate

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(notably Barrie Milton & Peter George), which is a continuing operating risk should they not be able to continue, and accordingly consolidation with TTC will lessen this risk. It will need to be weighed up whether this cost saving and operational risk reduction justifies the loss of heritage and identity of the Devonport Racing Club.

- 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.

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 C** 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	(106,026)	(106,026)	(711,223)	(700,989)
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)	(495,842)	(495,842)	(7,893,259)	(1,818,996)

We estimate that the **Model B2: North & South Consolidation (Racing Mowbray Only)** (Base) model would achieve **\$1.63M** cost saving in FY27, increasing to **\$1.82M** 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 C** 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	(106,026)	(106,026)	(675,063)	(666,194)
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)	(495,842)	(495,842)	(8,580,442)	(2,489,361)

We estimate that the **Model B2: North & South Consolidation (Racing Mowbray Only)** (Strategic Reduction) model would achieve **\$2.32M** cost saving in FY27, increasing to **\$2.49M** 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, this model proceeds on the basis of cessation of racing at Spreyton. There are several factors that should be considered in this regard:
 - It is the submission of the DRC that retaining thoroughbred racing in the North West Coast region at Spreyton is critical. Since the region has already lost Harness & Greyhound racing, the closure of Spreyton as a racing venue would have a further significant social impact, to the potential detriment of the financial, physical and mental well-being of participants.
 - The North West Coast is home to many leading trainers, successful horses, jockey's, trackworkers and diverse ownership groups, resulting in strong support for the DRC, including consistent large crowds at our Devonport Cup and other meetings over the summer carnival.
 - It should also be noted that the DRC has achieved a significant financial turnaround since late 2012, when the DRC were approx. \$450K in debt. After recovering from this near insolvency and repaying an additional \$100K loan to Tasracing, the DRC are now in a strong financial position with healthy cash reserves, and have demonstrated their ability to operate the club effectively as a business (over and above the Committee personally dedicating significant voluntary hours).
 - During this period Tasracing and the Government have invested considerably in the DRC facilities, including \$3.5M for the new Facility that opened in September 2024, along with \$800K for a new broadcasting tower ≈ 8 years ago. Over and above these contributions, during this period the DRC has personally invested approximately \$600K in past capital improvements, and another ≈\$110K on projects currently in progress.
 - Cessation of racing will remove a potential redundancy plan for scheduling should remaining venues at Elwick or Mowbray become unavailable.

Accordingly, whilst this model significantly reduces ongoing Capital Expenditure required (and a level of maintenance expenditure), it does come at the expense of community engagement and health, and unwinds the significant work and expense invested in this facility over the past decade.

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- Secondly, 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, or commensurate adjustments be made to Stakes levels, 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% 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.
- We also refer to and repeat comments previously made on the cessation of racing at King Island, the potential restricted racing hybrid option which is equally applicable under this Model.

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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 (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 at Mowbray);
- 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 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** (Thoroughbred)

As per model B2, we will utilise the adjusted Base and Strategic Reduction race modelling. Please see attached at **Schedule C** 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	(106,026)	(106,026)	0	0	(1,479,460)	(1,470,434)
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	(214,569)	(214,569)	252,570	252,570	(409,756)	(409,756)
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	(495,842)	(495,842)	1,252,570	252,570	(9,687,633)	(1,527,078)

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	(106,026)	(106,022)	0	0	(1,447,566)	(1,439,739)
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	(214,569)	(214,569)	252,570	252,570	(409,756)	(409,756)
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	(495,842)	(495,838)	1,252,570	252,570	(10,379,082)	(2,201,542)

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Accordingly, we estimate that the **Model C: Consolidation by Code** (Base) model would achieve **\$2.34M** cost saving in FY27, increasing to **\$2.53M** 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 **\$3.03M** cost saving in FY27, increasing to **\$3.20M** 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:

- Again, this Model C is built on the assumption of the cessation of racing at both Spreyton and King Island, and accordingly we refer to and repeat the observations made in earlier models with respect to the impacts of this decision, and alternative options.
- we have discontinued Nomination Fees going direct to TTC, instead recognising this as a Tasracing Contribution to New Entity.
- Tasracing Raceday Cost reductions do not vary between Model B2 and Model C once Racing at Spreyton is discontinued. Similarly, the Stakes and Racefield impact between Model B2 and C are identical. Net Capex Impact between these models is also marginal if 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

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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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3. Harness Racing

3.1 Determining Racing Opportunities Required

3.1.1 Historical Race Meeting Analysis

Over the past 5 racing seasons Tasracing has reported the following race meetings for Standardbred participants in its Annual Reports.¹⁵

Harness	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Meetings	68	85	85	88	91	90
Races Held	550	724	737	796	791	750
Overall Starters	5,520	7,249	7,722	8,077	7,484	6,441
Avg Races/Meeting	8.08	8.51	8.67	9.04	8.69	8.33
Avg Starters/Race	10	10	10.5	10.1	9.5	8.6

3.1.2 Current Racing Population

The unique racing standardbred horse population in Tasmania based on an analysis of race fields has decreased significantly since the FY21 Season. It is also important to note not just the unique Standardbred numbers, but those that registered at least one start in the relevant period as in each year a significant number of horses remained inactive, skewing average start numbers. Additionally, we note there is a significant disparity between Tasracing Official Racing Data and Tasracing Annual Report data with respect to Starts, and accordingly we present both below.

	Total Horses	Total Unique Starters ¹⁶	Tasracing Race Data		Tasracing Annual Report	
			Total Starts	Starts per Unique	Total Starts	Starts per Unique
FY2025	645	595	6,674	11.2	6,441	10.8
FY2024	668	631	6,592	10.4	7,479	11.9
FY2023	684	643	8,211	12.8	8,077	12.6
FY2022	722	667	7,926	11.9	7,722	11.6

Whilst we have been unable to independently validate churn rates on Standardbred horses from season to season, we present the Harness Retirement data as reported in the Tasracing Annual Reports below.

	FY2021	FY2022	FY2023	FY2024	FY2025
Breeding	9	23	50	42	68
Deceased	10	32	26	23	19
Euthanised	54	31	47	17	16
Rehomed	71	116	108	63	84
Other	0	0	0	0	1
Total	144	202	231	145	188

¹⁵ Please note, in presenting data on Tasmanian Harness Racing we have used several Tasracing provided data sources, however they have proved incredibly difficult to reconcile. At different points in this report we will provide data points on race meeting, races, starters and associated data across the past four (4) seasons, however you will note inconsistencies from time to time. Whilst we have done our best to correct for some of these anomalies, it has been impossible to correct for all.

¹⁶ Total Unique Starters includes any horse that registered at least 1 start in the relevant season, as opposed to Total Horses which is complete listing of all registered racing Standardbreds.

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Whilst we can see a gradual reduction in overall standardbred numbers and unique starters over the past 4 seasons, this has little correlation to the official retirement data which has been extremely variable over the same period. Accordingly, we will be relying on reported horse numbers in projecting horse population.

3.1.3 Five Year Population Projection

Utilising unique numbers and their change over the past 4 years, there are several ways we can project future standardbred racing population, most notably through linear trend pattern, or models of CAGR.

Metric	Total Horses	Unique Starters
Average Annual Change (horses)	(25.7)	(24.0)
Average Annual % Change	(3.6%)	(3.6%)
CAGR (FY2021-FY2025)	(3.6%)	(3.8%)
Total Decline (FY2021-FY2025)	(77)	(72)

Below we compare forecasts using **Linear Progression**, **Historical CAGR**, and the application of an accelerated decline CAGR (1.5x),¹⁷ and High/Low consolidated range, for both total Standardbred numbers, as well as unique starters per season.

ALL HORSES

Year	Linear Trend	CAGR	Accelerated Decline	High	Low
FY2026	619	622	610	622	610
FY2027	594	599	577	599	577
FY2028	568	578	546	578	546

UNIQUE STARTERS PER SEASON

Year	Linear Trend	CAGR	Accelerated Decline	High	Low
FY2026	571	572	561	572	561
FY2027	547	551	529	551	529
FY2028	523	530	499	530	499

3.1.4 Race Scheduling Projections

From the above data the average **starts per horse** for Unique Starters between the Tasracing Race Data and the Tasracing Annual Report from the past two (2) seasons is **11.1**. If we proceed on the basis of maintaining an average of 11.1 starts per active (Unique Starters) standardbred horse moving forward, and using the rolling **4 year average** of **9.675 starers per race** and **8.68 races per meeting**, this would equate to the following number of race starts, races and meetings required to accommodate the forecast thoroughbred population.

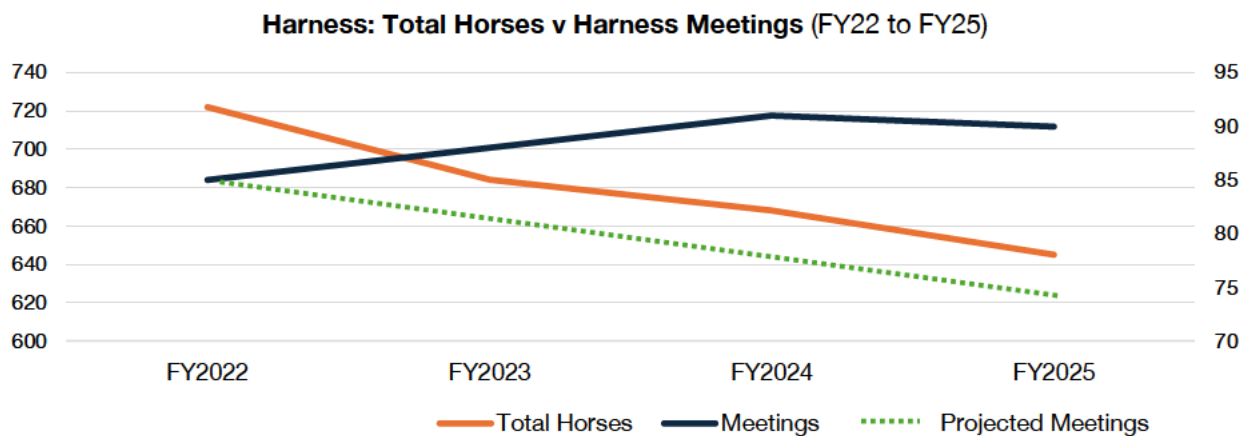
¹⁷ Similar to Thoroughbreds, we have also used an Accelerated (1.5x) CAGR model in reliance on the fact that the 1 year reduction in unique standardbred starters was 6.71%, almost double the 5 year CAGR.

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Base Projection	FY2026		FY2027		FY2028	
	High	Low	High	Low	High	Low
Forecast Horses	572	561	551	529	530	499
Forecast Starts	6,349	6,227	6,116	5,872	5,883	5,539
Forecast Races	656	644	632	607	608	573
Median Races	650		620		591	
Meetings	75		71		68	

This clearly represents a significant decrease in race meetings from previous two (2) seasons, reflective of a focus on actual unique starters, and the fact that key metrics of an optimised system – namely races per meeting and starters per race - have significantly declined over the past two (2) seasons. Accordingly, when we seek to return to historical averages on lower projected horse numbers, this aggressively decreases races required to service the population.

The approach is best illustrated by looking at the relationship of standardbred population with harness meetings over the past four (4) seasons.



On the assumption that in FY22 or even FY23 there was a level of symmetry between horse population and provision of races, there should be some correlation between progression of horse population and the scheduling of meetings. However over the past 4 years there have been inversely correlated leading to a reduction in starters per race, and races per meeting. If harness meetings had been strategically adjusted over this period, and correlated with horse population, it would position the industry around projected levels.

ON BALANCE, WHILST REPRESENTING A SIGNIFICANT REDUCTION, WE BELIEVE THAT SUCH A **STRATEGIC & DATA DRIVEN REDUCTION** IN RACES IS A MORE APPROPRIATE AN OPTIMISED STRUCTURE TO CATER FOR THE ACTUAL AND PROJECTED STANDARDBRED POPULATION, AND WILL DELIVER INCREASED FIELD SIZES IN REMAINING RACES.

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3.1.5 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.

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 some correlation between months with lower race numbers, with higher demand and higher average starters, although this is more prevalent in FY22/23 and FY23/24.

Month	2022/23			2023/24			2024/25 ¹⁸		
	Races	Starters	Avg Starters	Races	Starters	Avg Starters	Races	Starters	Avg Starters
July	63	667	10.6	55	549	10.0	52	457	8.8
August	53	526	9.9	34	317	9.3	64	500	7.8
September	62	641	10.3	25	242	9.7	48	387	8.1
October	72	723	10.0	56	526	9.4	61	503	8.2
November	0	0	0	54	515	9.5	73	634	8.7
December	78	749	9.6	81	809	10.0	75	660	8.8
January	80	785	9.8	81	759	9.4	72	630	8.8
February	69	709	10.3	48	359	7.5	59	526	8.9
March	76	812	10.7	81	790	9.8	67	593	8.9
April	69	717	10.4	53	479	9.0	61	512	8.4
May	55	586	10.7	57	515	9.0	58	505	8.7
June	55	567	10.3	63	542	8.6	34	281	8.3
TOTAL	732	7,482	10.2	688	6,402	9.3	724	6,188	8.5

These numbers do present a smoothing of average starters per race over the season, and despite showing consistent increases in race numbers across December and January, otherwise demonstrate significant variation of races month to month.

On this basis, whilst we make recommendations as to the total races required to service the population, appropriate scheduling of these races across the season requires further background information from Tasracing, and consultation with industry.

¹⁸ This data is courtesy of Tasracing from Harness Racing Analysis FY22/23, Harness Racing Analysis FY23/24, Harness Racing Analysis FY24/25. We continue to note significant variations in this data, and data presented in Tasracing Starter Composition for each Season, and data presented in the Tasracing Annual Reports of FY23, FY24, and FY25.

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3.2 Harness Facility & Club Capacity Assessment

3.2.1 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)	TTC	TRC	Tasracing (Until 2052)	970m (Crushed granite) 200m straight	Racing, Trials
Launceston	LTC	TTC	Tasracing (Until 2028 + 10Y + 10Y)	1,018m (Crushed granite) 220m straight	Racing, Trials
Carrick Park (Carrick)	CPPC	CPPC	Tasracing (Until 2026)	1,000m (Crushed granite) 180m straight	Racing, Training
Burnie	BHRC	TBC	TBC	607m (Crushed granite) 95m straight	Racing
Scottsdale	NEPC	TBC	TBC	740m (Granitic Sand) 80m straight	
St Marys	StMHRC	TBC	TBC	1,306m (Grass) 250m Straight	
King Island (KI)	KIRC	King Island Council	KIRC (Annual Licence)	1,570m (Grass) 220m Straight	Racing
Brighton Training Centre (Brighton)	Tasracing	Brighton Council	Tasracing (20/09/2029, Option further 15 years)		Training

2.2.2 Facility Utilisation: Racing

In terms of race meetings, we set out below the Harness race meetings staged at each of the facilities by their resident club from the 2022/23 Season through the 2024/2025 Season.¹⁹

Location	Metric	2022/23	2023/24	2024/25
Hobart	Race Meetings	39	42	41
	Total Races	342	358	327
	Avg Starters/Race	10.7	9.5	8.5
Launceston	Race Meetings	36	32	36
	Total Races	330	278	306
	Avg Starters/Race	10.3	9.9	8.8
Burnie	Race Meetings	8	7	7
	Total Races	65	55	56
	Avg Starters/Race	9.2	9.2	7.9
Carrick Park	Race Meetings	4	4	4
	Total Races	37	36	36
	Avg Starters/Race	9.7	9.6	9.6

¹⁹ This data is collated from the Tasracing Harness Racing Analysis spreadsheet for FY22/23, 23/24 and 24/25. We note that over this period this collated data does not record any race meetings scheduled at St Marys.

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King Island	Race Meetings	0	6	7
	Total Races	0	14	14
	Avg Starters/Race	—	5.6	5.1
Scottsdale	Race Meetings	1	1	1
	Total Races	8	6	7
	Avg Starters/Race	9.3	6.5	8.7

3.2.3 Facility Capacity

Whilst relevant to the turf surfaces of Elwick and Mowbray for Thoroughbreds, for Harness Racing analysis we will proceed on the assumption that the crushed granite surfaces at Elwick, Launceston, Carrick and Burnie can sustain more than enough racing to sustain the industry, with turf surfaces historically being used only sparingly.

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3.3 FINANCIAL ANALYSIS OF FACILITIES & CLUB ADMINISTRATION

3.3.1 Historical Cost of Facilities & Club Administration

As with Tasmanian thoroughbred analysis above, below we set out the historical costs associated with each harness racing 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 Harness Racing Club, including:

- Individual Club Annual Reports;
- Tasracing Raceday costs (allocated across each Race Meeting);
- Tasracing Non-Raceday Costs & Income (apportioned across each Club); and
- Stakes and Racefields revenue attributable to each Club's race days.

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Individual Club Annual Reports:

We have reviewed the Annual Reports of all Harness clubs over FY24 and FY25 and characterised income and expenditure into comparable categories across all clubs as follows (FY25 only):

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

	TTC	LPC	DHRC	CPPC	NEPC ²⁰	BHRC	STM	Total
INCOME								
Food & Beverage	0	85,020	0	46,996	0	39,815	47,695	219,527
Wagering & Associated	20,857	4,705	0	1,452	327	1,606	0	28,947
Race Day Income (excl F&B)	370,882	1,684	0	6,007	17,539	5,721	0	401,833
Membership & Merchandise	2,393	880	0	2,205	0	473	0	5,951
Investments & Interest	10,508	56,767	6,948	3,426	2,299	4,940	0	84,888
Tasracing Contributions	0	265,192	100,000	26,608	14,890	47,441	0	454,132
Sponsorship	51,875	53,605	17,200	27,020	2,818	27,557	0	180,075
Grants & Sundry Income	0	0	0	5,650	333	2,300	0	8,283
Nomination & Acceptances	0	0	0	0	0	0	0	0
Reimbursements & Recoveries	0	0	0	0	0	0	0	0
Rental & Hire Fees	0	0	190	11,628	0	0	0	11,818
Miscellaneous & Other	44,507	0	3,000	2,264	0	5,691	0	55,462
TOTAL INCOME	501,022	467,852	127,338	133,254	38,206	135,544	47,695	1,450,911
EXPENSES								
Accounting/Legal/Insurance	(24,604)	(11,183)	(2,217)	(9,634)	(1,964)	(7,651)	0	(57,253)
F&B Cost of Sale (Incl Wages)	(12,090)	(113,459)	0	(19,826)	(8,598)	(18,567)	(30,748)	(203,288)
Marketing & Promotion	(355)	(17,762)	(288)	(2,300)	(5,506)	(8,953)	0	(35,164)
Staffing Costs (& Associated)	(295,857)	(169,647)	(51,824)	(17,072)	(5,383)	(37,487)	0	(577,270)
Race Day Costs (excl. F&B)	(76,926)	(17,184)	0	(22,542)	(6,516)	(49,702)	0	(172,870)
Administration & Utilities	(23,735)	(5,771)	(5,934)	(620)	(425)	(14,554)	(11,253)	(62,292)
Rent	0	0	(7,236)	0	0	(9,315)	0	(16,551)
Donations	(6,852)	(1,655)	0	0	(500)	(1,300)	0	(10,307)
Equipment(Purchase & Hire)	0	0	0	0	(50)	0	(2,475)	(2,525)
Repairs & Maintenance	0	(98)	(8,108)	(9,041)	(1,117)	(4,661)	0	(23,024)
Licenses & Subscriptions	(94)	0	(68)	0	(75)	(1,644)	0	(1,881)
Sponsor Expenses	0	(1,326)	(1,655)	0	0	0	0	(2,981)
Member Expenses	0	(1,453)	0	(550)	0	0	0	(2,003)
Stakes & Trophies	(8,847)	(8,489)	(5,409)	(10,895)	(790)	(494)	0	(34,924)
Vet Costs	(41,285)	(26,869)	0	(6,470)	0	(7,000)	0	(81,624)
Miscellaneous Costs	0	0	0	(1,030)	(2,008)	(7,338)	0	(10,376)
Depreciation		(1,505)	(1,967)	(10,421)	(5,623)		-	(19,516)
								0
TOTAL EXPENSES	(490,645)	(376,402)	(84,706)	(110,401)	(38,555)	(168,664)	(44,476)	(1,313,849)
PROFIT/(LOSS)	10,377	91,450	42,632	22,853	(349)	(33,120)	3,219	137,062

²⁰ Please note NEPC operates on a Calendar Financial Year and accordingly we have utilised the last complete Annual Financial report for 2025

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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 the relevant clubs as income in their respective Annual Reports, albeit are treated and categorised differently by each club .

Tasracing Investment (FY25)	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	Total
Meeting Payments	(289,497)	(254,192)	0	(22,596)	(5,649)	(39,543)	0	(611,477)
Oncourse Commission	(9,956)	(5,596)	0	(1,320)	(441)	(1,383)	0	(18,696)
Maintenance Grant	0	0	0	0	(2,072)	0	0	(2,072)
Sponsorship & Marketing	(47,500)	(47,500)	(10,000)	(10,000)	0	(10,000)	0	(125,000)
TOTAL	(346,953)	(307,288)	(10,000)	(33,916)	(8,162)	(50,926)	0	(757,245)

Tasracing Raceday Costs

Tasracing operational costs associated with the running of each Race Meeting are summarised below:

Tasracing Raceday Costs (FY25)	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	Total
4149 - Raceday allowance	(3,445)	(4,225)	-	(700)	-	-		(8,370)
4150 - Ambulance - Rac	(46,883)	(47,927)	-	(5,980)	(1,623)	(8,231)		(110,644)
4153 - SMS Fees	-	-	-	-	-	-		0
4156 - Wages Race Day	(76,881)	(57,190)	(358)	(27,423)	(2,141)	(10,969)		(174,962)
4157 - Contractors Rac	(43,535)	(79,733)	-	-	-	(1,743)		(125,011)
4158 - Trial Riding Fe	-	-	-	-	-	-		0
4160 - Trial Contractor	-	-	-	(1,528)	-	-		(1,528)
4161 - Club Catering C	(22,364)	-	-	-	-	-		(22,364)
4162 - Superannuation	(9,189)	(6,920)	(41)	(2,947)	(246)	(1,241)		(20,584)
4163 - Race Day Food a	-	-	-	-	-	-		0
4166 - Charter Flights	-	-	-	-	-	-		0
4174 - Ambulance - Tri	(11,313)	-	-	(13,936)	-	(897)		(26,146)
TOTAL	(213,610)	(195,995)	(399)	(52,514)	(4,010)	(23,081)		(489,609)

Tasracing Non-Raceday Club Costs & Income

Tasracing non-Raceday operational costs attributable to each Harness club are summarised below:²¹

Non-Raceday Club P&L (FY25)	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	Total
INCOME								
Total Income	0	0	0	10,296	0	0	0	10,296
EXPENSES								
Total Expenses	(856,346)	(673,060)	0	(126,810)	0	0	0	(1,656,216)
PROFIT/(LOSS)	(856,346)	(673,060)	0	(116,514)	0	0	0	(1,645,920)

²¹ Please refer Schedule F for a detailed summary.

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Consolidated Club Financial Performance (FY25)

Bringing each of the above analysis together, we summarise each Harness Club consolidated financial performance as follows:

	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	Total
Club P&L Reporting	10,377	91,450	42,632	22,853	(349)	(33,120)	3,219	137,062
Tasracing Investment	Assume investment included in Club Annual Reports as Income							
Tasracing Race Day Costs	(213,610)	(195,995)	(399)	(52,514)	(4,010)	(23,081)	0	(489,609)
Non-Raceday Club P&L	(856,346)	(673,060)	0	(116,514)	0	0	0	(1,645,920)
PROFIT/(LOSS)	(1,059,579)	(777,604)	42,233	(146,175)	(4,359)	(56,201)	3,219	(1,998,466)
Races*	327	306	0	36	7	56	6	
Per Race Conducted	(3,240)	(2,541)		(4,060)	(623)	(1,004)	536.50	

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	LPC	DHRC	CPPC	NEPC	BHRC	STM
(LOSS) AS PER ABOVE	(1,059,579)	(777,604)	42,233	(146,175)	(4,359)	(56,201)	3,219
Stakes (24/25)	(3,800,900)	(3,532,100)	0	(382,000)	(69,700)	(500,100)	(41,700)
Racefields (24/25)	1,362,417	1,118,621	0	142,450	19,905	190,487	0
TOTAL	(3,498,062)	(3,191,083)	42,233	(385,725)	(54,154)	(365,814)	(38,481)
Races*	327	306	0	36	7	56	6
Per Race Conducted	(10,697)	(10,428)	NA	(10,715)	(7,736)	(6,532)	(6,414)

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3.3.2 Club Balance Sheet Analysis

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

	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	TOTAL
ASSETS								
Cash and Cash Equivalents	345,184	143,282	228,161	163,726	72,404	240,209	136,895	1,192,966
Trade & Other Receivables	23,868	32,310	—	—	2,815	485	—	59,478
Other Current Assets / Inventory	—	723,374	—	—	—	4,342	—	4,342
Total Current Assets	369,052	898,966	228,161	163,726	75,219	245,036	136,895	1,980,160
Property, Plant & Equipment	—	4,394	10,147	643,210	60,921	240,412	11,542	959,084
Other Non-Current Assets	—	1,629	—	—	—	—	—	1,629
Total Assets	369,052	904,989	238,308	806,936	136,140	485,448	148,437	2,940,873
LIABILITIES								
Trade & Other Payables	27,343	17,022	1,459	—	572	(5,932)	—	40,464
Provisions (Current)	—	36,126	357	—	—	0	—	36,483
Other Current Liabilities	—	—	—	—	—	(1,056)	—	(1,056)
Total Current Liabilities	27,343	53,148	1,816	—	572	(6,988)	—	75,891
Non-Current Provisions	32,827	—	—	—	—	—	—	32,827
Total Liabilities	60,170	53,148	1,816	—	572	(6,988)	—	108,718
								0
NET ASSETS / EQUITY	308,882	851,841	236,491	806,936	135,568	492,436	148,437	2,832,154
FINANCIAL RATIOS								
Current Ratio	13.5	16.91	125.64	N/A	131.5	N/A	N/A	288
Debt to Equity Ratio	0.19	0.06	0.01	0	0	-0.01	0	0

3.3.3 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 Harness Racing Clubs (and their associated facilities) for FY26 through FY30.

Projected Capital Expenditure (FY26 through FY30) (\$M)							
	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM
Mission Critical	-	-	-	0.60	-	-	-
Urgent	0.15	0.05	-	-	-	-	-
Non-Urgent	-	-	-	-	-	-	-
TOTAL	0.15	0.05	-	0.60	0	0	0

We note that whilst at present the TTC has an approved Capital Expenditure of \$150,000 for the Elwick Harness Track, an additional amount of ≈\$1M has been requested for more extensive work in cambering the track, making it more competitive and future proofing the surface.

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3.3.4 Observations

Many similar observations to those made across Thoroughbred Clubs can be made across Harness Racing Clubs and Facilities, albeit the individual Harness Clubs are largely run on a much tighter budget with greater volunteer reliance, and accordingly have been able to largely post small profits (or some small losses) in the last complete financial year (prior to taking into account Tasracing costs and stakes).

Duplications and inefficiencies still exist, however their individual financial impact on Club P&L numbers is marginal given the smaller costs of operation of each of the harness clubs.

But when taking into account broader costs to industry and internalised Tasracing costs (Raceday and Non-Raceday), the fragmentation of the industry, its administration, and facilities, do have an impact on the overall costs of operating the harness Industry, albeit not as large as Thoroughbreds. And the current per race performance (prior to government investment), proportionate the stakes on offer per race, is currently untenable.

Many of the below structural issues duplicate those observations in the Thoroughbred counterparts. We do note one particular area – Veterinary costs – where Clubs individually procure a vet for racedays and are reimbursed by Tasracing, which is one specific item that has been identified by several harness club representatives as an area Tasracing should seek to centralise.

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
- 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 Harness racing in Tasmania.

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3.4 Analysis of Models for Harness Facility and Club Administrations

3.4.1 Models to be considered

As with the thoroughbred code, we have considered a variety of potential models that could be adopted for the potential optimisation of facility and club administration in the Tasmanian Harness industry, taking into account the racing needs of the standardbred racing population and stakeholders, the capacity of clubs, with the overlay of financial impact of implementation.

We have identified the following structural options to be considered, applying the Base Projection of Harness race programming set out in Section 3.1.4:

MODEL A	MODEL B	MODEL C	MODEL D	MODEL E
Enhanced Status Quo	North & South Consolidation	Consolidation by Code	Consolidation by Location ²²	Tasracing Integration
Maintain current structures and facilities, but optimise efficiencies between parties	Consolidate North pacing unifying LPC and CPPC in North (pacing at Carrick and Launceston), and TRC (Elwick) in the South.	Optimise TTC, LPC and CPPC into a single entity, consolidating racing at CPPC and Elwick.	Consolidation of North and South Harness Clubs (Model B) 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.

The analysis of each of the above models will apply race & meeting projection Base Model presented in Section 3.1.4, which for reference we set out again below.

Base Projection	FY2026		FY2027		FY2028	
	High	Low	High	Low	High	Low
Forecast Horses	572	561	551	529	530	499
Forecast Starts	6,349	6,227	6,116	5,872	5,883	5,539
Forecast Races	656	644	632	607	608	573
Median Races	650		620		591	
Meetings	75		71		68	

These will be applied proportionately for each Model, based on FY2026 Scheduled meetings, against proposed remaining venues, and will be specifically set out under each Model analysed.

²² 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.

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3.4.2 Model A: Enhanced Status Quo

Description

- Maintain current club structure (except as set out below), albeit review (reduce) the frequency of race meetings in line with projected standardbred population and a more efficient and appropriate race model (**Base Projection**) as per below for FY27 and FY28²³:

Base Projection ²⁴														
	TTC		TPC		CPPC		NEPC		BHRC		STM		Total	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	32.7	31.3	28.7	27.5	3.2	3.1	0.8	0.8	5.6	5.3	0.0	0.0	71	68
Races	277.3	264.4	259.5	247.4	30.5	29.1	5.9	5.7	46.6	44.5	0.0	0.0	620	591

- Review efficacy of King Island Racing ongoing. Please note that King Island club costs have been included as savings in the Thoroughbred analysis, and have not been delineated between codes (as these are not differentiated in KIRC Annual Reports).
- Remove ongoing funding and deregister Devonport Pacing Club.
- Strategic Reduction in race meetings results in permanent removal of racing at St Marys.

Efficiency Opportunities

- Shared procurement arrangements
- Joint marketing program
- Shared services program

Model A	
Advantages	Disadvantages
- Minimal disruption to current operations - Preserves majority club identity and community connections - Low implementation risk - Maintains existing governance structures - Limited stakeholder resistance - Quick wins achievable	- Involves cessation racing at St Mary's and impact to that racing community. - Limited financial savings at Club level. - Retains most structural inefficiencies - Continued duplication of administrative overhead - Continued fragmented decision-making - Difficulty achieving strategic coordination

²³ 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 once actual races scheduled in line with Total meetings.

²⁴ In allocating race meetings proportionately under a reduced model we have continued to use decimals to then calculate cost impacts, rather than make a final decision on rounding up or down on a given facility, on the assumption that cost or revenue impact across facilities will be proportionate. The final decision on absolute race day allocation has been reserved for the Tasracing Board in consultation with clubs.

Structural & Financial modelling: Model A (Harness)

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. DPC Tasracing Contribution (\$100K) removed.
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 some disproportionate contribution to both line items). ²⁵ Any reduction in race days absorbed equally across Clubs (noting projected KI & St Marys discontinuance set out below)
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

BASE	TTC		TPC		DHRC		CPPC		NEPC		BHRC		STM		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(10,262)	2,380	(50,249)	(51,283)	(57,368)	(57,368)	(2,668)	(2,283)	(2,450)	(2,375)	(14,006)	(14,562)	3,219	3,219	(133,784)	(122,271)
Raceday Costs	(43,202)	(50,402)	(39,639)	(46,246)	(399)	(399)	(10,621)	(12,391)	(811)	(946)	(4,668)	(5,446)	0	0	(99,340)	(115,831)
Non-Raceday Stakes & Wagering	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex Impact	(370,276)	(467,015)	(366,479)	(462,226)	0	0	(36,375)	(45,878)	(7,561)	(9,537)	(47,014)	(59,297)	(41,700)	(41,700)	(869,405)	(1,085,652)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(423,740)	(515,037)	(456,367)	(559,755)	(57,767)	(57,767)	(49,664)	(60,552)	(10,822)	(12,858)	(65,687)	(79,304)	(38,481)	(38,481)	(1,102,529)	(1,323,754)

²⁵ Whilst major Harness race days do generate higher levels of race day income, the impact is not as disproportionate as witnessed in Thoroughbred racing and the contribution of major Cups (Hobart Cup, Launceston Cup & Devonport Cup), and accordingly we have included 80% of the impact from proportionate reduction in races and race days.

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Accordingly, we estimate that the **Model A: Enhanced Status Quo** (Harness) would achieve **\$1.1M** cost saving in FY27, increasing to **\$1.32M** in FY28. This model would not achieve any projected Capex reductions.

Observations

Some observations should be made regarding this model:

- Racing at St Marys has been discontinued under this base model due to overall reduction in race meetings. However, it is important to note that currently St Marys PC (a) operates the club at a profit; (b) receives no non-raceday assistance from Tasracing; (c) on a per race cost model is the most efficient harness venue in Tasmania; and (d) on the basis of stakeholder consultation, receives significant community support and attendance at its standalone New Years Day meeting. Taking into account the negative cost impact and savings from rationalisation of St Marys PC (any positive only stems from stakes reductions, which would accrue at any alternative venue), and the potential significant community impact, whilst cessation of racing at this venue was built into the model, on balance (and conditional on the ongoing safety of the track surface) we would recommend continuing this sole annual meeting, however explore obtaining TAB Meeting status for hits meeting to generate race fields revenue.
- Whilst we recognise King Island meetings include both Thoroughbred and Harness races, all cost impacts have been included in the earlier thoroughbred analysis and not included here.
- We have assumed an ability to reduce staffing costs by 20% through a shared services model, replicating that utilised for Thoroughbreds analysis, however smaller initial staffing numbers may make such reduction more difficult for Harness.
- As the majority of the Harness Clubs were profitable in FY25, the impact of reducing race meetings on Race Club P&L acted to reduce their yield, with overall impact when taking into account staff and administrative saving more marginal than thoroughbreds.
- Reduction in Stakes owing to a reduction in races contributed the largest cost impact under this model, accounting for \$869KM of the total \$1.1M impact (79%)

Risk Assessment

- **LOW** implementation risk, with **MEDIUM** financial impact (largely from Stakes impact)
- Limited transformation impact
- Opportunity cost of not pursuing deeper reform whilst undertaking change

Implementation Considerations

- Cost-Benefit analysis of cessation of racing at St. Marys: does the financial impact justify the community cost?
- Voluntary vs. mandated efficiency programs
- Incentive structures for collaboration
- Timeline for efficiency initiatives
- Governance of any shared services

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3.4.3 Model B: North & South Consolidation (Harness)

Description

- This model would combine the LPC and CPPC into a single entity, looking to achieve further administrative efficiencies over and above Model A. It would also consolidate northern pacing proportionately into Carrick Park and Launceston, ceasing racing at both Scottsdale and Burnie and disbanding those club administrations.
- Frequency of race meetings in line with projected standardbred population and a more efficient and appropriate race model (**Base Projection**) allocated as per below for FY27 and FY28²⁶:

Base Projection ²⁷														
	TTC		LPC		CPPC		NEPC		BHRC		STM		Total	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	32.7	31.3	31.9	30.6	6.4	6.1	0.0	0.0	0.0	0.0	0.0	0.0	71	68
Races	277.3	264.4	285.8	272.5	56.8	54.2	0.0	0.0	0.0	0.0	0.0	0.0	620	591

- Review efficacy of King Island Racing ongoing. Please note that King Island club costs have been included as savings in the Thoroughbred analysis and have not been delineated between codes.
- Remove ongoing funding and deregister Devonport Pacing Club

Efficiency Opportunities

- Shared procurement arrangements
- Joint marketing program
- Enhanced shared services program, particularly across LPC and CPPC
- Reduced Administration costs (LPC & CPPC)

Model B	
Advantages	Disadvantages
- Potential for club collaboration and support implementing across CPPC, LPC and TTC. - Medium implementation risk - Maintains main existing governance structures - Sharing expertise, costs and services - Consolidated decision making	- Potentially compromises LPC and CPPC identity and community connections. - Definitely compromises NEPC and BHRC identity and community connections. - Likely to meet significant opposition from impacted clubs.

²⁶ 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.

²⁷ In allocating race meetings proportionately under a reduced model we have continued to use decimals to then calculate cost impacts, rather than make a final decision on rounding up or down on a given facility, on the assumption that cost or revenue impact across facilities will be proportionate. The final decision on absolute race day allocation has been reserved for the Tasracing Board in consultation with clubs.

Structural & Financial modelling: Model B (Harness)

Model B1 Assumptions
At a minimum, all efficiency opportunities identified in Model A
Centralisation of LPC and CPPC professional costs, insurance, banking and administration costs (Accounting, Audit, Legal and Associated).
Further centralisation of workforce across LPC and CPPC (total 40% reduction in staffing costs)
Race Day income and costs adjusted to projected race meetings
Reduction in Tasracing Raceday costs proportionate to projected race day reductions
Reduction in Prizemoney and Racefields Income proportionate to projected race reductions
Centralised Administration (Reduction in Administration & Utilities costs (50%))
Joint procurement food and beverage services (25% cost reduction)
Centralisation of Marketing Program efficiencies already built in from Model A
No Impact Repairs & Maintenance
No Reduction in Tasracing Non-Raceday costs (save for King Island costs)
All NEPC Revenue & Costs Removed (save for Tasracing Contributions which are reabsorbed as positive impact)
All BHRC Revenue & Costs Removed (save for Tasracing Contributions which are reabsorbed as positive impact)

BASE	TTC		TPC		DHRC		CPPC		NEPC		BHRC		STM		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(10,262)	2,380	(84,344)	(85,493)	(57,368)	(57,368)	(25,148)	(24,377)	(15,239)	(15,239)	(80,562)	(80,562)	3,219	3,219	(269,704)	(257,439)
Raceday Costs	(43,202)	(50,402)	(22,267)	(29,607)	(399)	(399)	31,272	27,732	(4,010)	(4,010)	(23,081)	(23,081)	0	0	(61,686)	(79,767)
Non-Raceday	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stakes & Wagering	(370,276)	(467,015)	(159,103)	(264,550)	0	0	138,582	120,895	(49,795)	(49,795)	(309,613)	(309,613)	(41,700)	(41,700)	(791,906)	(1,011,778)
Capex Impact	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL IMPACT	(423,740)	(515,037)	(265,714)	(379,650)	(57,767)	(57,767)	144,706	124,250	(69,044)	(69,044)	(413,256)	(413,256)	(38,481)	(38,481)	(1,123,296)	(1,348,985)

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Accordingly, we estimate that the **Model B: North & South Consolidation** (Harness) would achieve **\$1.12M** cost saving in FY27, increasing to **\$1.35M** in FY28. This model would not achieve any projected Capex reductions.

Observations

Some observations should be made regarding this model:

- We refer to our comments on discontinuation of pacing at St Marys PC as per Model A.
- With respect to Burnie and Scottsdale, we note that when excluding or accounting for cost impact from Stakes and Wagering, and Tasracing Raceday contributions (which we assume would simply accrue at other substitute venues) the discontinuation or pacing and consolidation of the administration of these clubs into a sole North Club would be ≈\$18K and \$33K respectively. Whilst this would arguably also simplify scheduling and administration, the Tasracing Board needs to consider heavily whether an incremental ≈\$50K impact on costs justifies the social and community impact on cessation of racing at these clubs. As will be noted below, Burnie and Scottsdale also represent lower cost venues, and accordingly moving race meeting to LPC or CPPC has increased cost impact.
- Impact on Club P&L under this model is more significant, projected at \$269K (\$133K in Model A), with Tasracing distributions to Burnie, St Marys & Scottsdale retained by Tasracing.
- Reduction in Stakes owing to a reduction in races contributed the largest cost impact under this model, accounting for \$791K of the total \$1.12M impact (70.6%) – albeit at a much lower proportion than Model A due to reasons set out below.
- Impact on Tasracing Raceday Costs are lower than Model A as race day costs at Burnie are significantly lower than Carrick Park and Launceston – accordingly racing more frequently at Carrick and Launceston at the expense of Burnie increases race day costs (need to further investigate disparity on Race Day wages and Ambulance costs at both venues).
- Impact on Prizemoney and Wagering revenue also diminished as against Model A given average prize money at Carrick Park and Launceston greater than offered at Burnie & Scottsdale, and assumption prize money levels at those aforementioned venues is to be maintained for additional races (\$100K more prizemoney to be paid, \$22K positive impact on race fields revenue).
- Accordingly, despite impact on Club P&L collective performance, given increased Raceday Costs and Stakes Impact at Carrick and Launceston, similar financial impact compared to Model A. If normalised for Prizemoney and Raceday costs, impact would increase by ≈\$80K to \$1.19M in 2027.

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Model B (Harness): Implementation Considerations	
Legal & Governance	Operational
• Incorporation of a new entity, or transition of CPPC & LPC 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) • Deregistration of NEPC and BHRC and process for dealing with assets.	• Technology platform integration • Brand transition strategy • Membership system consolidation • Volunteer program redesign
Stakeholder Management	Risk Assessment
• Cost -Benefit analysis: Does financial impact of ceasing racing at each facility justify community cost? • Government consultation and impact on proposed closure of race clubs. • Community consultation process • Member communication and engagement • Volunteer retention strategies • Historical club legacy recognition	• Moderate implementation complexity • Stakeholder resistance from local clubs (HIGH) • Loss of community engagement (MEDIUM to HIGH) • Volunteer attrition risk (MEDIUM to HIGH) • Brand transition risk (MEDIUM to HIGH)

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3.4.3 Model C: Consolidation by Code (Harness)

Description

- a single Harness Racing Club, to administer all Harness Racing Facilities in Tasmania.
- Consolidation of all racing into a north and south venue – proposed as Elwick and Carrick Park;
- Frequency of race meetings in line with projected standardbred population and a more efficient and appropriate race model (**Base Projection**) allocated as per below for FY27 and FY28²⁸:

Base Projection ²⁹														
	TTC		LPC		CPPC		NEPC		BHRC		STM		Total	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Meetings	39.1	37.4	0.0	0.0	31.9	30.7	0.0	0.0	0.0	0.0	0.0	0.0	71	68
Races	334.5	317.2	0.0	0.0	285.5	272.1	0.0	0.0	0.0	0.0	0.0	0.0	620	591

- Review efficacy of King Island Racing ongoing. Please note that King Island club costs have been included as savings in the Thoroughbred analysis, and have not been delineated between codes.
- A single Harness racing club governance board;
- Centralised harness club administration with regional/facility-based operational teams.
- Cessation of LPC, King Island, Scottsdale, Burnie and St Mary's ongoing
- Expansion on Carrick Park to accommodate increased stabling and training capacity as the high performance harness training centre in the North of the state.

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 • Reduced maintenance and non-Raceday costs.	• 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 • Change management challenges for existing club members/volunteers • Volunteer engagement may decline • Historical assets and liabilities require consolidation

²⁸ 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.

²⁹ In allocating race meetings proportionately under a reduced model we have continued to use decimals to then calculate cost impacts, rather than make a final decision on rounding up or down on a given facility, on the assumption that cost or revenue impact across facilities will be proportionate. The final decision on absolute race day allocation has been reserved for the Tasracing Board in consultation with clubs.

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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

Model C
Assumptions
Apportion all LPC Race Days into both Elwick (20%) and Carrick Park (80%). Consistent assumptions of Model B as they relate to apportioned race days, income and costs from LPC into TTC and CPPC. Race and facility related income and costs are under TTC and CPPC in Model Impact document. All Administrative, non-raceday, non-facility related costs centralised under New Entity .
Cessation of operations and deregistration of LPC.
Centralisation of workforce. 40% reduction in collective staffing costs of TTC, LPC and CPPC (from FY25)
Food & Beverage Income maintained by venue as per Model B (assume no change under a central administration). Cost of Sale similarly maintained.
Tasracing Raceday costs adjusted. We note Tasracing has incurred ≈\$13K Race Day costs per CPPC race meeting, and ≈\$5K per LPC Race Meeting. Conversely, CPPC has received ≈\$6K Tasracing contributions per race meeting, against LPC ≈10K per meeting. We have proportionately absorbed these increased Tasracing contributions into CPPC, and for increased CPPC Raceday costs used TPC average.
Adjustments to Prizemoney and Racefields Income proportionate to projected races
Tasracing Sponsorship levels maintained into Consolidated Entity
Assume no Impact on existing Repairs & Maintenance, Licences and Subscriptions,, Sponsor and Member Expenses, Miscellaneous Costs and Depreciation.
All current Tasracing Reimbursements and recoveries maintained in Consolidated entity. Tasracing Contributions assumed by TTC and CPPC for Racedays proportionate the LPC Race days absorbed.
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
Streamlined Marketing & Communication costs within Consolidated entity (20% Cost reduction from FY25 TPC, LPC and CPPC cumulative investment)
Consolidation of Administration & Utilities costs (50% reduction)
Assume \$1M capital expenditure at Carrick Park to accommodate facility upgrades required (Elwick Capital Expenditure includes existing proposed expenditure). Elwick also required but included in current CapEx. ³⁰
CPPC will assume 50% of all LPC Non-Race Day costs (given increase in Race Meetings)

³⁰ We note that currently there is \$50K Cap included for TTC. We understand an expanded request has been made by TTC and may need to be included, however have not included in this assessment to allow fair comparison.

Structural & Financial modelling: **Model C** (Harness)

BASE	NEW ENTITY		TTC		TPC		DHRC		CPPC	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	397,257	397,257	(380,742)	(367,265)	(45,887)	(55,819)	(57,368)	(57,368)	(309,080)	(297,666)
Raceday Costs	0	0	(9,952)	(18,557)	(195,995)	(195,995)	(399)	(399)	151,951	145,345
Non-Raceday	0	0	0	0	(673,060)	(673,060)	0	0	336,530	336,530
Stakes & Wagering	0	0	56,015	(72,721)	(2,413,479)	(2,413,479)	0	0	1,660,139	1,571,283
Capex Impact	0	0	0	0	(150,000)	0	0	0	500,000	500,000
TOTAL IMPACT	397,257	397,257	(334,679)	(458,543)	(3,478,420)	(3,338,353)	(57,767)	(57,767)	2,339,540	2,255,491

BASE	NEPC		BHRC		STM		TOTAL (TB)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
Club P&L	(15,239)	(15,239)	(80,562)	(80,562)	3,219	3,219	(488,401)	(473,441)
Raceday Costs	(4,010)	(4,010)	(23,081)	(23,081)	0	0	(81,486)	(96,697)
Non-Raceday	0	0	0	0	0	0	(336,530)	(336,530)
Stakes & Wagering	(49,795)	(49,795)	(309,613)	(309,613)	(41,700)	(41,700)	(1,098,433)	(1,316,025)
Capex Impact	0	0	0	0	0	0	350,000	500,000
TOTAL IMPACT	(69,044)	(69,044)	(413,256)	(413,256)	(38,481)	(38,481)	(1,654,850)	(1,722,694)

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Accordingly, we estimate that the **Model C: Consolidation by Code** (Harness) would achieve **\$1.65M** cost saving in FY27, increasing to **\$1.722M** in FY28. Importantly, this model also builds in Increased Capital Expenditure at Carrick Park in order to not only cater for increased utilisation in Race Day, but also future proofing in terms of Training facilities.

Observations

Some observations should be made regarding this model:

- Impact on Club P&L under this model is more significant, projected at \$488K (\$269K in Model B), with further administrative cost savings from consolidations of staffing and professional costs). Regardless, it should be noted that the total staffing costs incurred by all clubs outside of LPC and TTC (including CPPC, BRHC, STMPC & SEPC) are <\$110K – and accordingly there is only so much that can be achieved through rationalisation of these smaller clubs - and where races are retained at those facilities it is hard to estimate where savings will come from as any remaining administrative structure will still need to dedicate staffing at those facilities.
- It should be noted a significant contributor to the increased impact at Club P&L level is the impact of increased racing at Carrick Park from an F&B yield position. Historically CPPC have operated on a COGS as a % of Revenue of ≈42%, with LPC at operating at a net loss. Accordingly, given we have proportionately adjusted F&B Income and Costs to CPPC based on Race Meetings, this has resulted in a net impact on F&B profit of ≈\$150K alone at that venue. Accordingly, racing more often at CPPC has a positive impact on total traditional club revenues.
- Reduction in Stakes net of Race fields revenue owing to a reduction in races contributed the largest cost impact under this model, accounting for \$1.1M of the total \$1.654M impact (66.5%) .
- As noted above, Tasracing Raceday costs at Carrick Park as disproportionately higher than for LPC, but conversely per race Tasracing Contributions are higher at LPC. We have used the LPC per Race Day average Race Day costs for all increased Race Days at Carrick Park.
- When reallocating LPC Race Days to TTC and CPPC, we note average races per race day was higher at LPC, and this increased races disproportionately (resulting in TTC conducting more races over less meetings in Model C as compared to FY25 (increasing Staeks paid over fewer meetings).
- Impact on Tasracing Raceday Costs are lower than Model A as race day costs at Burnie are significantly lower than Carrick Park and Launceston – accordingly racing more frequently at Carrick and Launceston at the expense of Burnie increases race day costs.
- If accounting for the proposed \$1M Capital Expenditure at Carrick Park, Model C delivers an additional \$880K positive impact over Model B in FY27.
- We refer to and repeat previous comments regarding net financial and community impact through cessation of racing at St Marys, Burnie and Scottsdale as discussed in Model A & Model B.

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Model C (Harness): Implementation Considerations	
Legal & Governance	Operational
• Incorporation of a new entity, or transition of TTC, CPPC & LPC 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) • Deregistration of relevant clubs and process for dealing with assets.	• Technology platform integration • Brand transition strategy • Membership system consolidation • Volunteer program redesign
Stakeholder Management	Risk Assessment
• Government consultation and impact on proposed closure of race clubs. • Community consultation process • Member communication and engagement • Volunteer retention strategies • Historical club legacy recognition	• High implementation complexity • Stakeholder resistance from local clubs (VERY HIGH) • Loss of community engagement (to VERY HIGH) • Volunteer attrition risk (HIGH) • Brand transition risk (VERY HIGH)

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4. Cross Code Modelling

4.1. Cross Code Models to be considered

As set out in earlier analysis of both Thoroughbred Racing and Harness Racing Club & Facility Analysis, the last two (2) models to be considered touch upon broader Cross Code opportunities, namely:

MODEL D	MODEL E
Consolidation by Location	Tasracing Integration
Consolidation of North and South Harness Clubs (Model B) 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.

These models are addressed in the following sections.

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4.1.1 Model D: Consolidation by Location (Cross Code)

Description

- A two (2) Racing Club model, one in Hobart and one in Launceston, each charged with administering both Thoroughbred and Harness Racing in their jurisdiction out of their designated facilities.
- For Hobart, both codes to operate out of Elwick, based upon projected Race Day Schedules as set out in Model C for both Codes.
- For Launceston, Thoroughbreds to operate out of Mowbray, and Harness to operate out of Carrick Park, with day-to-day administration to be based out of Mowbray. Projected Race Day Schedules as set out in Model C for both Codes.
- Single governance board per region
- Centralized administration with code-specialized operational teams

Organizational Structure (for both Clubs)

- Single board and executive management
- Centralized administration (finance, HR, IT, marketing)
- Code-specific operational managers (Thoroughbred Manager, Harness Manager)
- Integrated food and beverage operations across codes
- Unified membership program (all codes)
- Multi-facility coordination within region

Efficiency Opportunities

Model D	
Advantages	Disadvantages
• Maintains regional community identity • Maximizes facility sharing and utilization • Significant reduction in governance overhead • Strong local community connections • Unified regional marketing and promotions • Cross-code event opportunities • Efficient use of multi-code facilities • Simplified facility management and maintenance coordination • Regional economic development alignment • Enhanced volunteer opportunities across codes • Shared food and beverage operations optimized by location • Stronger regional presence and visibility • Simplified relationship with local government and sponsors	• Dilution of code-specific identity and culture • Board governance requires multi-code expertise • Risk of one code dominating club priorities • Code-specific participant communities may feel underrepresented • Complex internal operational structure (code specialists within generalist club) • Potential conflicts in resource allocation between codes • Statewide code coordination more difficult • Less alignment with Tasracing's code-based structure • Interstate code relationships more complex • May not suit single-code facilities well

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Implementation Considerations	
Legal & Governance	Operational
• Incorporation of regional entities • Constitutional arrangements for multi-code representation • Board composition (balanced code representation) • Member transition (cross-code membership options) • Asset and liability consolidation by region • Employment transitions • Multiple Club deregistration's	• Multi-code operational management structure • Code-specific expertise retention • Technology platform integration • Regional brand development • Cross-code membership programs • Volunteer program spanning codes
Stakeholder Management	Risk Assessment
• Code-based community consultation • Regional community engagement • Balancing code interests in governance • Managing code-specific stakeholder relationships	• HIGH implementation complexity • Code community resistance (HIGH) • Governance complexity managing multiple codes (HIGH) • Risk of code conflict within clubs (HIGH) • Loss of code-specific focus (MEDIUM-HIGH) • Volunteer engagement across codes (HIGH) • Stakeholder resistance from local clubs (VERY HIGH)

Structural & Financial modelling

As set out above, 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

In considering overall potential financial impact of this model, over and above the combination of **Model C (Consolidation by Code)** for each of Harness and Thoroughbreds, which also has the impact of reducing the operating model to two (2) racing Clubs in Tasmania, we are of the opinion there will be little to no increased financial impact to be achieved (based on utilising the same efficiency assumptions).

Conversely, we believe the inherent difficulties in cross-code operational management, cross-code membership programs, volunteer programs across codes, and potential loss of code specific knowledge and focus, would make this Model D less preferable to the application of Model C across both codes. Whilst Model C would maintain some code representation across both Hobart and Launceston, Model D would still necessitate brand and organisations change from code specific clubs, and accordingly not distinguish the risk of loss at that level.

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4.1.2 Model E: Tasracing Integration (Cross Code)

Description

- **Single entity model:** All club functions absorbed into Tasracing
- Tasracing establishes "**Club Operations Division**"
- All clubs & facilities (all codes) become operational units within Tasracing
- Similar to Hong Kong Jockey Club integrated model
- Complete vertical integration of racing operations and club/hospitality services
- Operates under existing Tasracing Board. Tasracing to appoint a Director with Club experience.

Organizational Structure: Tasracing Club Operations Division

- General Manager - Club Operations (reports to Tasracing CEO)
- Centralized club administration within Tasracing
 - Finance and administration
 - Human resources
 - Marketing and communications
 - Membership services
 - Food and beverage management
 - Events and hospitality
- Regional/facility operations managers: Assuming GM Club Operation based at Elwick (Mowbray and Carrick Park facilities only).

Efficiency Opportunities

Model E	
Advantages	Disadvantages
• Maximum elimination of duplication • Single governance structure • Seamless integration of racing operations and club services • Unified strategic direction • Maximum economies of scale • Strongest procurement and negotiating power • Consistent service standards statewide • Efficient resource allocation across all functions • Simplified regulatory and compliance framework • No interface issues between racing body and clubs • Clear accountability • Professional management throughout • Enhanced career paths for staff • Potential for innovation and investment • Aligned with some international best-practice models	• Complete loss of independent club identity • Loss of community-based governance • Significantly reduced volunteer engagement • Large, potentially bureaucratic organization • Loss of competitive innovation between clubs • Reduced local community ownership and connection • May be perceived as corporatization/loss of grassroots culture • High stakeholder resistance expected • Volunteers may disengage entirely • Historical club legacies and traditions lost • Members become customers • Reduced diversity in service delivery approach • Political sensitivity (concentration of power) • May reduce community fundraising and support

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Structural & Financial modelling

In analysing **Model E: Tasracing Integration** (Cross Code), this will be assessed against potential incremental impact such model would have over and above **Model C: Integration by Code** across both Thoroughbreds and Harness Clubs & Facilities.

We refer to and repeat both the race programming models and assumptions that underpin both of those analyses. We also assume that each of the following areas will not be impacted (financially) by the implementation of Model E (over and above Model C for both codes):

- Raceday Food & Beverage Income and Costs (including Raceday Staffing);
- Other Raceday Income;
- Membership & Merchandise income and expenses
- Sponsorship income and expenses (this will simply accrue internally and Net zero impact)
- Equipment Purchase and Hire
- Repairs & Maintenance
- Other miscellaneous costs
- Depreciation
- Approved or Proposed (as per Model C) Capital Expenditure
- Tasracing Raceday Cost (as per Model C)
- Tasracing Non-Raceday Expenditure (as per Model C)
- Prizemoney & Wagering Revenue (as per Model C)

Accordingly, in assessing the impact of Model E, our focus is on cost efficiencies in the following areas, based on the following assumptions:

- **Accounting, Legal, Insurance & Banking expenses (and other associated professional expenses):** Further consolidation of these expenses based upon central utilisation of Tasracing finance and legal resources (subject to staffing uplift below), and centralisation of Insurance and Banking Services. Assumed further 25% reduction in total costs under Consolidated model C;
- **Marketing & Promotion:** whilst there is no question that a more consolidated approach to marketing across the racing industry in Tasmania will reap benefits through more consistent messaging and campaigns, it is difficult to imagine that further reductions can be gained from the consolidated ≈\$120K club budgets for marketing and promotion, and this may be an area where a consolidated entity looks to increase expenditure. Impact will be treated as zero.
- **Staffing Costs (non-Raceday):** As set out above, 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

Whilst existing Tasracing resources will be able to assist and absorb some of the functionality currently performed at a club level, as set out above we foresee staffing expenditure in the following roles & areas to substitute for current proposed Club expenditure under model C:

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Role (Area)	Projected Cost (\$)
GM – Club Operations	200,000
Accountant (Clubs) (Tasracing)	120,000
GM, Marketing & Communication (Tasracing)	200,000
Head of Membership (Tasracing)	120,000
Head of Events (F&B) (Tasracing)	100,000
Facility Based Operational Managers (2)	150,000
Total	890,000

- **Administration & Utilities:** Whilst these expenses have been significantly diminished through the Consolidation by Code model, with their strong basis in items such as printing and stationary, cleaning and laundry, and utilities based costs, we would assume a further 25% reduction in these costs can be achieved through Tasracing Integration.
- **Licences & Subscriptions:** This is of marginal net impact, as will assume zero further savings.

On this basis, we provide a high level summary on the following page of what we view as the potential further impact of **Model E: Tasracing integration** over and above Model C execution across both codes.

Ultimately, we believe **Model C: Code Consolidation** across both Thoroughbreds and Harness can deliver a combined financial impact of approximately **\$2.05M** across current Club P&L's. This would take Tasmanian Racing from a combined position of a (\$329,288) loss across harness and Thoroughbred Clubs in FY25, to a FY27 position of a potential ≈1.7M profit.

If we were to implement **Model E: Tasracing Integration (Cross Code)**, we believe this financial impact could grow to an estimated **\$2.32M**, delivering an estimated profit within a Tasracing Integrated Club model of \$1.998M (on a like for like basis with current club activities).

Please note this analysis does not include reductions in Tasracing Race Day costs and the net impact of Stakes and Race fields associated with a strategic reduction in Race Programming, and a reduction in Tasracing Contributions and Non-Raceday costs through a consolidation of facilities – which are each individually recognised in Model C analysis across both codes, and apply equally to Model E.

Structural & Financial modelling: **Model E: Tasracing Integration** (Cross Code)

CLUB P&L REPORTING	TOTAL CLUB P&L (FY25)			MODEL C (TB) Impact (\$)		MODEL C (H) Impact (\$)		CONSOLIDATED P&L MODEL C		MODEL E: TASRACING INTEGRATION Additional Impact (\$)	
	TB	H	Combined	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
INCOME											
Food & Beverage	1,744,264	219,527	1,963,791	(51,817)	(40,785)	(89,802)	(78,396)	1,822,171	1,844,609		
Wagering & Associated	32,255	28,947	61,202	6,556	6,716	(642)	425	67,116	68,343		
Race Day Income (excl F&B)	795,196	401,833	1,197,029	(1,999)	1,324	5,235	20,257	1,200,265	1,218,610		
Membership & Merchandise	85,540	5,951	91,491	12,226	12,686	(10,861)	(10,244)	92,856	93,933		
Investments & Interest	69,232	84,888	154,120	8,185	8,185	70,954	70,954	233,258	233,258		
Tasracing Contributions	0	454,132	454,132	(150,000)	(150,000)	0	0	304,132	304,132		
Sponsorship	657,203	180,075	837,278	(77,200)	(77,200)	47,575	47,575	807,653	807,653		
Grants & Sundry Income	58,081	8,283	66,364	11,250	11,250	2,633	2,633	80,247	80,247		
Nomination and acceptance fees	160,945	0	160,945	150,000	150,000	0	0	310,945	310,945		
Reimbursements & Recoveries	487,623	0	487,623	0	0	0	0	487,623	487,623		
Rental & Hire Fees	245,930	11,818	257,748	0	0	190	190	257,938	257,938		
Miscellaneous & Other	72,234	55,462	127,696	13,210	13,210	8,691	8,691	149,597	149,597		
TOTAL INCOME	4,408,503	1,450,911	5,859,414	(79,589)	(64,612)	33,973	62,084	5,813,799	5,856,886	5,813,799	5,856,886
EXPENSES											
Accounting, Legal, Insurance & Banking	(395,871)	(57,253)	(453,124)	(160,022)	(160,022)	(34,543)	(34,543)	(258,559)	(258,559)	(64,640)	(64,640)
F&B Cost of Sale (Incl Wages)	(1,013,521)	(203,288)	(1,216,809)	(77,495)	(83,999)	(62,750)	(67,951)	(1,076,565)	(1,064,860)		
Marketing & Promotion	(183,195)	(35,164)	(218,359)	(62,917)	(62,916)	(18,830)	(18,830)	(136,611)	(136,612)	0	0
Staffing Costs (& Associated)	(1,524,186)	(577,270)	(2,101,456)	(646,620)	(646,620)	(287,725)	(287,725)	(1,167,112)	(1,167,112)	(277,112)	(277,112)
Race Day Costs (excl. F&B)	(395,973)	(172,870)	(568,843)	(130,469)	(131,118)	49,561	41,611	(487,935)	(479,336)		
Administration & Utilities	(185,915)	(62,292)	(248,207)	(64,715)	(64,715)	(57,862)	(57,862)	(125,630)	(125,630)	(31,407)	(31,407)
Rent	(573)	(16,551)	(17,124)	(573)	(573)	(16,551)	(16,551)	0	0		
Donations	(15,755)	(10,307)	(26,062)	0	0	(3,455)	(3,455)	(22,607)	(22,607)		
Equipment(Purchase & Hire)	(364,209)	(2,525)	(366,734)	(91,793)	(91,793)	(2,525)	(2,525)	(272,416)	(272,416)		
Repairs & Maintenance	(214,290)	(23,024)	(237,314)	(203,308)	(203,307)	(13,983)	(13,983)	(20,023)	(20,024)		
Licenses & Subscriptions	(26,888)	(1,881)	(28,769)	(16,250)	(16,249)	(1,787)	(1,787)	(10,732)	(10,733)	0	0
Sponsor Expenses	(9,422)	(2,981)	(12,403)	0	0	(2,981)	(2,981)	(9,422)	(9,422)		
Member Expenses	(13,910)	(2,003)	(15,913)	0	0	(1,453)	(1,453)	(14,460)	(14,460)		
Stakes & Trophies	(54,195)	(34,924)	(89,119)	0	0	(15,182)	(15,182)	(73,937)	(73,937)		
Vet Costs	0	(81,624)	(81,624)	0	0	(33,869)	(33,869)	(47,755)	(47,755)		
Miscellaneous Costs	(131,580)	(10,376)	(141,956)	(7,885)	(7,885)	(9,346)	(9,346)	(124,725)	(124,725)		
Depreciation	(345,370)	(19,516)	(364,886)	(16,080)	(16,080)			(348,806)	(348,806)		
TOTAL EXPENSES	(4,874,853)	(1,313,849)	(6,188,702)	(1,478,128)	(1,485,277)	(522,375)	(535,526)	(4,188,200)	(4,167,899)	(3,815,041)	(3,794,740)
PROFIT/(LOSS)	(466,350)	137,062	(329,288)	(1,557,717)	(1,549,890)	(488,401)	(473,441)	1,716,830	1,694,043	1,998,758	2,062,146

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Implementation Considerations	
Legal & Governance	Operational
• Dissolution or transition of all club entities • Transfer of assets and liabilities to Tasracing • Member rights and transition (membership becomes Tasracing membership) • Historical club legacies and memorials • Volunteer recognition and transition • Employment transitions (all staff become Tasracing employees) • Constitutional/legislative changes required • Regulatory approvals	• Major organizational restructure of Tasracing • Integration of club operations into existing structure • Technology platform consolidation • Branding and identity strategy • Membership program redesign (statewide program) • Volunteer program transformation (Tasracing volunteers) • Service delivery standards
Stakeholder Management	Risk Assessment
• Extensive consultation required • High likelihood of significant opposition • Historical club member engagement • Community impact mitigation • Volunteer retention strategies • Political engagement and approval process • Public communication campaign	• Highest implementation complexity (VERY HIGH) • Maximum stakeholder resistance expected (VERY HIGH) • Political risk (HIGH) • Volunteer disengagement (VERY HIGH) • Community backlash (HIGH) • Cultural integration challenges (HIGH) • Loss of local community support (MEDIUM-HIGH) • Execution risk over extended timeline (HIGH) • Reputational risk to racing industry (MEDIUM) • Staff integration and change management (HIGH)

5. Comparative Analysis of Options

5.1. Financial Comparison Summary

Below we set out a side-by-side comparison of each of the options considered across Thoroughbred and Harness, alongside Cross Code Model E.³¹

THOROUGHBREDS	MODEL A (BASE)		MODEL A (SR)		MODEL B1 (BASE)		MODEL B1 (SR)	
	TOTAL IMPACT (\$)		TOTAL IMPACT (\$)		TOTAL IMPACT (\$)		TOTAL IMPACT (\$)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(556,017)	(547,346)	(525,661)	(518,215)	(649,765)	(640,974)	(666,308)	(658,860)
TASRACING RACE DAY COSTS	(141,380)	(175,738)	(262,778)	(292,555)	(141,380)	(175,738)	(262,778)	(292,555)
TASRACING NON-RACEDAY COSTS	(214,569)	(214,569)	(214,569)	(214,569)	(214,569)	(214,569)	(214,569)	(214,569)
PRIZEMONEY & WAGERING IMPACT	(405,713)	(567,621)	(999,374)	(1,147,789)	(405,713)	(567,621)	(999,374)	(1,147,789)
CAPEX IMPACT	0	0	0	0	0	0	0	0
TOTAL IMPACT	(1,317,679)	(1,505,273)	(2,002,381)	(2,173,127)	(1,411,428)	(1,598,902)	(2,143,029)	(2,313,773)

THOROUGHBREDS	MODEL B2 (BASE)		MODEL B2 (SR)		MODEL C (BASE)		MODEL C (SR)	
	TOTAL IMPACT (\$)		TOTAL IMPACT (\$)		TOTAL IMPACT (\$)		TOTAL IMPACT (\$)	
	FY27	FY28	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(711,223)	(700,989)	(675,063)	(666,194)	(1,479,460)	(1,470,434)	(1,447,566)	(1,439,739)
TASRACING RACE DAY COSTS	(203,060)	(235,951)	(319,277)	(347,783)	(203,060)	(235,951)	(319,277)	(347,783)
TASRACING NON-RACEDAY COSTS	(471,119)	(471,119)	(471,119)	(471,119)	(409,756)	(409,756)	(409,756)	(409,756)
PRIZEMONEY & WAGERING IMPACT	(245,357)	(410,937)	(852,483)	(1,004,265)	(245,357)	(410,937)	(852,483)	(1,004,265)
CAPEX IMPACT	(6,262,500)	0	(6,262,500)	0	(7,350,000)	1,000,000	(7,350,000)	1,000,000
TOTAL IMPACT	(7,893,259)	(1,818,996)	(8,580,442)	(2,489,361)	(9,687,633)	(1,527,078)	(10,379,082)	(2,201,542)

*All above models assume the discontinuation of racing at King Island. As noted in Section 2.4.2, we estimate that the continuation of a restricted, thoroughbred only, 1-2 day program at King Island would reduce the financial impact of all above models by \$280K - \$300K.

³¹ We have not included Model E: Consolidation by Location in this analysis as did not consider it a viable option as expressed in the analysis itself.

HARNESS	MODEL A (BASE)		MODEL B (BASE)		MODEL C (BASE)	
	TOTAL (H)		TOTAL (H)		TOTAL (H)	
	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(133,784)	(122,271)	(269,704)	(257,439)	(488,401)	(473,441)
TASRACING RACE DAY COSTS	(99,340)	(115,831)	(61,686)	(79,767)	(81,486)	(96,697)
TASRACING NON-RACEDAY COSTS	0	0	0	0	(336,530)	(336,530)
PRIZEMONEY & WAGERING IMPACT	(869,405)	(1,085,652)	(791,906)	(1,011,778)	(1,098,433)	(1,316,025)
CAPEX IMPACT	0	0	0	0	350,000	500,000
TOTAL IMPACT	(1,102,529)	(1,323,754)	(1,123,296)	(1,348,985)	(1,654,850)	(1,722,694)

THOROUGHBRED & HARNESS (MODEL C)	MODEL C (SR) TB		MODEL C (BASE)(H)		CONSOLIDATED	
	TOTAL (TB)		TOTAL (H)		TOTAL	
	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING	(1,557,717)	(1,549,890)	(488,401)	(473,441)	(2,046,118)	(2,023,331)
TASRACING RACE DAY COSTS	(319,277)	(347,783)	(81,486)	(96,697)	(400,762)	(444,480)
TASRACING NON-RACEDAY COSTS	(195,187)	(195,187)	(336,530)	(336,530)	(531,717)	(531,717)
PRIZEMONEY & WAGERING IMPACT	(852,483)	(1,004,265)	(1,098,433)	(1,316,025)	(1,950,916)	(2,320,290)
CAPEX IMPACT	(7,350,000)	1,000,000	350,000	500,000	(7,000,000)	1,500,000
TOTAL IMPACT					(11,929,513)	(3,819,818)

CROSS CODE	MODEL C (SR) TB		MODEL C (BASE)(H)		MODEL E: INTEGRATED	
	TOTAL (TB)		TOTAL (H)		TOTAL	
	FY27	FY28	FY27	FY28	FY27	FY28
CLUB P&L REPORTING					(2,419,277)	(2,396,490)
TASRACING RACE DAY COSTS	(319,277)	(347,783)	(81,486)	(96,697)	(400,762)	(444,480)
TASRACING NON-RACEDAY COSTS	(195,187)	(195,187)	(336,530)	(336,530)	(531,717)	(531,717)
PRIZEMONEY & WAGERING IMPACT	(852,483)	(1,004,265)	(1,098,433)	(1,316,025)	(1,950,916)	(2,320,290)
CAPEX IMPACT	(7,350,000)	1,000,000	350,000	500,000	(7,000,000)	1,500,000
TOTAL IMPACT					(12,302,673)	(4,192,978)

5.2. Strategic Alignment & Risk Assessment

In order to assist in recommendations and decision making, we have applied a multi-criteria decision analysis, with weighted scoring of options against key criteria, to provide some objective assessment, taking into consideration Strategic benefits and risk factors over and above financial considerations.

This analysis has looked at impact of each Model against Strategic Alignment Benefit against both Implementation Difficulty, and also impact on certain Risk Factors. Scoring has been applied based on a rating attributed against each criteria based on rating provided (Very High through to Low) with the specific Weights and scoring framework set out at **Schedule G**.

THOROUGHbred

Criteria	Model A (Rating)	Score	Model B1 (Rating)	Score	Model B2 (Rating)	Score	Model C (Rating)	Score
Strategic Alignment Benefits								
Cost efficiency	Medium-High	+1.0	Medium-High	+1.0	High	+2.0	Very High	+3.0
Service quality improvement	Low	-2.0	Medium	0	Medium	0	High	+2.0
Governance simplification	Low	-2.0	Medium	0	Medium	0	Very High	+3.0
Benefits Sub-Total		-3.0		+1.0		+2.0		+8.0
Implementation Difficulty								
Difficulty in Implementation	Low	+1.0	Low-Medium	+0.5	High	-1.0	Very High	-1.5
Difficulty Sub-Total		+1.0		+0.5		-1.0		-1.5
Risk Factors								
Implementation Complexity	Low	+1.0	Medium	0	Medium-High	-0.5	Very High	-1.5
Political Complexity	Low	+1.0	Low-Medium	+0.5	High	-1.0	Very High	-1.5
Stakeholder Resistance	Low	+1.0	Medium	0	Medium	0	Very High	-1.5
Community Impact	Low	+1.0	Medium	0	High	-1.0	Very High	-1.5
Risk Sub-Total		+4.0		+0.5		-2.5		-6.0
COMPOSITE SCORE	Model A	+2.0	Model B1	+2.0	Model B2	-1.5	Model C	+0.5

HARNESS

Criteria	Model A (Rating)	Score	Model B (Rating)	Score	Model C (Rating)	Score
Strategic Alignment Benefits						
Cost efficiency	High	+2.0	High	+2.0	Very High	+3.0
Service quality improvement	Low	-2.0	Medium	0	Medium-High	+1.0
Governance simplification	Low	-2.0	Medium	0	High	+2.0
Benefits Sub-Total		-2.0		+2.0		+6.0
Implementation Difficulty						
Difficulty in Implementation	Low	+1.0	Medium-High	-0.5	Very High	-1.5
Difficulty Sub-Total		+1.0		-0.5		-1.5
Risk Factors						
Implementation Complexity	Low	+1.0	High	-1.0	Very High	-1.5
Political Complexity	Low	+1.0	High	-1.0	Very High	-1.5
Stakeholder Resistance	Low	+1.0	High	-1.0	Very High	-1.5
Community connection loss	Medium	0	High	-1.0	High	-1.0
Risk Sub-Total		+3.0		-4.0		-5.5
COMPOSITE SCORE	Model A	+2.0	Model B	-2.5	Model C	-1.0

CROSS CODE

Criteria	Model E (Rating)	Score
Strategic Alignment Benefits		
Cost efficiency	Very High	+3.0
Service quality improvement	Very High	+3.0
Governance simplification	Very High	+3.0
Benefits Sub-Total		+9.0
Implementation Difficulty		
Difficulty in Implementation	Very High	-1.5
Difficulty Sub-Total		-1.5
Risk Factors		
Implementation Complexity	Very High	-1.5
Political Complexity	Very High	-1.5
Stakeholder Resistance	Very High	-1.5
Community connection loss	Very High	-1.5
Risk Sub-Total		-6.0
COMPOSITE SCORE	Model E	+1.5

STRATEGIC ALIGNMENT AND RISK ANALYSIS: RANKING SUMMARY

Racing Code	Model	Composite Score	Recommendation
Thoroughbred	Model A	+2.0	✓ Recommended
Thoroughbred	Model B1	+2.0	✓ Recommended
Thoroughbred	Model B2	-1.5	⚠ High Caution
Thoroughbred	Model C	+0.5	⚠ Proceed with Caution
Harness	Model A	+2.0	✓ Recommended
Harness	Model B	-2.5	⚠ High Caution
Harness	Model C	-1.0	⚠ Proceed with Caution
Cross Code	Model E	+1.5	⚠ Proceed with Caution

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6. Recommendations

6.1. Primary Recommendations

SCHEDULING

- A. **Implement an immediate strategic reduction in the amount of race meetings and races across both Thoroughbred and Harness Racing:** The racing population in both codes does not justify the current level of racing which has increased in the face of population reduction. Whilst not predicated on the basis of cost impact, the reality is that each race conducted operates at a net loss to the racing industry, and accordingly it is imperative the schedule fits the population.

We would recommend 58 Thoroughbred Race Meetings and 71 Harness Race meetings for the 26/27 Season. This will deliver a significant cost reduction to Tasracing to be applied against other potential stakeholder investments. The apportionment of these reductions across various clubs should take into account the financial performance of each facility and venue as the predominant consideration.

This must be conducted alongside a detailed analysis of the horse population across both codes, and an assessment of class and format of races to be conducted across these meetings (see below).

FINANCIAL IMPACT:

- **(≈\$1.25M)** Thoroughbred (Stakes & Raceday costs)
- **(≈\$1.17M)** Harness (Stakes & Raceday costs)

THOROUGHBRED CLUBS & FACILITIES

- B. **Commit to Capital Expenditure required at Spreyton, and bring the Tasmanian Turf Club and Devonport Racing Club together:** Whilst it is our assessment that rationalisation of facilities, and a concentration of all thoroughbred racing at Elwick and Mowbray (with the potential closure of Spreyton) is possible, on balance it is our recommendation an immediate commitment be made to invest in the Tapeta track at Spreyton and maintain racing at that facility.

Whilst the cessation of training and racing would alleviate the ≈\$7.5-\$8.0M commitment required for track upgrades, we believe this is outweighed by (a) the significant impact on a racing community already effected through cessation of both Harness and Greyhound Racing; (b) the significant additional investment required in developing alternative training facilities, and the relocation of a large number of Devonport based trainers; and (c) the strong ongoing club business model that has been built by the current Committee, and invested in by Government.³²

Having said that, we do believe Tasracing should be working with both the TTC and DRC to encourage and support a closer working relationship, including consideration of bringing together administrations. Whilst this will deliver only limited financial impact, it will alleviate

³² We refer to and repeat the comments made regarding the Annual Report of the Devonport Racing Club, and the reflection that capitalisation of renovation expenses in FY25 would have returned a net profit.

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ongoing risk associated with strong volunteer led leadership and administration at DRC. This is supported by the TTC.

FINANCIAL IMPACT:

- Nil impact current Approved Capex (Spreyton)
- **(≈\$95K)** savings from TTC & DRC consolidation.

This would essentially amount to an adoption of Model B1 (Strategic Reduction), with modifications regarding King Island addressed below.

- C. **Move to year-round scheduling at Mowbray:** Regardless of the recommended investment continued racing at Spreyton, we would recommend strong consideration be given to year-round racing schedule at Mowbray, and necessary modification of the current maintenance program to allow this to occur. Such change would provide the TTC with greater ability to properly manage (staff) and promote their club and meetings with continuity, whilst also providing trainers and thoroughbred population with greater access to turf racing year-round.

Whilst greater work needs to be conducted on the make-up of adjusted race-meetings, we believe these race meetings would likely be at the expense of Spreyton (reducing slightly), and also reallocating some of the summer Mowbray meeting earlier in the year.

- D. **Restrict King Island Racing to a single, multi-day, thoroughbred only meeting:** King Island remains an important racing community in Tasmania, however historic levels of racing cannot be justified on a cost-benefit analysis. In the event that KIRC wished to continue racing in the 26/27 season, and subject to a full costing analysis (for KIRC, Tasracing and Trainers/Stakeholders) we would recommend a commitment be provided to King Island for the conduct of a 1-2 day King Island Racing carnival, focusing on (a) Thoroughbred only racing, seeking to optimise race numbers and field sizes; and (b) working together to establish this meeting as a TAB meeting to address underlying business model.

FINANCIAL IMPACT:

- **(≈\$210K)** based on assumptions in Model A (against FY25 numbers).

- E. **Lead ongoing discussions with Tasmanian Racing Club, Tasmanian Turf Club and Tasracing on efficiencies, structures and communications:** From our analysis, the most significant financial impact that could be achieved from any club level rationalisation is between TRC and TTC - and potentially also Tasracing. Both TRC and TTC remain open to discussions of working much closer together (with TRC also supporting a potential single club model). With >\$1.4M in annual staffing costs between them, there are clear areas of cross-over that can be addressed, and we believe Tasracing should convene and lead a forum to explore greater efficiencies. This forum can also include exploration of Tasracing non-Raceday costs attributed to each Club and facility, and ways the organisations can work together to reduce these.

FINANCIAL IMPACT:

- Target **(≈\$500-600K)** savings across staffing, accounting/Financial/legal, joint procurement, and looking at Tasracing (Elwick) associated efficiencies.

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HARNESS CLUBS & FACILITIES

- F. **Commit to a reduced proportionate Harness Racing Schedule (pausing Prize Money increases) with limited rationalisation of Harness Clubs and facilities:** Whilst given the high fragmentation of harness clubs and facilities in Tasmania, we fully investigated and considered the rationalisation venues and clubs such as St Marys, Scottsdale and Burnie (each conducting only a limited amount of meetings), however on balance do not believe a cost-benefit analysis justified the removal of these venues from the schedule.

With the exception of Burnie, each of these clubs operates at a profit, Tasracing has limited to no ongoing maintenance spend, and the per race cost is lower than that incurred at larger venues (and accordingly shifting meetings to other venues would have a negative cost impact). These clubs also continue to play an important role in local communities. It does however need to be a focus to elevate all meetings to TAB meeting status where possible, and optimise number of races per meeting.

We would encourage further ongoing dialogue with all clubs regarding centralisation of appropriate costs and administration where appropriate, with an immediate focus on CPPC and LPC (where most efficiencies are evident).

This would essentially amount to an adoption of Model A (Base Model), with modifications regarding King Island and continued racing at St Marys.

- G. **Deregister and cease funding of the Devonport Harness Club:** Whilst harness racing ceased in Devonport in 2022 with the closure of the showgrounds, the Devonport HRC has continued to be financially supported by Tasracing through \$100,000 grant per annum plus a sponsorship contribution, which supports DHRC continuing to conduct limited Harness meetings at Launceston. We understand such ongoing commitment was made pending possible provision of a new North-West facility, however we do not believe such continued funding is justified in current circumstances. The landmark meetings such as Devonport Cup can continue to be recognised and conducted by LPC. DHRC currently has >\$200,000 cash or equivalent on balance sheet, increasing each year from Tasracing Investment.

FINANCIAL IMPACT:

- **(≈\$110K)** annual Tasracing Investment currently made to DHRC.

6.2. Supporting or Ancillary Recommendations

HORSE POPULATION ANALYSIS AND RACE FORMAT ADJUSTMENT

- H. **Conduct detailed analysis on horse population class (Thoroughbred & Harness), and make necessary adjustments to race compositions and scheduling:** Over and above adjustments to the number of meetings/races, Tasracing need to urgently conduct a detailed assessment of the class and level of the horse population across both codes – both current and historic – to better understand the population at each level, to assist: (a) making proper adjustments to the race program to ensure it meets needs of current population; (b) make necessary adjustments to encourage future desired population make up (i.e. provide necessary incentives to Tasmanian breeding industry; adequately develop and encourage threshold Open racing population).

Once we have more detailed knowledge of horse population, we would recommend greater open communication with leading trainers for detailed feedback around scheduling in terms of timing and pattern.

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HARNESS RACING TRAINING INFRASTRUCTURE

- I. **Develop costed Master Plan for Carrick Park as an expanded harness training centre, alongside a fully costed Maxfield site:** Succession planning for the harness Training ranks remains a significant concern, and limited access to training facilities is a contributor to this. Carrick Park presents an industry owned facility, with scope and space to expand training infrastructure.

We would recommend in this regard: (a) with the support of Government and CPPC, any lease for the existing speedway not be renewed beyond July 2029; and (b) a detailed costed master plan be prepared for the Carrick Park site to build out expanded training infrastructure for the harness Industry.

We are also aware that a Development Approval has been prepared for the Maxfield site adjacent to Devonport Airport. We would recommend this be completely costed to be considered alongside the Carrick Park plan, to be presented to Tasracing Board alongside Harness Trainer and horse population modelling, to determine alongside each other where the most appropriate future investment lies.

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SCHEDULE A

TASRACING NON-RACEDAY THOROUGHBRED 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)

RTI RELEASE

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)

RTI RELEASE

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)

RTI RELEASE

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
Spreyton Stables/Improvements	2	0.35					Y	Tasracing
GAP	1	1.00	0				Y	Tasracing/POCT
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
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		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								

RTI RELEASE

SCHEDULE C THOROUGHBRED CLUB MODELLING

Please refer accompanying spreadsheet **Consolidated Club Financials**, and refer TAB entitled **Thoroughbred Modelling**.

RTI RELEASE

SCHEDULE D HARNESS CLUB MODELLING

Please refer accompanying spreadsheet **Consolidated Club Financials**, and refer TAB entitled **Harness Modelling**.

RTI RELEASE

SCHEDULE E CROSS CODE MODELLING

Please refer accompanying spreadsheet **Consolidated Club Financials**, and refer TAB entitled **Tasracing Integration Model**.

RTI RELEASE

SCHEDULE F

TASRACING NON-RACEDAY HARNESS CLUB COSTS & INCOME

	TTC	LPC	DHRC	CPPC	NEPC	BHRC	STM	Total
INCOME								
1200 - Stable Rent Rec				10,296				10,296
TOTAL INCOME	0	0	0	10,296	0	0	0	10,296
EXPENSES								
2100 - Salaries and Wages	(133,367)	(138,912)	-	(1,202)	-	-	-	(273,481)
2101 - Overtime	(28,382)	(19,968)	-	(683)	-	-	-	(49,033)
2104 - Casual Wages	(10,662)	(7,773)	-	(11,112)	-	-	-	(29,547)
2105 - Contract Labour	-	(47,942)	-	-	-	-	-	(47,942)
2106 - Eligible Termin	(478)	(220)	-	-	-	-	-	(698)
2107 - Annual Leave	(4,090)	(1,571)	-	-	-	-	-	(5,661)
2109 - Award Super	(19,963)	(19,116)	-	(3,593)	-	-	-	(42,672)
2110 - Long Service Le	(2,155)	-	-	-	-	-	-	(2,155)
2111 - Travel Allowance	-	(117)	-	-	-	-	-	(117)
2301 - External Traini	(770)	(770)	-	-	-	-	-	(1,540)
2904 - Consultants Fee	(325)	(325)	-	-	-	-	-	(650)
2905 - Catering	(916)	(916)	-	-	-	-	-	(1,833)
2908 - Entertainment	0	0	-	-	-	-	-	0
2909 - General Expense	(138)	(138)	-	-	-	-	-	(276)
2912 - Office Consumables	(24)	(24)	-	-	-	-	-	(47)
2913 - Equipment/Sundry	(11)	(11)	-	-	-	-	-	(21)
2914 - Printing & Stat	(556)	(556)	-	-	-	-	-	(1,112)
2916 - Postage & Freight	(6)	(6)	-	-	-	-	-	(13)
3209 - Interest Leases	(2,046)	(2,046)	-	-	-	-	-	(4,092)
3455 - Amort - RoU Ass	(37,320)	(37,320)	-	-	-	-	-	(74,640)
3670 - Travel- Intra	(2,492)	(2,492)	-	(148)	-	-	-	(5,132)
3672 - Travel - Inter	(1,875)	(1,875)	-	-	-	-	-	(3,749)
3673 - Overseas Travel	(61)	(61)	-	-	-	-	-	(121)
4351 - Communications	0	0	-	-	-	-	-	0
4400 - Sand	(12,864)	(12,864)	-	-	-	-	-	(25,727)
4401 - Summer Carnival	0	0	-	-	-	-	-	0
4402 - Running Rails &	(5,386)	(5,386)	-	-	-	-	-	(10,771)
4403 - Sand Greyhound	0	0	-	-	-	-	-	0
4404 - Smudge	0	0	-	-	-	-	-	0
4405 - Track Equip Hir	(12,104)	0	-	-	-	-	-	(12,104)
4406 - Fertiliser	(110,745)	0	-	(77)	-	-	-	(110,822)
4407 - Chemicals	(25,265)	0	-	(504)	-	-	-	(25,769)
4408 - Seed	(25,210)	0	-	-	-	-	-	(25,210)
4409 - Track Maintenance	(5,104)	0	-	-	-	-	-	(5,104)
4410 - Road Repairs	(1,150)	(1,150)	-	-	-	-	-	(2,300)
4411 - Consumables	(2,257)	(2,257)	-	(1,088)	-	-	-	(5,601)
4412 - Soil/Track Test	(14,507)	0	-	-	-	-	-	(14,507)

RTI RELEASE

4414 - Barrier Repairs	(5,809)	0	-	-	-	-	-	(5,809)
4415 - Irrigation Main	(9,509)	0	-	(305)	-	-	-	(9,814)
4416 - Sand - Harness	0	0	-	(5,651)	-	-	-	(5,651)
4417 - Equipment & Mac	(23,598)	(23,598)	-	(20,721)	-	-	-	(67,916)
4418 - Tools & Requisitions	(2,855)	(2,855)	-	(2,851)	-	-	-	(8,562)
4419 - Maintenance - S	(4,296)	(4,296)	-	(679)	-	-	-	(9,271)
4420 - Maintenance - D	(584)	(584)	-	-	-	-	-	(1,167)
4422 - Maintenance - B	(3,036)	(3,036)	-	(1,100)	-	-	-	(7,172)
4423 - Maintenance - G	(12,409)	(12,409)	-	(12,056)	-	-	-	(36,874)
4424 - Maintenance - Other	0	0	-	-	-	-	-	0
4425 - Maintenance - P	0	0	-	-	-	-	-	0
4427 - Maintenance - S	(2,378)	(2,378)	-	-	-	-	-	(4,756)
4428 - Maintenance - W	(2,254)	(2,254)	-	-	-	-	-	(4,508)
4430 - Thoroughbred Li	(48,077)	0	-	-	-	-	-	(48,077)
4431 - Harness Light M	0	(36,223)	-	-	-	-	-	(36,223)
4432 - Greyhound Light	0	0	-	-	-	-	-	0
4433 - Timing System	0	0	-	-	-	-	-	0
4434 - Greyhound Lure	0	0	-	-	-	-	-	0
4435 - Genset Maintenance	(1,150)	(1,150)	-	-	-	-	-	(2,299)
4436 - MV - Petrol & O	(3,770)	(3,770)	-	(823)	-	-	-	(8,363)
4437 - MV - Diesel	(12,873)	(12,873)	-	(4,710)	-	-	-	(30,456)
4438 - MV - Registrations	(3,141)	(3,141)	-	(2,859)	-	-	-	(9,141)
4439 - MV - Repairs &	(315)	(315)	-	-	-	-	-	(630)
4440 - Maintenance - V	(20)	(20)	-	(3,247)	-	-	-	(3,286)
4442 - Maintenance- Tractors	(4,043)	(4,043)	-	(2,431)	-	-	-	(10,516)
4443 - Electricity	(72,266)	(72,266)	-	(4,384)	-	-	-	(148,917)
4444 - Equip Hire Othe	(947)	(947)	-	-	-	-	-	(1,893)
4445 - Postage & Freight	(4,786)	(4,786)	-	(4,050)	-	-	-	(13,622)
4446 - Rates & Land Ta	(55,622)	(55,622)	-	(2,788)	-	-	-	(114,031)
4448 - Workplace Safet	(1,316)	(1,316)	-	(461)	-	-	-	(3,092)
4449 - Protective Clot	(2,008)	(2,008)	-	(1,847)	-	-	-	(5,862)
4450 - Security - Non	(6,536)	(6,536)	-	-	-	-	-	(13,071)
4451 - Office Supplies	(505)	(505)	-	(114)	-	-	-	(1,124)
4454 - Water Costs	(29,543)	(29,543)	-	(22,037)	-	-	-	(81,122)
4456 - FireCom TFS Mon	(501)	(501)	-	-	-	-	-	(1,002)
4459 - Waste Management	(9,606)	(9,606)	-	(1,344)	-	-	-	(20,555)
4460 - Kitchen and Cat	(2,789)	(2,789)	-	-	-	-	-	(5,579)
4461 - Cleaning Contra	(36,597)	(36,597)	-	(2,910)	-	-	-	(76,104)
4462 - Build Maint Off	(7,138)	(7,138)	-	-	-	-	-	(14,276)
4464 - HVAC Maintenance	(1,620)	(1,620)	-	-	-	-	-	(3,239)
4465 - Plumbing & Gas	(575)	(575)	-	-	-	-	-	(1,149)
4466 - Electrical Serv	(8,231)	(8,231)	-	(5,163)	-	-	-	(21,625)
4470 - Fire Exit & Eme	(184)	(184)	-	-	-	-	-	(368)
4471 - Escalators & Li	(4,796)	(4,796)	-	-	-	-	-	(9,592)
4472 - Fire Equipment	(2,465)	(2,465)	-	(1,764)	-	-	-	(6,694)
4473 - Refrigeration M	(1,273)	(1,273)	-	-	-	-	-	(2,547)
4476 - Automatic Door	(617)	(617)	-	-	-	-	-	(1,234)

RTI RELEASE

4477 - Audio & Visual	(969)	(969)	-	-	-	-	-	(1,938)
4478 - Hygiene Service	(749)	(749)	-	-	-	-	-	(1,498)
4479 - Gas	(2,728)	(2,728)	-	(127)	-	-	-	(5,584)
4480 - Painting	0	0	-	-	-	-	-	0
4481 - Pest Control	(1,637)	(1,637)	-	(1,294)	-	-	-	(4,568)
4482 - Track Maint Har	0	(300)	-	(2,687)	-	-	-	(2,987)
4483 - Track Maint GH	0	0	-	-	-	-	-	0
4486 - Horse Treadmill	0	0	-	-	-	-	-	0
TOTAL EXPENSES	(856,346)	(673,060)	0	(126,810)	0	0	0	(1,656,216)
PROFIT/(LOSS)	(856,346)	(673,060)	0	(116,514)	0	0	0	(1,645,920)

RTI RELEASE

SCHEDULE G STRATEGIC ALIGNMENT AND RISK ASSESSMENT WEIGHT & SCORING INDEX

Base Scores per Rating Level

Rating	Benefit Score	Risk Score	Difficulty Score
Low	-2.0	+1.0	+1.0
Low-Medium	-1.0	+0.5	+0.5
Medium	0	0	0
Medium-High	+1.0	-0.5	-0.5
High	+2.0	-1.0	-1.0
Very High	+3.0	-1.5	-1.5