

CHAIRMAN'S MESSAGE TO INDUSTRY

Dear Participant,

In a follow up to my Message of April 3 relative to the impact on the Industry of the Covid-19 pandemic, I write on this occasion to bring to your attention what might best be described as good news and unfortunately not so good news.

On the positive side, as a result of the Regional Racing Plan now in place and strict and responsible compliance by all arms of the Industry with the Covid-19 protocols introduced through requirements of Government, as opposed to a shutdown, we continue to race.

In fact since April 1, all scheduled race meetings have been held throughout the State providing some \$2.5 million in prizemoney for industry participants.

However now faced with a dramatic downturn in wagering revenue [the very lifeblood of the Industry] forecast to be in the order of \$7 million and \$19.7 million for the years ended 30 June, 2020 and 2021 respectively should the current circumstances persist, the Board of HRNSW, in addition to drawing down on available funds within its Future Fund, has reluctantly found it necessary to impose a raft of savings measures designed to ensure a continuation of racing and in turn a revenue flow to industry participants.

To that end, as from May 11:

- Base Prizemoney will be reduced by 20%,
- Savings in HRNSW operational costs implemented,
- Feature race funding will be reduced,
- Drought Assistance funding will be withdrawn; and
- Infrastructure developments suspended.

As will be appreciated the impact on wagering turnover arising from the outbreak of the Coronavirus is unprecedented. NSW TAB has been directly and materially impacted by the restrictions put in place, in particular the need to close its various retail outlets throughout Australia. Compounding the issue is the closure of hotels and clubs where it was customary for punters to meet mates and enjoy a drink and a bet. There are some 3850 outlets currently closed with no indication from Government as to when these premises will re-open.

HRNSW is resolute in its endeavours to continue racing and will of course monitor very closely the impact of Covid-19 on the future viability of our Industry and, as and when wagering opportunities permit, will take the necessary action to put aside the savings measures which have by necessity been put in place.

In that regard the priority will be to re-instate the base prizemoney levels to at least that which were in place prior to the pandemic.

Yours faithfully



Ken Brown AM
Chairman
01/05/2020