

Memo



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| SUBJECT ▷ | New Race Sanction Policy |
| TO ▷ | Club Presidents |
| FROM ▷ | Phil Ayres – Chief Executive Officer |
| DATE ▷ | 22 January 2018 |

Dear Presidents,

During 2017 CNSW conducted a detailed review of how CNSW's race events are categorised and the sanction fees which apply at the different levels of racing.

To recap, the purpose of our review was to address a changing landscape of how race events are presented to our membership and the member services CNSW provides or facilitates, against a policy which has been largely unchanged for several decades. We had identified some inequities which had crept into our system both across events currently classified at state open level and also between these events and those we have considered Inter-clubs.

A number of clubs provided feedback to an initial proposal put to the Club Presidents forum in October 2017 and subsequent discussions and a further meeting with Presidents was valuable in providing us with more perspectives to best frame a new policy.

The review is now complete and as a result of the consultative process conducted the following approach to categorisation and sanctioning shall apply.

Categorisation of Races

Races will now be sanctioned against one of three categories.

| | State Open | Club Open | Club |
|---------------|--|---|--|
| Eligibility | All members eligible to race (subject to individual race criteria) | All members from all clubs eligible to race (or where specifically noted club challenge events with no more than 6 clubs/all clubs from within the host's Division) | A maximum of three clubs can be represented at the event |
| Entry process | Event entry and eligibility undertaken by CNSW | All race entries undertaken by host club | All entries undertaken by the club |

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| CNSW Calendar | Noted on CNSW's Open calendar and marketed to members | CNSW to list events on a month to month basis as advised by hosting club | Not included |
| Timing | Live Timing is a mandatory standard. Entry processing fee/live timing fees shall apply | All race entry information and results, timed or otherwise, to be supplied to CNSW by the host Club | Race entry results, timed or otherwise, are not required by CNSW |
| Publishing of results | CNSW shall post results on website and social media to all members | Results may be published by the hosting club | Results may be published by the hosting club |
| CNSW Annual Awards | Results contribute to CNSW annual awards | n.a. | n.a. |

Race Sanction Fees

| State Open | Club Open | Club |
|--|--|----------------|
| <p>A \$3 per entrant handling fee is applied</p> <p>A \$4 per entrant Live Timing Fee is applied (clubs may source their own provider subject to it meeting minimum requirements, in this case the \$4 fee will be waived)</p> | <p>A one off annual \$350 Club Open Sanction fee is payable by each club to stage events in this category for the calendar year. There is no limit on the number of events held per year.</p> <p>Fee payable upon receipt of first sanction request.</p> | No fee payable |

Impact on Club Affiliation fees and Annual Individual Membership for 2019 season

Club Affiliation fees will remain unchanged, notwithstanding any general increase applied. CNSW may make a small increase in annual individual membership for 2019 to all race members through their annual subscriptions as part of this change, in addition to any general fee increases set by Cycling Australia.

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Rationale for the changes

It was considered that this approach of leaving the club affiliation fees unchanged, but to apply a race sanction fee for those clubs conducting Club Opens best reflected the competing views in this area, yet aligned with a consensus around an annual fee across clubs as opposed to a per head fee per race.

Basically, if your club runs at least one Club Open per year (ie a race with more than three clubs present), a flat one off annual \$350 fee will apply, and subsequently include all other events for the year. In a practical sense, the easiest approach for clubs is to pay the \$350 fee and have the flexibility with your races for the year.

In terms of the State Open fees, there had been consensus around moving from a percentage of entry fee, to a set per head charge. This better reflected the work undertaken at the CNSW office, and did not penalise clubs (via a higher sanction take) who needed to apply higher entry fees based on higher event costs.

In terms of the increase to membership fees, when spread across the entire membership group a modest increase in fees was considered reasonable.

In all, having considered the feedback from the Club Presidents group, CNSW considers this is the best way to ensure a more equitable approach to set race sanction fees, whilst minimising significant fee increases to small groups within the membership and club cohort. We believe the fee increase at each level are modest, and indeed with respect to State Open's in most cases result in a decrease in fees payable to CNSW.

Implementation Timeline.

- The application of fees at State Open level will be effective 1 March 2018.
- The requirement for Club Opens to provide entry data will be effective 1 March 2018
- The Club Open Sanction fee will be applicable for clubs hosting events from 1 March 2018
- Any increase in individual membership fee will only be applicable for the 2019 membership year

We understand this is an area where there are many views and opinions on how to best structure an approach to race classification and fees. None are necessarily right or wrong, just different approaches which affect clubs and individuals in different ways.

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CNSW has taken member feedback seriously and, after considerable deliberation, believes this approach to be the most balanced. We are confident that it will serve the sport well into the future. We look forward to your support of this new approach.

Please contact me should you have any questions as to how your club will be affected by these changes.