



NSW
Racehorse
Owners
Association

JANUARY 2021 NEWSLETTER

FROM THE PRESIDENT'S DESK



Since our last newsletter, Covid-19 restrictions were again tightened as necessary for attendance at ATC race meetings. Only owners with runners on the day and ATC members could attend. As of 22 January, they were relaxed again to allow general admission. It looks like this pandemic is not going away soon, but as owners, it is gratifying to have been consistently be able attend when your horse is running.

On that note, we are pleased to be able to clarify the ATC parking areas in which NSWROA financial members can park, on production of their membership card. This in itself is a great benefit to being a NSWROA member. For those details and more, please go to our website www.nswroa.com.au/membership-benefits.

If you haven't already done so, please renew your membership and encourage your fellow owners to join. Not only is it great value, it gives us a louder voice in the racing industry.

Best regards

Best regards

Tony Mitevski



Tabcorp is a world-class diversified gambling entertainment group and top 50 ASX company with more than 5,000 employees. In December 2017 Tabcorp combined with Tatts Group.

Tabcorp now operates the iconic brands TAB, Sky Racing, Sky Sports Radio, Tatts, NSW Lotteries, Golden Casket, SA Lotteries and Keno – familiar names which ignite excitement in millions of Australians. Tabcorp also delivers leading gaming services and products through Tabcorp Gaming Solutions, MAX and Ebet.

Tabcorp's operations deliver hundreds of millions of dollars in returns to the community each year and is the biggest financial contributor to Australian racing. Last year Tabcorp returned over **\$900 million** to Australian racing and proudly backs the industry and its people.

2021 MEMBERSHIP RENEWAL

2021 Membership of NSW Racehorse Owners' Association is Open!

A renewal form is attached.

SOCIAL EVENTS

There are still a few spots remaining...



**NSW TRAINERS
ASSOCIATION AUTUMN
CHARITY CLASSIC**
GOLF DAY MONDAY 15th MARCH
GROUP 1 CONCORD GOLF CLUB

 Majors Bay Rd
Concord

**Hear from Australia's leading
trainers about their Autumn stars**

Big Sports Breakfast 'Live' from 5:30am

**Followed by Punters Post Mortem
with Dave Stanley 'Live' at 9am**

Book your group now for \$2000

- 4 x Golf, carts and promotional pack per player
- Breakfast, Lunch, Food & Drinks on course
- Prizes & Entertainment
- Your chance to mingle with Racing's biggest names

Numbers are limited

**To confirm your booking,
please contact:**
trainer.enquiry@homeofracing.com.au
or call 0451 151 871

APOLLO STAKES DAY

Due to the current uncertainties brought by Covid-19, we will not be conducting our usual cocktail function on Apollo Stakes Day (13 February) this year.



MEMBER BENEFITS

We are very pleased to introduce the support of the following businesses for financial members:



The Shared Atelier is a headpiece rental service offering \$25 off all rentals to our financial members. So, ladies, be sure to remember The Shared Atelier when you're planning your next race day outfit and enjoy a beautiful piece of millinery for a fraction of the typical investment... then pop it back in the post. Receive a new, designer headpiece for every event on the racing calendar!

Visit www.thesharedatelier.com.au and enter discount code 'NSWROA' at checkout to receive \$25 off any rental.

\$30 off orders of a dozen bottles or more!

Wine Selectors



Wine Selectors has been proudly hand picking outstanding quality wines from over 500 Cellar Doors across Australia, and here is your chance to discover the amazing diversity of Australian wine.

Simply enter the code NSWROA at checkout to secure premium quality wines. Order online www.wineselectors.com.au



Boston For Men has been an institution in Randwick for over 25 years. They stock fine quality suits, shirts, shoes, ties, belts and accessories. Boston For Men has a tailoring service, suit hire and is also a wedding specialist.

Proprietor Will Dalton is offering NSWROA members a **15% discount** (excluding sale items) on production of your 2019 membership card.

Address: 84 Belmore Road, Randwick. Tel: **0404 711 588**.



TowncarsNOW provides a luxury on-demand chauffeured service for all corporate and private customers, available in Sydney and Melbourne.

NSW Racehorse Owners members get \$15 off the first TowncarsNOW trip or 15% off all trips until 30 June 2020, after which time the offer may be extended.

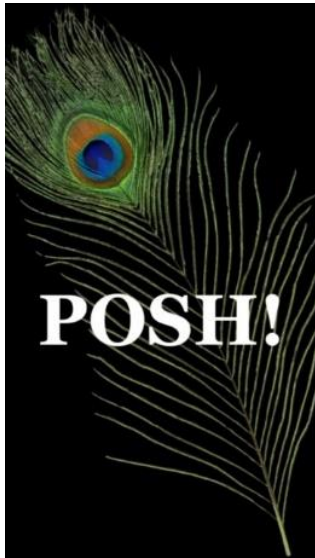
Members only need to download the app, navigate to OFFERS on the side menu and add the promo code **15NSWROA**. Once this is done they can apply the discount before every TowncarsNOW trip.



Bradley Photographers provide high quality photographic services to the NSW Thoroughbred Racing Industry. They are the only photographers to cover all Metropolitan and Provincial race meetings and have a comprehensive archive of NSW Racing.

Bradley's offer a **10% discount** to NSWROA Members on the listed price of their framed photos.

Website: www.bradleyphotos.com.au Email: photos@bradleyphotos.com.au



Posh Boutique is a luxury ladies' fashion store with stunning outfits for the races and formal occasions, as well as designer casual wear. Proprietor Maura Englman offers NSWROA members a **20% discount** (excluding sale items) on production of their current member's card.

Address: 194 Pitt Street, Sydney. Ph: **(02) 9233 1261** Email: poshandchic@bigpond.com

HISTORICALLY SPEAKING

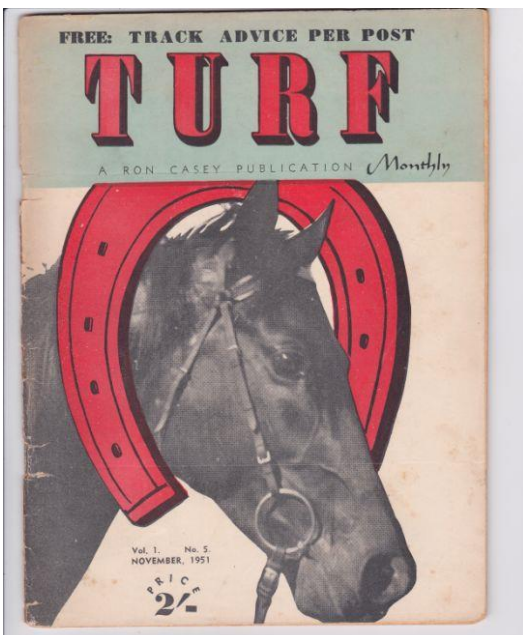
Delta – a Star of the Turf

By Graham Caves

(NSWROA member and volunteer at the ATC Heritage Centre)

In the spring of 1949 a new star began to emerge on the Australian Turf. His name was Delta and he was owned by Sydney businessman and philanthropist Adolph Basser (later Sir Adolph).

Delta had been a promising 2YO with a couple of minor wins in town but when he won the Canterbury Guineas in September 1949 he announced his arrival as a star. Two failures followed, especially puzzling was his defeat in the AJC Derby, as a warm favourite, by Playboy – another announcement to the turf from that horse's up and coming trainer T J Smith.

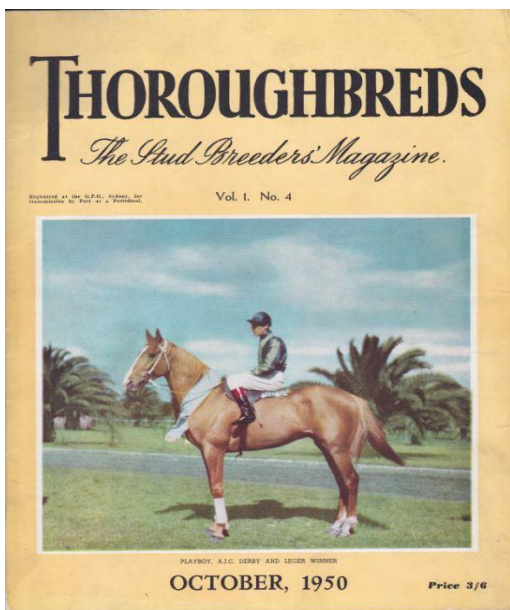


By winning the Cox Plate and Victoria Derby in Melbourne, Delta affirmed his mantle as the star 3YO of Australia, although inconsistency was part of his season, as he failed in the Melbourne Cup and several races in the Autumn.

At four years he was similarly inconsistent. Though he won three weight-for-age races he was beaten in five races he was expected to win.

Finally as a 5YO he did what all had been expecting and became the champion of Australia. In Sydney he won the Chelmsford and Colin Stephen Stakes and then The Metropolitan and in Melbourne won the Mackinnon Stakes, Melbourne Cup, St. George Stakes, Ercildoune Stakes, Queen's Plate, Carbine Stakes and back in Sydney the Chipping Norton Stakes, all in succession. He was unplaced in the Sydney Cup carrying 60 kgs and then won the Cumberland Stakes to wind up the season.

His career ended after just two starts as a 6YO when he won the Chelmsford Stakes for the third year in a row.



In the ATC Heritage Collection are hundreds of racing magazines. They form a time capsule of racing history and their colourful covers were magnets for racing fans and adorned many a racing man's shed. Magazines such as Turf Monthly, Clif Carey's Turf Digest, Sports Novels (later Racetrack), Australian Thoroughbreds, Sporting Life, Stud and Stable, Bred to Win and others were all popular newsagent staples.

Here are two examples – When Playboy beat Delta in the Derby he got a beautiful posed cover on Australian Thoroughbreds (left) and when Delta won the Cup he featured brightly on the cover of Turf Monthly (previous page).



And as an addenda to the Delta story, his Cup win in 1951 was commemorated by the production of a visually

marvellous mug by the Diana Pottery in Victoria, pictured here. The ATC Heritage Collection has one and if you want one you'll need to dig deep, as you won't get much change from \$300. You'll be competing with the pottery collectors as well as racing memorabilia collectors.

COUNTRY & PROVINCIAL CHAMPIONSHIPS SERIES

Racing NSW announced on 19 January the 2021 dates and venues for the \$1.6 million Country Championships and \$1.25 million Provincial Championships Series, as well as changes to the conditions that will strengthen the objectives of each series to promote and reward Country and Provincial-trained horses and their connections. The **Country Championships** series in 2021 will again be run on six Sundays and two Saturdays before culminating in a \$500,000 Final at Royal Randwick Racecourse on Saturday, 3 April 2021.

Coffs Harbour and Nowra are again scheduled to host their regions qualifier for the first time, after seeing their regional qualifiers transferred to other venues on the first weekend in 2020 as a result of very wet weather.

The Southern Districts qualifier will return to Wagga Wagga in 2021 after being held in Albury over the past two years.

The Country Championships commences with a double header on the weekend of 13 and 14 February 2021 of Coffs Harbour (Northern Rivers) and Nowra (South East). The second week of the series will also see back-to-back meetings at Wagga Wagga (Southern Districts) and Taree (Mid North Coast) on 20 and 21 February 2020.

The Central Districts qualifier will again be run at Mudgee on Sunday, 28 February 2021, and the Hunter and North-West qualifier a week later at Tamworth on Sunday, 7 March 2021. The regional qualifiers finish with the Western division qualifier being held for the second time at Coonamble on Sunday, 14 March 2021.

The Wild Card race meeting will again be run 13 days prior to the Final at Muswellbrook Racecourse on Sunday, 21 March 2020.

Date	Day	Venue	Region
13 February 2021	Saturday	Coffs Harbour	Northern Rivers
14 February 2021	Sunday	Nowra	South East
20 February 2021	Saturday	Wagga Wagga	Southern Districts
21 February 2021	Sunday	Taree	Mid North Coast
28 February 2021	Sunday	Mudgee	Central Districts
7 March 2021	Sunday	Tamworth	Hunter & North West
14 March 2021	Sunday	Coonamble	Western
21 March 2021	Sunday	Muswellbrook	Wild Card
3 April 2021	Saturday	Royal Randwick	FINAL

Racing NSW had recently announced that the eligibility date for the 2021 Country Championships series would be 1 May 2020 rather than 1 October as in previous years.

After receiving a number of submissions on the above change, Racing NSW revised the eligibility date for the 2021 Country Championships.

Accordingly, to be eligible for the 2021 Series, horses will need to have been under the care of an eligible country trainer as at:

- 1 July 2020 for raced horses; or
- 1 September 2020 for previously unraced horses.

Racing NSW will also reserve the ability to admit horses to the series on application, depending on the individual circumstances of the horses.

The revised eligibility dates for the 2021 Country Championships series have been developed following consultation with the NSW Trainers Association.

The Country Championships conditions will retain the recently introduced provision that horses contesting the series must be trained by an eligible country trainer for twelve months following the Final.

“Racing NSW is seeking to ensure that horses racing in the Country Championships series reflect the objectives of the series to promote the participation and development of NSW country racing,” said Racing NSW Chief Executive Mr Peter V’landys AM.

“Racing NSW believes that altering the eligibility date to 1 July 2020 for raced horses is fairer to horses that entered country stables to be raced as country horses in advance of and beyond the Country Championships,” Mr V’landys added.

The Country Championships series commences at Coffs Harbour on 13 February 2021 with the Final at Royal Randwick on Saturday 3 April 2021.

For the **Provincial Championships** in 2021, qualifying races of \$150,000 each will again be held at provincial racecourses on five consecutive Saturdays leading into The Championships, with the Final run at Royal Randwick Racecourse on Saturday, 10 April 2021 for prizemoney of \$500,000.

Date	Day	Venue
27 February 2021	Saturday	Newcastle
6 March 2021	Saturday	Hawkesbury
13 March 2021	Saturday	Gosford
20 March 2021	Saturday	Kembla Grange
27 March 2021	Saturday	Wyong

The qualifying stable return date for raced horses to be trained by a Provincial trainer has been brought forward to 1 May 2020 for the 2021 series.

Horses that are stable returned for the first time (previously unraced) must have been legitimately under the care of a NSW Country or Provincial trainer by 1 September 2020.

In addition, the race conditions will now require that horses must remain under the care of a NSW Country or Provincial trainer for a period of twelve months after the respective series Final.

On nominating for the series, owners of horses competing will need to undertake that they will keep the horse in a Country or Provincial stable, depending on the series contested, for a minimum of twelve months.

Failure to comply with this important race condition promoting the key objective of rewarding Country and Provincial-trained horses and their connections may result in penalty and forfeiture of any prizemoney won.

For more information, please contact Mr Scott Kennedy, Racing NSW, by phone on (02) 9551 7579.

TAXATION ARTICLE



NEW CASE HITS 100% FENCING WRITE-OFFS

Regardless of what type of primary producer we deal with, the importance of establishing the tax deductibility of new fencing is a key area of advice for us.

Fencing is not just a common and recurring expense for primary producers, but it's costly too! Serious commercial breeders justifiably give huge priority to quality of fencing to maintain their valuable stock.

In a massive win for primary producers, the Government announced immediate 100% tax write-off for new fencing within the 2016 Budget. This new rule allows primary producers to claim an immediate 100% depreciation deduction for capital expenditure on fencing assets in the year in which the expenditure is incurred (i.e., only if the expenditure was first incurred on or after 7.30 pm (AEST) on 12 May 2015).

See my recent article on our www.carrazzo.com.au blog if you need to know what the definition of a "Primary Production" business is.

This concession is available to all primary production businesses, regardless of their scale/turnover.

However, a shock decision (for many) in a recent tax case decided that this fencing write-off was only limited to the construction of **new fencing**, not to fencing acquired as **part** of a new property purchase. Many primary producers will be tripped up by this decision, thus for clarity it's important I walk through this case with you.

1. The 100% fencing write-off

In strict technical terms, the immediate deduction applies to capital expenditure incurred on the construction, manufacture, installation or acquisition of a fencing asset, if the expenditure was incurred by a taxpayer for a business purpose and is primarily and principally for use in a primary production business that they conduct on land in Australia.

Practically speaking, this means a taxpayer cannot claim this 100% fence deduction for expenditure they incur on an asset that is used in **another entity's** primary production business, e.g. the 100% deduction does not apply to a farmer who incurs the fencing for acreage that is **leased** to another farmer to run his/her business. Conversely, a deduction may be claimed by a taxpayer that is a primary producer, even if they are only a lessee of the land.

Additionally, the immediate deduction is not available in certain circumstances, but of most relevance to the breeding industry is where the fencing asset is (or is a repair, alteration, addition or extension to) a stockyard, pen or portable fence.

The allowable deduction for fencing assets is claimed in the tax year in which the primary producer first incurred the expenditure on the fencing asset. This differs from normal depreciation principles where the claim is only allowed in the tax year when the item of plant is "first used or installed ready for business use".

A reminder for your tax adviser - where the capital expenditure was incurred by a **partnership**, any deduction is claimed by the partners in their tax returns rather than as a deduction against the partnership income.

Recently, an Administrative Appeals Tribunal (AAT) decision of AJ & PA McBride Ltd ('McBride's case') considered the application of these fencing write-off rules, the first case ever to do so. In this case, McBride was trying to claim 100% write-off for fencing that was **already on the land at purchase**, not for fencing erected since acquisition.

1. Only "new fencing" eligible for write-off

Specifically, the AAT held that the words 'construction, manufacture, installation' associated with the word 'acquisition' in the rules involved a fence **coming into existence** on the land, rather than a taxpayer **simply acquiring a pre-existing fence** as part of a transfer of land.

In other words, the meaning of the word 'acquisition' was confined to an acquisition of a new fence (i.e., separate from the purchase of the original farmland).

This decision should have caused no great surprise to advisers as it largely reflects similar logic adopted by the ATO in its earlier determination in relation to water facility assets.

2. Background to McBride's case

The relevant facts of McBride's case were as follows:

- (a) The taxpayer was a company engaged in primary production activities.
- (b) McBride Yudnapinna Pty Ltd purchased a sheep station (i.e. Yudnapinna Station) in South Australia incorporating 99 paddocks over 2,243 square kilometres and approximately 816 kilometres of pre-existing fencing assets.
- (c) The contract (dated 24 November 2015 and settled in April 2016) stipulated that the land was sold together with all improvements and fixtures. The settlement statement attributed various components of the total purchase price between land, plant and livestock.

The apportionment was not so detailed as to have reflected a specific separate amount payable with respect to the fencing assets.

- (d) McBride sought a private binding ruling ('PBR') to the effect that the new fencing write-off rules authorised it to claim a deduction in respect of an amount described as the "fencing portion of the purchase price" of the sheep station. A value of \$2,736,000 was attributed to the 816 kilometres of **pre-existing** fencing assets.

- (e) The ATO considered the taxpayer's PBR application and ruled that the taxpayer was not entitled to an immediate deduction for the pre-existing fencing assets.
- (f) The company objected against its assessment for the 2016 income year (which did not include any claim for the pre-existing fencing assets). This objection was disallowed by the ATO, leading to the taxpayer lodging an appeal with the AAT.

2.1 Issue before the Tribunal

The issue for determination by the AAT was simply whether the McBride was entitled to immediately deduct a component of the purchase price paid for the acquisition of a sheep station that **was ascribed to the fencing assets** that had been acquired together with underlying land.

Specifically, the ATO argued that:

"The object of encouraging investment in fencing assets on Australian agricultural land would not be achieved by allowing accelerated depreciation in respect of an acquisition of land having pre-existing fencing assets

Therefore ..The phrase 'construction, manufacture, installation or acquisition of the fencing asset' is a compound phrase such that acquisition should be giving a meaning according to its context and in particular its immediate positioning adjacent to 'construction, manufacture, installation."

3. The AAT's decision in McBride's case

The AAT ruled in favour of the ATO, finding that McBride was not entitled to immediately deduct the cost of pre-existing fencing assets (i.e., present at the time of the sheep station purchase).

This decision was primarily based on the Parliamentary intention of these new fencing write-off rules. The Tribunal concluded that the purpose of these specific depreciation provisions in relation to fencing assets was to:

*"encourage capital expenditure on assets likely to **improve** the drought-preparedness, profitability and productivity of the Australian agriculture sector."*

4. The implications of McBride's case

McBride's case has determined (at least at the AAT level) that taxpayers, otherwise eligible for an immediate fencing deduction, will not be entitled to claim such a deduction where the fencing assets are **acquired as part of the acquisition of the underlying property**.

This conclusion is on the basis that the taxpayer was not considered to have incurred capital expenditure on the construction, manufacture, installation or acquisition of the fencing asset considering the legislative purpose of the relevant provisions.

As a result, adopting the Tribunal's "contextual and purposive approach", the meaning of the word 'acquisition' is confined to an acquisition of a new fence.

Indeed, the taxpayer in McBride's case had also incurred expenditure in relation to additional fencing assets **after settlement** and had been permitted to claim an immediate deduction under the new write-off rules in relation to these costs.

Please don't hesitate to contact the writer if you wish for me to clarify or expand on any of the matters raised in this article.

DISCLAIMER

Any reader intending to apply the information in this article to practical circumstances should independently verify their interpretation and the information's applicability to their circumstances with an accountant or adviser specialising in this area.

Prepared by:

Paul Carrazzo CA

CARRAZZO CONSULTING PTY LTD, Tel: (03) 9982 1000, paul.carrazzo@carrazzo.com.au

MEMBERS' BLACK TYPE HONOUR ROLL

Following is a list of all black type races won by our members to-date for the 2020 / 2021 racing season.
Winners since the last newsletter are in red.

Dr E K Attebo

G3 **ANDERS** - San Domenico Stakes

LR **ANDERS** – The Rosebud

LR **GREY LION** – Queensland Cup

Bangaloe Stud

G1 **SHOUT THE BAR**– Empire Rose Stakes

China Horse Club

G2 **DAME GISELLE** – Silver Shadow Stakes

G2 **DAME GISELLE** – Furious Stakes

G2 **DAME GISELLE** – Tea Rose Stakes

LR **PATHS OF GLORY** - Wyong Gold Cup

China Horse Club, Grant Bloodstock, Nick Vass Bloodstock, Aston Bloodstock

G2 **WILD RULER** – Roman Consul

LR **WILD RULER** – Heritage Stakes

RL **AIM** – Magic Millions 3yo Guineas

Emirates Park

G3 **ENTHAAR** – Gimcrack Stakes

Godolphin

G1 **BIVOUAC** – VRC Sprint Classic

G2 **SAVATIANO** – PB Lawrence Stakes

G2 **THERMOSPHERE** – Edward Manifold Stakes

G2 **SAVATIANO** – Hot Danish Stakes

G3 **HOME OF THE BRAVE** – Aurie's Star Hcp

G3 **ROHERYN** – Show County Hcp

G3 **KEMENTARI** – AJ Scahill Stakes

LR **VIRIDINE** – Regal Roller Stakes

LR **ASIAGO** – Mona Lisa Stakes

LR **CORUSCATE** – Testa Rossa Stakes

LR **INGRATIATING** – Maribyrnong Trial

LR **CORUSCATE** – Caulfield Village Stakes

LR **ENDANGER** – Gothic Stakes

LR **EXHILARATES** – MSS Security Sprint

LR **ANAMOE** – Merson Cooper Stakes

LR **ATHIRI** – Razor Sharp Hcp

LR **THE ELANORA** – Grand Prix Stakes

LR **ROHERYN** – Falvelon Quality

LR **ATHIRI** – Nudgee Quality

N & A Grant-Taylor

G2 **BELLA VELLA** - McEwan Stakes

G3 **FIESTA** – Northwood Plumes Stakes

Laurel Oak Bloodstock, Malcolm Clift, Neil Hughes

LR **PANCHO** – Kilmore Cup

R & C Legh Racing

G2 **WILD PLANET** – Theo Marks

G2 **CHAPADA** – Herbert Power Stakes

G2 **YES BABY YES** – Moonee Valley Fillies' Classic

G3 **RANTING** – Blue Sapphire Stakes

G3 **CHICA FUERTE** – Ethereal Stakes

G3 **WILD PLANET** – Moonga Stakes

LR **SHELBY COBRA** – VRC Springtime Stakes

R & C Legh Racing & Grant Bloodstock

G2 **SOUND (Ger)** – Zipping Classic

R & C Legh Racing & Dr Karin Attebo

G3 **OUTRAGEOUS** – Festival Stakes

Magic Bloodstock

G2 **MISTER SEA WOLF** – Chelmsford Stakes

John & Anne McDonnell

G2 **VICTORIA QUAY** – Wakeful Stakes

Ramsey Pastoral Co

LR **IN GOOD HEALTH** – Heatherlie Hcp

Think Big Stud

LR **PURPLE SECTOR** – Melbourne Cup Day Plate

LR **CARIF** – Sandown Cup

NSW Racehorse Owners' Association



**NSW
Racehorse
Owners
Association**

PO Box 65

CANTERBURY NSW 2193

Mob: 0421 353 871

Email: owners@nswroa.com.au



2021 ANNUAL MEMBERSHIP

Please tick the applicable box:

New Application

Renewal

YOUR DETAILS

NSWROA Membership Number (if renewing) _____ Referring Member (if joining) _____

Name: _____

Company (if applicable) _____

Email: _____

Mobile: _____ Alternative Contact Number: _____

Postal address: _____

State: _____ Postcode: _____ Date of Birth _____

Number of Horses Owned: _____ Names of current horses (not compulsory - a list may be attached): _____

Current Trainer/s: _____

Memberships of other Racing Associations / Clubs: _____

Events you would be interested in attending:

Owner Information Forums

Interstate and Overseas Tours

Training Stable Visits

Stud Visits

Horse Tax Seminars

Other events (list) _____

MEMBERSHIP OPTIONS (incl GST)

Single - \$90

Joint - \$135

Single Country - \$60

Joint Country - \$85

Syndicate - \$300

(200+ kms from Sydney)

(200+ kms from Sydney)

PAYMENT

DIRECT DEPOSIT: A/c Name: NSW Racehorse Owners Assn BSB: 062 156 A/c no: 2801 3016 Ref: Your Name

CHEQUE : Payable to NSW Racehorse Owners Assn - send to NSWROA, PO Box 65, Canterbury, NSW 2193

CREDIT CARD: Visa or Mastercard accepted.

Card no: _____ / _____ / _____ / _____ Expiry: ____/____ CCV no: _____

Cardholder's Name _____ Signature _____

ONLINE: Visit our website, nswroa.com.au and follow the prompts under Membership.

Visa, Mastercard and American Express accepted online via secure ticketing site, Eventbrite.