

5 April 2013

To all Australian Golf Clubs,

Re: Increase of Handicap Anchor from 4 Strokes to 5 Strokes

I am writing to advise you of the review Golf Australia recently performed on the Handicap Anchor regulation, and also of our subsequent decision to increase the Anchor from 4 strokes to 5 strokes.

The new 5-stroke Anchor Regulation will take effect on Tuesday 14 May 2013.

In order to bring this change into effect, we will need to take GOLF *Link* off-line from 10.00pm AEST on Monday 13 May until 5.00am AEST on Tuesday 14 May.

In the period following GOLF *Link* coming back on-line, it is anticipated that connection to the system will be at normal speeds.

GOLF *Link* will re-calculate the handicaps of all Anchored players during the hours the system is off-line.

In the week prior to 13 May we will email a reminder to all clubs about the GOLF *Link* downtime.

A summary of the findings of the review we performed on the Anchor regulation is setout below in the Appendix.

Please contact the Golf Australia office if you have any queries.

Yours sincerely,

John Hopkins

Chairman - Golf Australia

Encl.: "APPENDIX – Summary of Review of the Anchor Regulation"

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APPENDIX – Summary of Review of the Anchor Regulation

Objective of Anchor Regulation

The Review firstly re-assessed the primary problem that the Anchor regulation was designed to solve when it was introduced in 2011. Following careful consideration, the Review concluded that continued inclusion in the handicap system of protection against this problem remains imperative. The problem can be summarised as follows:

- One of the gaps identified in the 20-round averaging system that was introduced into Australia in April 2010 was that handicaps were very susceptible to rapid extreme outward movement due to runs of bad form. Essentially a player would be given an entirely new handicap every 20 rounds as there was nothing to tie a handicap to previous performance or underlying ability.
- This was not considered to be solely a high-marker issue. There were many reports of for example 5 or 6 markers sliding out to handicaps of 12-13 in very short spaces of time and then being embarrassed to return to form and record scores where they were playing to a handicap of 3 or 4 which resulted in Stableford scores of approximately 45 points.
- There was never really a concern with golfers who played infrequently it was the extreme movement in short spaces of time of handicaps of frequent players that was causing much concern in clubs.
- Note: Although the primary calculation performed by the handicap system in order to determine a
 handicap is to average a player's current form, the basic premise of any handicap system is that a
 handicap should be reflective of the player's underlying ability. That underlying ability is reflected by
 their better performances. Although any player may lose form, it is not considered to be in the interests
 of equity for a handicap to increase substantially due to such a loss of form.

Statistical Analysis

As with all new GA regulations, GA has continued to closely monitor the Anchor. A recent statistical analysis demonstrated the following key findings:

- Under our current handicap system, handicaps in Australia are notably seasonal. On average, they
 increase in winter and then decrease in summer. In general this is caused not by a change in player
 ability but instead by changed weather impacting on course difficulty. (Note: The degree of seasonality
 does vary from club to club and from state to state (ie Queensland winters are considerably different to
 Tasmanian and Victorian winters).)
- When handicaps become seasonal, inequity is introduced when players travel from one region to play in a region with different weather patterns. This is because the players with seasonally increased handicaps gain an unfair advantage.
- The number of Anchored players is also highly seasonal. Mostly less than 5% of Australian golfers in summer compared to 10-15+% at times in winter.
- Why is the Anchor seasonal? Well, if for example a player's handicap seasonally increases by 1 stroke
 in winter, the remaining number of strokes of outward movement permitted under the current regulation
 is reduced to only 3. So a golfer is more likely to be Anchored in winter.
- The implementation of the remaining components of the complete new GA Handicap System in late 2013 will significantly improve the efficiency of the Anchor. These remaining components will fill the gaps we currently have in our handicap system.
- DSR (Daily Scratch Rating this is our new daily rating system) will have the dominant impact in this
 regard. Slope will also have an impact.
- Why will DSR have an impact? Because DSR will enable each day's course rating to reflect the actual
 difficulty of the day. The statistical analysis demonstrates that this will largely eliminate the seasonal
 movement of handicaps. This is because the distortionary impact of seasonally low or seasonally high
 course ratings will be eliminated.

Conclusion

Being mindful that the GA Handicap System does not contain DSR just yet, GA believes that as we head into winter, the increase of the Anchor from 4 strokes to 5 strokes will result in a more desirable proportion of golfers across Australia being Anchored than would otherwise occur. GA also believes that a 1-stroke increase in the Anchor will not compromise the primary objective of this important regulation. (Note: In accordance with standard practice across all components of the GA Handicap System, GA will continue to monitor the efficiency of the Anchor in the short and mid-term.)