



QUEENSLAND THOROUGHBRED
RACING BOARD

ANNUAL REPORT 2005



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CHAIRMAN'S REPORT



Bob Bentley
QTRB CHAIRMAN

This financial year was dominated by the two separate commissions of inquiry into aspects of the Queensland racing industry – the Shanahan Inquiry and the Daubney-Rafter Inquiry. I am pleased to report that neither inquiry found any evidence whatsoever of improper conduct on the part of Queensland Racing.

SHANAHAN INQUIRY

The Queensland Government announced the terms of reference for a review of the integrity management structures of the three codes of racing in May 2002. This became known as the Shanahan Inquiry. In essence, it looked at the appropriateness of current systems for separating the industry's regulatory and commercial functions and options for improving these systems.

To assist the inquiry, Queensland Racing prepared a submission and provided background information for the commissioners to consider. Senior Queensland Racing officials attended the inquiry to give expert evidence.

Queensland Racing's position was that the current systems for separating commercial and regulatory functions were efficient, effective and workable. Queensland Racing argued that its few "commercial" functions did not create a conflict of interest, nor did they have the potential to do so. The current system provided the most comprehensive integrity management system in Australian racing for checks and balances on a control body's exercise of powers. The creation of separate integrity structures within or across each code of racing would be costly, inefficient and, in the end, unworkable.

After receiving the commission's report, the Minister for Racing, Robert Swarten, stated that the inquiry "had not made any specific criticism of the current system".

DAUBNEY-RAFTER INQUIRY

It seemed that no sooner had the Shanahan Inquiry finished when another was announced. The terms of reference for the Daubney-Rafter Inquiry, announced on 2 November 2004, were to investigate:

1. Allegations that Brisbane-based racing bookmakers have offered artificially inflated betting odds on thoroughbred races held in Queensland since April 2002 in contravention of the law or the relevant rules relating to racing and betting;
2. The content of a memorandum apparently under the hand of Mr Ron Goddard (deceased) in relation to Mr Wayne Wood, the Chief Investigator of the Queensland Thoroughbred Racing Board;
3. The conduct of the Queensland Thoroughbred Racing Board and its staff in connection with the appointment and termination of staff, including stewards, since April 2002; and
4. In relation to items 1, 2 and 3:
 - (a) whether there is sufficient evidence to justify the bringing of disciplinary or other proceedings or the taking of other action against any person under the relevant rules relating to racing or the Racing Act 2002 or any other Act, and
 - (b) whether there is sufficient evidence to justify referral of any matter to the Commissioner of the Police Service or the Crime and Misconduct Commission for investigation.

Again, Queensland Racing cooperated fully with the inquiry, providing documentary evidence and expert witnesses throughout the duration of the inquiry.

OUTCOME

After receiving the commission's final report, the Minister for Racing told Parliament on June 7:

"[the commission] is the most extensive inquiry into racing ever conducted in the history of this state. It is a thorough and professional analysis that anyone could expect and I would like to congratulate the commissioners and their team on a job well done. So, Mr Speaker, what has this seven-month, \$4 million inquiry



found in relation to the three areas of complaint? No evidence of price rorts, no evidence to support that Wayne Wood is of poor character and no evidence of any unlawful behaviour or misconduct on behalf of anyone at Queensland Racing in relation to the departure of individuals ... from that organisation."

The Board and staff of Queensland Racing are entitled to feel vindication after the two inquiries. But it must be remembered that for much of the year Queensland Racing was forced to concentrate on assisting these two inquiries, instead of focusing all our efforts on managing the racing industry. The inquiries were costly diversions but they were necessary to answer the relentless sniping of a small number of individuals. It is now time for the industry to move on.

CONTINUING TO REAP THE BENEFITS OF REFORM

When Queensland Racing came into being in April 2002, the Board replaced a control body structure that had not met industry needs. The previous Board's structure was representative rather than skills-based. The representative structure meant conflicts of interest were inevitable. The new Board had to act decisively to turn this situation around. The Board had to make difficult decisions – decisions that caused pain to some in the industry. However, the Board believed and continues to believe that there was no alternative but to reform the industry.

Last year was the first full year when the industry reaped the benefits. This year the industry continued to reap the benefits, despite the distraction of the two commissions of inquiry. There is no doubt about the benefits of reform.

The industry statistics show healthy growth in prizemoney distributions, and other funding. From July 1, 2005, the average prizemoney for a metropolitan race will be more than \$68,000 and 87 per cent of metropolitan races will have prizemoney of \$40,000 or more. The remaining 13 per cent of races are for two- and three-year-old horses and will be conducted for a minimum of \$25,000 plus \$35,000 in QTIS added stakes,

taking the value of these races to a minimum of \$60,000 for eligible horses.

The metropolitan prizemoney figures demonstrate that Brisbane is competitive with Sydney and Melbourne. When you factor in the extra costs associated with living, working and doing business in the southern states, the economic argument for trainers to set up in Brisbane is irrefutable.

Since 2001-02, Queensland Racing has reduced its overheads substantially. It now costs only 13 cents to deliver \$1 of prizemoney to the industry, compared to 16 cents in 2002. In the last three years, Queensland Racing's total equity has increased by more than 106 per cent to now exceed \$40 million. Land and buildings were re-valued at fair value by an independent auditor in this financial year and total assets have increased in value by \$10 million.

The Queensland Racing Board is justifiably proud of these achievements.

WAGERING GROWTH

Wagering grew strongly over the last 12 months. Total wagering turnover on Queensland thoroughbred race meetings on UNiTAB was \$420 million, up 7.5 per cent from last year's \$391 million.

Growth on Queensland thoroughbreds outstripped growth on NSW thoroughbreds (5.4 per cent) and Victorian thoroughbreds (0.2 per cent). Average wagering turnover on Queensland thoroughbred race meetings was \$1.038 million, up from \$961,000 last year and breaking the \$1 million target the Queensland Racing Board set in its business plan. Thoroughbred racing remains the dominant code in Queensland, with a 79 per cent share of the Queensland wagering market. However, there are clouds on the horizon.

BETTING EXCHANGES

The Australian racing industry has been united in its opposition to the threat posed by betting exchanges.



CHAIRMAN'S REPORT

Betting exchanges have the potential to siphon revenue from the industry and contribute nothing in return. The opportunity to back a horse to lose must pose substantial integrity issues to any fair-minded person.

TVN/SKY CHANNEL DISPUTE

TVN (ThoroughVisioN) is a race telecasting joint venture between the Victorian race clubs, the Australian Jockey Club and the Sydney Turf Club. TVN is in competition with Sky Channel.

While it is understandable that the racing industry would want to take control of the distribution of its product, no one should underestimate the consequences if TVN and Sky Channel fail to reach agreement on telecast rights for Sydney and Melbourne racing. Such a failure could see Queensland locked out of TVN, which will be the premier racing channel showcasing southern racing. The consequence could be a decline in wagering turnover on Queensland races, with flow-on reductions in income to the Queensland racing industry.

BRISBANE RACING PRECINCT

The industry has long been critical of the standard of facilities at our major metropolitan racing venues. The

formation of the Brisbane Racing Precinct Joint Venture Committee by the Queensland and Brisbane Turf Clubs is a welcome step forward. On April 20, the Racing Minister announced the formation of the seven-person committee, which would have two representatives from each club and three Government representatives. Mr Kevin Dixon has been appointed project director.

Under the terms of the joint venture, the training accommodation at Doomben would be relocated to Eagle Farm and a 10-year plan for developing the facility would be instituted.

The Government has pledged \$12 million to improve health, safety and public access issues for this project and indicated that Queensland Treasury would consider an application for a further \$15 million subject to the development of a business case.

If all parties work together in a spirit of cooperation, this exciting development will at last give the Queensland racing industry a creditable facility. Queensland Racing will continue to work with all parties concerned.

THANK YOU

In closing, I would like to record my thanks to the Deputy Chairman, Tony Hanmer, and Michael Lambert, both of whom joined the inaugural Queensland Racing Board in 2002, and also thank Bill Andrews and Bill Ludwig, who joined the Board this year. All have made a valuable contribution. I also thank Mal Tuttle, the Racing and Administration Services Manager, and Bob Mason, Manager of Integrity Services, and their teams. Throughout a most difficult year, they have remained dedicated and professional.



Bob Bentley
CHAIRMAN

AVERAGE WAGERING TURNOVER PER RACE MEETING IN QUEENSLAND RACING CODES (\$'000)

	2004-05	2003-04	2002-03
Thoroughbreds	1,038	961	890
Harness	212	209	201
Greyhounds	155	145	134

RATE OF GROWTH IN AVERAGE WAGERING TURNOVER IN QUEENSLAND RACING CODES (%)

	2004-05	2003-04	2002-03
Thoroughbreds	8.1	8	3.5
Harness	1.4	3.7	1.6
Greyhounds	6.9	8.2	8.7
All codes	7.7	7.5	2.5



QUEENSLAND THOROUGHBRED RACING BOARD

Queensland Racing is the control body for thoroughbred racing in Queensland. It coordinates, manages, and regulates the industry by:

- administering the Rules of Racing
- implementing sound policies
- enforcing standards of safety and integrity
- licensing industry participants
- licensing race clubs and monitoring their activities and performance
- monitoring the condition of racecourses and working with racing clubs to ensure courses are developed to a suitable standard
- commissioning and undertaking research and promotional activities
- administering industry funding and commercial agreements
- representing the Queensland racing industry on the peak national body, the Australian Racing Board, and its sub-committees.

QUEENSLAND THOROUGHBRED RACING BOARD

Bob Bentley (Chairman)
 Tony Hanmer (Deputy Chairman)
 Michael Lambert
 Bill Andrews
 Bill Ludwig

AUDIT COMMITTEE

Michael Lambert (Chairman)
 Tony Hanmer

The Audit Committee assists the Board on audit and financial matters.

HUMAN RESOURCE AND REMUNERATION COMMITTEE (HRRC)

Tony Hanmer (Chairman)
 Bob Bentley
 Bill Andrews

The HRRC assists the Board on matters relating to recruitment and remuneration.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS:

Member	Board meetings		Audit Committee meetings		HRRC meetings	
	No.Held	No.Attended	No.Held	No.Attended	No.Held	No.Attended
Bob Bentley	11	11	N/A	N/A	11	8
Tony Hanmer	11	10*	5	5	11	11
Michael Lambert	11	8	5	5	N/A	N/A
Bill Andrews	6 **	6	N/A	N/A	3 **	2
Bill Ludwig	6 **	6	N/A	N/A	N/A	N/A

* Mr Hanmer was absent from one Board meeting due to the Daubney-Rafter Inquiry

** Mr Andrews and Mr Ludwig were appointed to the Board on 10 December 2004

PROFILES



Bob Bentley
CHAIRMAN

Mr Bentley's extensive racing industry experience spans administration, breeding and racing. He has been a non-executive director of UNiTAB since 1998 and is a director of the Australian Racing Board. He was Chair of the Queensland Principal Club (1992-1997), Chair of the Racing Industry Coordinating Committee, Chair of the Ipswich Turf Club, Treasurer of the Queensland Bloodhorse Breeders' Association, Chair and Managing Director of Austral Plywoods and Chair of the Australian Plywoods Manufacturing Association. He is also a director of a number of private companies. Mr Bentley has extensive business experience in pastoral and timber-related industry and property development. He was instrumental in establishing the QRIS breeding and ownership incentive scheme, now known as the Queensland Thoroughbred Incentive Scheme. Mr Bentley was appointed Chairman of the inaugural Queensland Racing Board in April 2002.



Tony Hanmer
DEPUTY CHAIRMAN

Mr Hanmer has more than 27 years' leadership experience and a track record of company management, building professional organisations in the United Kingdom, Asia and Australia. He was Senior Vice President of McCann-Erikson Worldwide and Regional Director of Asia South Pacific, working internationally with global companies. He is a director of Techstar Pty Ltd, Medteq Innovations, SelecTV and the Deputy Chair of Endeavour Foundation. Mr Hanmer was appointed to the inaugural Queensland Racing Board in April 2002.



Michael Lambert

Mr Lambert is Managing Director of ABN-AMRO Australia, part of the ABN-AMRO global investment bank. He was former head of the NSW Treasury. His substantial involvement in the racing industry includes advising the Government on strategic options for TABQ and the Queensland racing industry and on the reform and sale of the TABQ. He is a director of Energy Australia and a former director of the Macquarie Health Service. Mr Lambert was appointed to the inaugural Queensland Racing Board in April 2002.



Bill Ludwig

Mr Bill Ludwig is the National President and Queensland Secretary of the Australian Workers Union. Mr Ludwig is a horse breeder and owner who has considerable experience in country racing, having spent the majority of his working life in rural and regional Queensland. He brings a wealth of experience and first hand knowledge of the day-to-day issues that confront the industry. Mr Ludwig was appointed to the Queensland Racing Board in December 2004.



Bill Andrews

Mr Bill Andrews is a partner in Trilby Misso Legal Solutions based at Strathpine. Mr Andrews brings extensive and valuable legal experience to the Board. He is well respected in racing circles and has served on the First Level Appeals Committee for Queensland Racing. Mr Andrews was appointed to the Queensland Racing Board in December 2004.

RACING & ADMINISTRATION SERVICES

YEAR IN REVIEW



Malcolm Tuttle
**RACING & ADMINISTRATION
SERVICES MANAGER**

PROFILES



Malcolm Tuttle
MANAGER

The Manager develops policy and strategy for racing and administration services and is responsible for the overall performance of the Racing and Administration Services Division.



David Rowan
INFORMATION TECHNOLOGY

The Information Technology section provides IT and telecommunications services to Queensland Racing.



Adam Carter
FINANCE

The Finance section provides financial services to the Queensland racing industry and financial, business development and other corporate services to Queensland Racing.



Paul Brennan
TAB RACING

The TAB Racing section works with the other codes of racing and UNiTAB to develop Queensland Racing's TAB thoroughbred racing program, manages the Queensland Thoroughbred Incentive Scheme and provides secretariat services to the thoroughbred breeders' and owners' associations.



Ray See
COMMUNICATIONS

The Communications section provides information to the racing industry and the general public through the monthly Queensland Racing Magazine, Queensland Racing's website and media releases. The Communications department also organises events such as the annual Queensland Racing Industry Awards.



Darcy Tyrrell
**NON-TAB RACING &
DEAGON FACILITIES**

The Non-TAB Racing and Deagon Facilities section works with the other codes of racing and UNiTAB to develop Queensland Racing's non-TAB thoroughbred racing program, provides services to Queensland's non-TAB race clubs, helps develop country racing and manages facilities at the Deagon training centre.



Peter Smith
TRAINING AND DEVELOPMENT

The Training and Development section provides training services to licensees and other the Queensland racing industry participants, as well as training, development and other human resource services to Queensland Racing.



QUEENSLAND RACING MANAGEMENT

Queensland Racing has two separate divisions: Racing and Administration Services and Integrity Services. These two divisions reflect the separation of the organisation's commercial and regulatory functions.

RACING AND ADMINISTRATION SERVICES DIVISION ORGANISATIONAL CHART



NEW DISTRIBUTION SCHEME

In April, Queensland Racing approved a new formula to distribute prizemoney to Queensland race clubs in the coming financial year. It was the culmination of lengthy consultation with the industry and a comprehensive review that identified deficiencies in the old system and developed an alternative that was simple, fair and effective.

The scheme will have two components: prizemoney and an administration subsidy Queensland Racing will pay to major TAB race clubs. The administration subsidy will be worth a net \$7.12 million to the industry. An additional \$300,000 will be paid to the Gold Coast Turf Club in 2005-06 to offset their forecast drop in revenue. This additional subsidy will be withdrawn following the 2005-06 financial year.

The new arrangements will replace the current complex system and its six funding streams. The direct prizemoney payment is designed to overcome the recent decline in the percentage prizemoney returns clubs have passed on to owners.

COUNTRY RACING FUNDING

In May 2005, the Board of Queensland Racing approved a new single administration payment to non-TAB race clubs. This initiative is detailed later in this report.

In the 2004-05 year, non-TAB race clubs received \$550,000 in nomination and acceptance fees, and \$359,000 in on-course commissions. Queensland Racing levied \$175,000 in integrity services charges, leaving net income to non-TAB race clubs of \$734,000.



Country racing action at Roma



RACING & ADMINISTRATION SERVICES

YEAR IN REVIEW

BLACK TYPE RACING

For too long the Queensland racing industry has been denied its fair share of Black Type racing. Queensland Racing made strong representations to the Australian Racing Board on behalf of the Queensland racing industry for more Black Type races to be allocated to Queensland.

This work finally paid off when the Australian Racing Board supported a 20 per cent lift in Queensland Black Type (from 62 to 75 races, with eight of these races conditional on their 2004-05 running) for the 2005-06 racing season. Queensland's total of eight Group 1 races were retained, with the BTC Cup replacing the QTC Sires Produce Stakes.

Queensland Racing will continue its efforts to gain more Black Type races for the State.

SUMMER CARNIVAL

The 2005 Summer Carnival was an outstanding success. Turnover was strong across the four major race days:

Summer Stakes day – \$3.03 million
Doomben Stakes day – \$3.45 million
Bernborough Handicap day – \$2.10 million
Magic Millions day – \$4.53 million

Record crowds attended the major race days. The figures show growth in attendances over the last three years. The total of 29,129 for the four major race days was 7,753 more than last year, a 36 per cent increase.

WINTER CARNIVAL

The 2005 Queensland Winter Racing Carnival rewrote the record books.

Seven of the 12 feature days broke their UNiTAB turnover records. The BTC Cup meeting hit \$3.56 million, up from \$3.13 million last year. Queensland Guineas day saw turnover rise from \$3.16 million in 2004 up to \$3.38 million this year, while the Gold Coast's Prime Minister's Cup day went from \$3.40 million in 2004 to \$3.49 million this year. Doomben 10,000 day showed a healthy increase from \$4.27 million in 2004 up to \$4.86 million this year. The Queensland Oaks Day saw a very healthy increase on last year's figures, while Ipswich Cup day has increased by around 20 per cent since 2002.

The five days with the biggest turnover in the Carnival for 2005 were:

- Stradbroke day – \$5.02 million
- Doomben 10,000 day – \$4.86 million
- Queensland Oaks day – \$4.55 million
- Doomben Cup day – \$4.06 million
- Tattersall's Cup day – \$3.92 million.

Attendance figures over the 12 major days of the Winter Carnival have risen from 106,796 in 2003 to 118,075 at this year's carnival, with six of those 12 days seeing increased attendance on last year's figures. Particularly noteworthy was Doomben Cup day, which has seen its attendance

Turnover and attendance figures increased at this year's winter carnival.





figures virtually double from 2003 to this year. The average attendance over the 12 carnival days grew from 8,900 in 2003, to 9,556 in 2004 and 9,840 this year.

Queensland Racing eagerly awaits next year, with the 2006 carnival to be the first in recent history with a completely structured feature race schedule. The inclusion of an additional nine Listed races and the upgrading of the Queensland Racing Winter Stakes and Champagne Classic to Group 2 status are sure to provide Queensland with another record-breaking carnival.

SUMMER & WINTER CARNIVAL REVIEWS

In March, the Queensland Racing Board approved changes to the Summer and Winter Carnivals for the 2005-06 racing season.

The changes were developed in consultation with the major Queensland race clubs and industry groups and designed to provide a natural progression from the lead-up to the feature races. The revised calendar is in keeping with the need to provide a quality racing program to maximise wagering turnover and industry income.

The most significant change to the Winter Carnival will see the second Saturday in May allocated to the Brisbane Turf Club, giving the club three consecutive Saturday meetings, enabling the three Group 1 sprint races, the BTC Cup, Doomben 10,000 and Stradbroke Handicap, to be run over four weeks at two-week intervals.

The main change for the Summer Carnival will be the repositioning of the Gold Coast Stakes to the New Year's Day public holiday meeting. This removes the clash of two Queensland feature meetings on the one day and provides a structured lead-up to the Magic Millions.

QUEENSLAND THOROUGHBRED INVESTMENT SCHEME (QTIS)

The Queensland Thoroughbred Incentive Scheme (QTIS) aims to stimulate investment in the Queensland racing industry by increasing the prizemoney available

for QTIS-registered horses. Breeders or owners of eligible horses are invited to register their horses in their yearling year. To be eligible for registration, a horse must be the progeny of a stallion standing in Queensland at the time of conception, or the progeny of a non-Queensland-based stallion whose dam was then bred back to a Queensland-based stallion in the breeding season in which the foal was born.

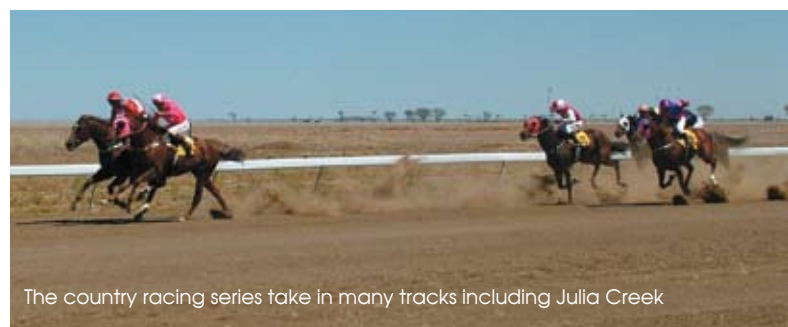
The breed-back component of QTIS, which was implemented in 2002, has been very well received. The number of breed-back pay-ups received at the close of registrations in October 2004 was double that in the inaugural year. With the continued success of breed-back eligible graduates, it is anticipated this trend will continue into next season.

In 2004-05, \$4.35 million in QTIS bonuses was returned to the industry. Stand-out QTIS stallions in the last year include Iglesia, Easy Rocking and Monashee Mountain. High sales figures were also achieved for the first crop by Show a Heart.

COUNTRY RACING SERIES

Country racing was once again a winner through the success of six regional racing series. These series provide thousands of dollars in bonuses to owners, trainers and jockeys. They form an integral part of the social life of rural communities and help forge links between the racing and tourism industries.

There was \$187,500 offered in prizemoney over the five race meetings of the Reef 'n' Rainforest Series.



The country racing series take in many tracks including Julia Creek



RACING & ADMINISTRATION SERVICES

YEAR IN REVIEW

Heats were held at Innisfail, Cairns, Gordonvale, Atherton and Mareeba. The series was won by Specjet, owned by the series' major sponsor, Tom Hedley. Atherton's Roy Chillemi was the leading trainer, while David Crossland took out the jockeys' bonus.

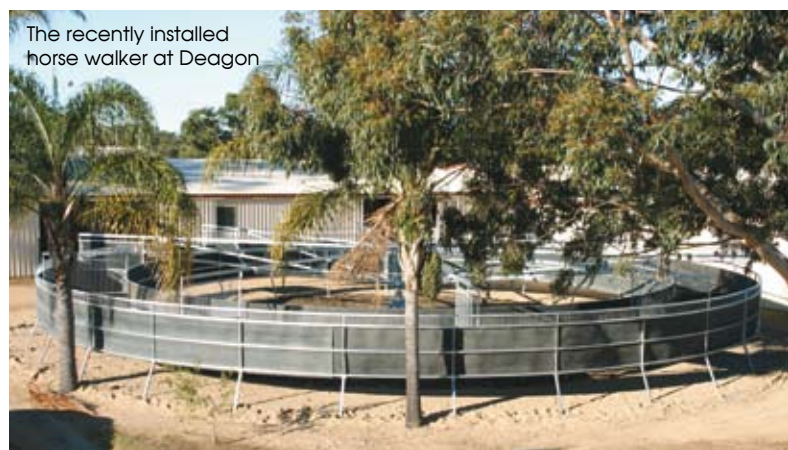
The Matilda Highway Series is named after the 1674km of highway that runs from Bourke (NSW) to Karumba on the Gulf of Carpentaria. The major sponsors are Craiglea Stud and Marr's Furniture Removals. Total prizemoney of \$377,000 was distributed by the nine clubs participating in the series that started in April in Cunnamulla, culminating on 25 June in Barcaldine. Once again, a horse owned by the major sponsors took out the series, with Craiglea Bob beating a strong field. Peta Wheatley won the trainers' bonus, with the jockeys' prize picked up by Bonnie Thomson.

Craiglea Stud and Marr's Furniture Removals were also major sponsors for the \$350,000 Fossil Trail Series, Burnett to the Beach Series, and Beef and Coal Series. Almost \$250,000 in prizemoney was up for grabs in the Burnett to the Beach Series, while prizemoney in the Beef and Coal topped \$300,000. Mr Chips, owned by Tony Button, took out the Beef and Coal. Tony Button also won the trainers' bonus, while the leading jockey was Dale Evans. The Burnett to the Beach and Fossil Trail Series are yet to be completed.

INDUSTRY SUPPORT

Queensland Racing has begun a number of initiatives designed to support the racing industry's development. Thoroughbred Marketing Queensland (TMQ), an initiative of the Queensland Racing Board, was established in November 2004. Queensland Racing provides secretariat and administrative support to TMQ. The organisation produced the 2005 QTIS Stallions Register, organised the QTIS Stallions Expo and had a presence at all the major sales. TMQ's seven members are thoroughbred breeders, Bob Frappell (Chair), Stan Johnston and David Lucas, thoroughbred owners Wayne Milner, Wayne Purchase and Paul Williams, and Paul Brennan from Queensland Racing.

Queensland Racing also began providing secretariat support to the Racehorse Owners' and Breeders' Associations. Queensland Racing now employs the staff previously employed by the associations and the staff work from Queensland Racing premises. These initiatives will help these associations become more professional and allow better services to be offered to owners and breeders.



DEAGON

Queensland Racing continued to improve facilities for trainers at the Deagon complex. A new horse walker and scales were installed in 2005.

The Board will consider a development plan to construct more on-course stables and the construction of a water storage facility for irrigation in the centre of the track. The Deagon complex, under the management of Darcy Tyrrell, has attracted numerous favourable comments.

TRAINING DEPARTMENT FULLY INTEGRATED INTO QUEENSLAND RACING

All training operations from the former training body known as Queensland Race Training were integrated into Queensland Racing from July 1, 2004. Queensland



Racing was approved as a registered training organisation and contracts with the Department of Employment and Training provided funding for traineeships and apprenticeships. The South East Queensland apprentice program based at Deagon was extensively reviewed with a subsequent increase in the quality of training materials, instruction and scheduling. Traineeships were provided for stablehands, advanced stablehands and trackwork riders.

An extensive review and reorganisation of the industry's training operations was undertaken to focus training delivery at the local and regional levels in accordance with the industry's needs. The international training program was discontinued. The new arrangements will allow Queensland Racing to meet its training requirements under the Racing Act and provide training services tailored to the industry's needs.

As part of this, Queensland Racing has been a major participant in the development of new training options for the Australian racing industry. These national initiatives by the Racing Industry Standing Committee of the AgriFood Industries Skills Council will expand training dramatically when completed. The new skills packages and courses will offer training for stewards in all three racing codes, barrier attendants, handicappers, judges, photo finish operators, betting supervisors, track maintenance and management, programming and race club management and administration. These courses are scheduled to receive national approval by late next year.



Apprentices receive training in both riding and lifestyle skills

QUEENSLAND RACING LEADS IN SPORTS TECHNOLOGY

The initial phase of installation of the new super-bright LED (Light Emitting Diodes) semaphore boards and timing for six Queensland racetracks was completed on schedule and has received a big "thumbs up" from race goers from Townsville to the Gold Coast.

The new state-of-the-art semaphore boards from ALGE Timing that have been installed at the Gold Coast, Sunshine Coast and Townsville Turf Clubs include highly accurate race timing as well as last 600m sectional times.

The second phase, due to be completed in October, will see these boards installed at the Toowoomba, Ipswich and Doomben tracks.

The new semaphore boards were necessary as most of the old boards were no longer operational.

The new boards have aluminium cases and virtually no moving parts and their software can be updated easily.

By bulk buying, Queensland Racing was able to negotiate on behalf of the industry and receive a very competitive price for the boards.

COUNTRY RACING ASSOCIATIONS

In March, the Queensland Parliament amended the Racing Act 2002, strengthening the representation of country (non-TAB) race clubs and changing the way country racing operates.

From August 1, 2005, eight country racing associations (CRA's) will replace the five regional associations. All non-TAB clubs and licensees (trainers, jockeys and bookmakers) will be represented on each CRA.

The new associations will cover a smaller area and provide for direct input from every country race club and local trainers, jockeys and bookmakers. TAB clubs will not be members.



RACING & ADMINISTRATION SERVICES YEAR IN REVIEW

Queensland Racing helped establish each CRA. This assistance included conducting meetings in each of the new regions to elect chairpersons and selection panels, and appointing secretaries.

The Queensland Country Racing Committee (QCRC) will replace the Queensland Regional Racing Council. The eight CRA's and Queensland Racing will each nominate a representative to the nine-member committee. The QCRC will advise Queensland Racing on matters relating to country racing.

The CRC and eight CRA's will contribute to the development of country racing throughout the state.

Eight new CRA's in Queensland



administrative payment, which begins on July 1, 2005, offers a more equitable payment to all non-TAB clubs, simplifies revenue and charges between Queensland Racing and non-TAB clubs and provides clubs with information they can base their budgets on.

The distribution scheme is similar to the new arrangements for TAB clubs.

Country clubs will receive a guaranteed share of seven per cent of wagering revenue – an extra \$270,000 from August 1, 2005 – and will no longer have to pay stewarding, handicapping and Trainers' Service Centre charges.

With the new administration payment, clubs will no longer have to charge nomination and acceptance fees, receive on-course tote commission top ups or pay integrity and administration charges.

Queensland Racing will provide stipendiary stewards for each race meeting at no cost, while clubs will be responsible for all other services, such as clerk of scales, judge, assistant judge, starters and photo finish operators.

COUNTRY RACING LIAISON OFFICER APPOINTED

Queensland Racing appointed Col Truscott to the new position of Country Racing Liaison Officer. Col's role will include liaising with race clubs, industry groups and government agencies, developing feature country race series, coordinating non-TAB race programming and advising the Country Racing Council on policies, prizemoney distribution strategies and the racing calendar for non-TAB clubs.



2005-06 NON-TAB ADMINISTRATION PAYMENT

In May, Queensland Racing approved a system to streamline payments to non-TAB clubs. The new

QUEENSLAND RACING INDUSTRY AWARDS

The Queensland Racing Industry Awards, held in August 2004, saw champion galloper Starcraft named



Queensland Horse of the Year. Starcraft's rise was rapid; in less than five months he progressed from his maiden win at Doomben to victory in the Group 1 Chipping Norton, Group 2 Tulloch Stakes and Group 1 AJC Derby.

Brisbane-based Shaun Dwyer was named Champion Trainer of the Year, capping the most successful season of his brief but brilliant career.

Champion Jockey of the Year was Scott Seamer. Scott won the Group 1 Salinger on Ancient Song and finished second in the Melbourne Cup on She's Archie.

The Champion Apprentice of the Year title went to Michael Rodd, who, although he had completed his indentures in the first half of the season, still had achieved enough to win the award. The Apprentice Encouragement Award went to Adam Best.

Garry Newham, trainer of Starcraft, won the Queensland Racing Achievement Award for his outstanding contribution to boosting the profile of racing. Gillian Heinrich won the Woman in Racing Award. Gillian trains 60 horses and is a former trackwork rider.

In the metropolitan section of the awards, Stathi Katsidis was named Metropolitan Jockey of the Year. The Gold Coast's Alan Bailey won Metropolitan Trainer of the Year for the second year in a row. His most

important wins of the season were the Group 3 Summer Stakes and Listed Bernborough Handicap with Make Mine Magic. Consular, trained by Bill Baker, was named Metropolitan Horse of the Year. The horse was bought for \$20,000 but in a little more than a year had earnt \$500,000.

In the country racing section, David Crossland was named Country Jockey of the Year after 88 wins in the season. Trainer of the Year was Garnett Taylor with 77 winners and the Horse of the Year was Western Brace. Lucy Timson was named Champion Country Apprentice, while Paul Hammersley was Champion Provincial Apprentice.

The Queensland Racehorse Owners' Association award for the Best Four-Year-Old and Up was won by Enthusiast and the QROA Winning Member award was taken out by one of north Queensland's leading owners, Tom Hedley.

The Champion QTIS Two-Year-Old this year was Star Shiraz. The Toowoomba filly who was bought for \$15,000 won more than \$350,000 in her eight races. The Champion QTIS Three-Year-Old was Regimental Gal, who won seven of her 12 starts and earnt almost \$1.5 million.

The TBQA Champion First Season Sire was Mossman and Champion Broodmare was Hallaya. The Champion Two-Year-Old Stallion and Stallion of the Year was Sequalo.

In the media section, The Courier-Mail's David Solomon won the award for best print story for his story on the Super Track proposal. Peter Wallis from the Bundaberg News-Mail won best photograph for his shot of apprentice Bryce Dieckmann making his way through the Birdsville Cup crowd. The best radio/TV coverage award went to Sky Channel's Brendan Parnell for his segment on equine artist Maryanne Lillecrapp.

HALL OF FAME

Gunsynd, the legendary Goondiwindi Grey, was one of 13 racing heroes inducted into the Australian Racing Hall of Fame on the Gold Coast in May.



Magic Millions General Manager Paul Weekes with trainer Shaun Dwyer.



RACING & ADMINISTRATION SERVICES

YEAR IN REVIEW



Queensland Racing chairman Bob Bentley with Hall of Fame inductee Darby McCarthy

Gunsynd was one of the most courageous and charismatic horses ever to race in Australia. He loved the crowds and the crowds loved him. By the time he retired, Gunsynd had won 29 of his 54 starts and a then-record prizemoney of \$280,455.

In August 2004, five more legends of the turf were inducted into the Queensland Racing Hall of Fame. They were champion jockey Darby McCarthy, trainer Jim Griffiths, racecaller Keith Noud, Lundhurst Stud and the Kruger family, and champion racehorse Vo Rogue.

The Queensland and Australian Halls of Fame celebrate racing's rich history and the contribution the exceptional people inducted into these halls make to the industry they love.

Malcolm Tuttle
RACING & ADMINISTRATION SERVICES
MANAGER

NUMBER OF MEETINGS CONDUCTED – TAB AND NON-TAB

	2004-05	2003-04	2002-03
TAB	405	406	396
Non-TAB	334	327	466

NUMBER OF RACES CONDUCTED – TAB AND NON-TAB

	2004-05	2003-04	2002-03
TAB	3,167	3,179	3,131
Non-TAB	1,767	1,736	2,548

AVERAGE STARTERS PER RACE

	2004-05	2003-04	2002-03
TAB	10.54	10.54	10.48
Non-TAB	8.17	8.28	7.38

AVERAGE PRIZEMONEY PER RACE (\$)

	2004-05	2003-04	2002-03
TAB	18,776	16,918	15,487
Non-TAB	5,466	5,433	4,718

AVERAGE PRIZEMONEY PER RACE MEETING (\$)

	2004-05	2003-04	2002-03
TAB	146,821	132,471	122,488
Non-TAB	28,918	28,844	25,795

INCREASE IN TOTAL PRIZEMONEY (INCLUDING QRSE AND QTIS)

	2004-05	2003-04	2002-03
\$M	69.12	63.22	60.51
%	9.3	4.5	-1.2



WAGERING ON QUEENSLAND THOROUGHBREDS (\$M)

2004-05	2003-04	2002-03
421	391	359

AVERAGE WAGERING PER TAB MEETING (\$M)

2004-05	2003-04	2002-03
1,038	961	890

TOTAL WAGERING (\$M)

2004-05	2003-04	2002-03
1,903	1,799	1,681

ATTENDANCE AT FOUR MAJOR QUEENSLAND SUMMER RACING CARNIVAL RACE DAYS

Race meeting	2004-05	2003-04	2002-03
Summer Stakes day	4,455	2,165	3,373
Doomben Stakes day	4,631	3,232	2,488
Bernborough Handicap day	3,544	2,686	2,906
Magic Millions day	16,500	13,293	13,572
Total	29,129	21,376	22,339

ATTENDANCE AT 12 MAJOR QUEENSLAND WINTER RACING CARNIVAL RACE DAYS

	2005	2004	2003
Average attendance	9,840	9,556	8,900
Total attendance	118,075	114,677	106,796

COUNTRY RACING FUNDING

	2005-06 (anticipated)	2004-05	2003-04
Nominations and acceptances	-	\$550,000	\$639,404
On-course commissions	-	\$359,000	\$323,717
Integrity services charges	-	(\$175,000)	(\$245,198)
Single administration payment	\$1,003,828	-	-
Total	\$1,003,828	\$734,000	\$733,461

Part of the large crowd at the Birdsville Cup 2004



INTEGRITY SERVICES YEAR IN REVIEW



Bob Mason
**INTEGRITY SERVICES
MANAGER**

PROFILES



Bob Mason
MANAGER

The Manager develops policy and strategy for the delivery of integrity services and is responsible for the overall performance of the Integrity Services Division.



Dominique Murphy
COMPLIANCE

The Compliance section ensures Queensland Racing complies with the Racing Act 2002 and other legislation, Queensland Racing policies and the Australian Rules of Racing. Racing appeals are also managed in this area.



Wayne Wood
INVESTIGATIONS

The Investigations section undertakes investigations into possible breaches of Queensland Racing's policies and the Australian Rules of Racing by licensees and others, and liaises with the Queensland Police Service, Department of Primary Industries, Government Racing Division and other government agencies in relation to alleged breaches of legislation.



John Hackett
OPERATIONAL STEWARDING
(South East Queensland)

The Operational Stewarding section monitors compliance with Queensland Racing's policies and the Australian Rules of Racing, focusing primarily on race day activities. This area also develops and implements drug testing strategies. Regional stewarding activities are headed by Pat Cooper (North Queensland), John Wallis (Capricornia Region) and Steve Rowe (Downs Region).



Lester Grimmert
HANDICAPPING

The Handicapping section provides state-wide services for the allocation of weights to all horses racing at TAB and non-TAB races in Queensland. Queensland Racing's interface with the Trainers' Service Centre also occurs in this area.



Mark Sweeney
CUSTOMER SERVICES

The Customer Service Delivery section provides a range of services to licensees and new entrants to the industry, including licensing and registration of the ownership of horses, sales and lease transfers.



INTEGRITY SERVICES DIVISION ORGANISATIONAL CHART



The Integrity Services Division includes Operational Stewarding, Investigations, Regulatory Compliance, Handicapping and Customer Service Delivery. The Division’s work includes:

- officiating at race meetings and trials
- working with the Racing Science Centre on drug control and animal welfare issues
- enforcing the Racing Act 2002, Rules of Racing and Queensland Racing policies
- conducting inquiries and appeals
- providing handicapping services
- providing licensing and registration services
- developing policies that promote industry integrity and protect the welfare of racehorses.

ANIMAL WELFARE POLICY

In Queensland, a number of laws protect animal welfare. There is also a great deal of community concern about animal welfare, as expressed through organisations like the RSPCA. In general, the Queensland racing industry has a good reputation for protecting the welfare of animals. However, there are perennial concerns about the use of whips, training and racing of young animals, racing in extreme heat and other animal welfare issues.

During 2005, Queensland Racing began developing an animal welfare policy that will bring it to the forefront of protecting the welfare of racehorses. The draft policy includes minimum animal welfare standards. When complete, the policy will replace Queensland Racing’s interim animal welfare policy and its procedure for racing in extreme heat.

The RSPCA, the University of Queensland’s School of Veterinary Science and the Department of Primary Industries provided advice on the policy and standards. The racing industry had the opportunity to provide input into the initial work through the Queensland and Australian trainers’ associations. Queensland Racing plans formal consultations with the industry in 2005-06. This will ensure the full implications of any proposals are understood and that the industry has the opportunity to shape this important area of policy.

On some issues Queensland Racing will have to balance legitimate animal welfare concerns with the commercial and operational realities of the industry. It is vital that the industry has its say on these issues so that the resulting policy is practical and enjoys the industry’s support, while protecting animal welfare.

DRUG TESTING STRATEGY

Queensland Racing continued to work with the Racing Science Centre to deter and detect the use of illicit substances. Under the RSC’s drug sampling strategy, 5407 pre- and post-race samples were taken. The total number of positive samples was 16, representing a positive sample rate of 0.3 per cent. This figure is a slight increase on last year’s result (0.27 per cent) but still represents a very low rate of positive tests. (It should be noted that the swabbing figures reported in the 2004 Queensland Racing Annual Report were based on incomplete data. The figures reported in this report are based on complete data supplied by the Racing Science Centre.)



INTEGRITY SERVICES YEAR IN REVIEW

Queensland Racing stewards will continue to work with the Racing Science Centre and racehorse trainers to ensure the highest standards of integrity and animal welfare are maintained.

NATIONAL CHAIRMEN OF STEWARDS' CONFERENCE

The main item on the agenda for the National Chairmen of Stewards' conference in June was the introduction of the new micro-chipping system for identifying two-year-old horses.

The new system for identifying Australian thoroughbred horses will begin from August 1, 2005. The Thoroughbred Identification Card will replace the "passport", the identification papers used under the old system. The Thoroughbred ID Card will be produced at the same time the foal's parentage is verified. Every foal born from August 1, 2003, onwards and every broodmare in Australia is required to have a DNA test (known as parentage-testing). All foals born after this date are required to be micro-chipped. All imported horses born from the 2003 season onwards are also required to be micro-chipped in Australia if not already micro-chipped. An import application form is due within 30 days of the horse's arrival. Mares and stallions born before 2003 and shuttle stallions are not required to be micro-chipped.

Queensland Racing officials will use hand-held scanners to identify racehorses. These hand-helds will identify horses by reading their micro-chips or providing identifying information about older horses that have not been micro-chipped. The palm-top computers will also provide officials with an array of race day information. Not only will this system be secure and reliable, it will save a lot of time and resources, allowing race day officials to concentrate on other important aspects of racing integrity.

Queensland Racing has initially ordered five micro-chip readers. Several more readers will be ordered to accommodate the meetings held across Queensland on Melbourne Cup day.

Another major item on the conference agenda was the plight of many apprentice jockeys who, because they are unknown to trainers and owners, do not get the opportunity to obtain rides. The current system relies on masters of apprentices encouraging owners or other trainers to give the apprentices opportunities to ride. The Chairmen of Stewards recommended that these struggling apprentices be assisted by permitting them to claim an extra kilogram until they have ridden five winners.

METROPOLITAN APPRENTICES

Stewards reviewed the standard of apprentices in metropolitan racing to ensure these apprentices have the experience necessary for this standard of racing. Stewards developed a policy that apprentices must have ridden at least 20 provincial winners before they can be upgraded to ride in metropolitan races. This will give punters an opportunity to observe apprentices in action at TAB meetings before they ride in metropolitan meetings.

RIDER SAFETY

The Queensland Winter Racing Carnival was an outstanding success, with good racing conditions for the majority of races. The one downside to the Carnival from a stewarding point of view was the number of suspensions for careless riding.



Sydney Jockey Danny Beasley weighs in after a winter carnival success at Doomben with Chief Steward John Hackett



During the year, the Australian Racing Board adopted several rules to address safety concerns. An example is AR 80D, which states:

A trainer must ensure that every horse in his care that is being led or ridden outside his stable premises on a public roadway or thoroughfare prior to sunrise wears a rug or other gear with reflective strips and that its rider or attendant wears a reflective vest of a design approved by the Stewards.

Tragically, there were a number of severe injuries and fatalities in the Australian racing industry during the year. Safety will remain a paramount concern for Queensland stewards in 2005-06. Stewards will maintain vigilance in any areas to do with safety in the workplace.

INTRASTATE CHAIRMEN OF STEWARDS' CONFERENCE

Queensland Stewards were able to attend two intrastate stewards' conferences held in Brisbane in October 2004 and in May 2005.

At the October conference, Racing Victoria's Chairman of Stewards, Des Gleeson, spoke on a number of issues, including investigations, procedures and protocols of

inquiries, and recruitment and training procedures Victoria has adopted for stewards. Alan Roberts, Racing Science Centre Manager, reported on current sampling and drug testing strategies, including out-of-competition testing. Other items were discussed, such as:

- suspension policy
- starting procedures
- training of apprentices
- recording of gear
- ambulance requirements on race day
- embargo reporting
- jockey shortages
- upgrading of video equipment
- the uniformity of stewards' reports.

The main item at the May conference was a presentation from Queensland Racing's Training Division on competency tests for prospective licensees and the industry training package being established at the national level. Other agenda items included:

- review and discussion on the Australian and local rules
- jockey absenteeism
- workplace health and safety issues and their impending effect on the racing industry
- animal welfare issues
- swabbing and pre-race testing strategies incorporating the national drug register
- barrier and barrier attendants, which has now led to a starters' conference to be set down for later in 2005
- Betting and Betfair, including monitoring the impact a betting exchange may have on the integrity of the Queensland racing industry.



A mud splattered Jockey Dale Evans after a win at Rockhampton



Chief Steward John Hackett closely watching runners before a race at Eagle Farm



INTEGRITY SERVICES YEAR IN REVIEW

Feedback from both conferences was positive. Stewards look forward to further conferences in the 2005-06 racing season.

FORMAT OF STEWARDS' INQUIRIES

During the year, Queensland Racing introduced a new approach to major stewards' inquiries. Under the new process, an independent chair or an independent panel of stewards hears evidence presented by the investigating steward.

This procedure is in place for inquiries where a racehorse returns a positive swab or where the investigators or stewards have conducted a stable inspection and uncovered an item or practice which, in the investigators' or stewards' opinion, breaches the Rules of Racing. This procedure is also used when Queensland Racing investigators receive a complaint and, after investigation, they believe the Rules of Racing have been breached.

This new procedure helps ensure that inquiries are conducted to the highest standards of professionalism and that any penalty imposed is appropriate and more likely to be upheld should the matter go to appeal.

STEWARDS' TRAINING

Queensland Racing has licensed the Certificate IV and Diploma courses for stewards developed by TAFE NSW with Racing NSW. The courses will be implemented in the first half of the 2005-06 financial year.

The Certificate IV course is designed to take cadet stewards through to stipendiary stewards. It also provides a recognition process for experienced stewards. The course develops competence in a range of areas that will enable a steward to conduct race meetings, supervise staff, conduct hearings and inquiries, supervise sample taking and liaise with the media. The Diploma course is suitable for chief stewards and includes management and policy skills as well as occupational health and safety, training and assessment.

A meeting of stewards and training managers from all states was held in Sydney to discuss steward training issues, share expertise and experience, and coordinate the development of resources.

Building on the development of the accredited courses, a national qualification for stewards is under development by the project steering committee on which Queensland Racing is represented. Consultations have been held across Australia with stewards from the three codes.

In Queensland the committee met with numerous stewards and gave an overview of the developments to the state stewards' conference. Approval for the new national stewards' qualifications is expected later next year.

NATIONAL HANDICAPPERS' CONFERENCE

The Australian and New Zealand Classifications Committee met in Brisbane in June to discuss rating assessments of the best-performing racehorses of the season.

Horses are assessed within their respective age groups and racing distances. The relative abilities of the quality horses competing within the defined group racing structures of the two countries are measured, evaluated and compared.

In addition to the annual classification assessments, other agenda items included comparisons within northern and southern hemisphere ratings and the current weight-for-age scale.

The further development of a southern hemisphere weight-for-age scale was discussed, as well as the season race ratings, which are to be used to assist the Australian Pattern Committee in its decision-making processes.

RULE CHANGES

During the year, the Australian Racing Board amended



Handicappers from around Australia and New Zealand at the National Handicappers Conference.

the Rules of Racing to alter conditions relating to Class 1 to Class 6 racing and the definitions of “special condition race” and “restricted race”. These amendments came into effect on 1 September 2004.

The ARB amended its rules relating to betting exchanges. AR.175(B) was amended to prohibit licensed and registered persons from betting on Australian horse races through betting exchanges. Owners are prohibited from betting through a betting exchange on any Australian race where their horse is running. No person at a race meeting may access information from a betting exchange website or otherwise communicate or conduct transactions with a betting exchange.

The ARB moved to improve public safety by amending its rule on reflective vests. AR.80(D) was amended to read: “A trainer must ensure that every horse in his care that is being led or ridden outside his stable premises on a public roadway or thoroughfare prior to sunrise wears a rug or other gear with reflective strips and that its rider or attendant wears a reflective vest of a design approved by stewards.”

Under the new rule AR.209, the ARB may, from time to time, publish Codes of Practice setting out standards of conduct for persons commercially associated with

Australian thoroughbred racing. This rule was added May 1, 2005, and will help the industry to develop more professional standards of conduct.

Effective May 13, 2005, the ARB amended the Australian Rules of Racing relating to:

- Permits to allow riders the medical use of specified banned substances (AR.81A)
- Definitions of “Prize”, “Deputy Registrar of Racehorses”, “Manager”, “Micro-chip”, “Thoroughbred Identification Card”, “Foal Identification Card”, “Stable Return” and “National Stewards Embargo Register” (AR.1)
- Judging of races (AR.157)
- Registration of racehorses (AR.15, AR.16, AR.20, AR.24, AR.26, AR.27)
- Nominations and entries (AR.53B, AR.53C, AR.54, AR.59, AR.59A, AR.64A, AR.64B, AR.64F, AR.64J).

Queensland Racing amended Local Rule 45 to give stewards the power to take possession of any substance that has not been prescribed, labelled, dispensed or obtained in accordance with legislation and to punish a trainer or other person for breaching this rule. To comply, trainers must maintain records of all purchases of prescribed treatments and ensure any medications are labelled in accordance with legislation.

Australian Rule 140(A) currently reads “Any person found guilty of carelessness or neglect in the saddling of and/or presenting of a horse for a race may be punished by the stewards.” The national stewards’ conference in June recommended to the Australian Racing Board that this rule be amended to cover barrier trials, jump-outs, barrier tests and trackwork.

Bob Mason
INTEGRITY SERVICES MANAGER



INTEGRITY SERVICES YEAR IN REVIEW

PERCENTAGE OF STEWARDS' DECISIONS UPHELD ON APPEAL

	2005 (target)	2005 (actual)	2006 (target)
First Level Appeals Committee (49 appeals)	>80%	82%*	80%
Racing Appeals Tribunal (15 appeals)	>75%	92%* **	75%

*Instances where appeal was dismissed but the penalty varied or when an appeal against a decision was withdrawn are classified as an upheld decision

** Does not include two appeals heard but decision not announced

BOOKMAKING TURNOVER (\$MILLION)

	2004-05	2003-04	2002-03
Telephone bookmaking	\$102.6	\$102.4	\$92
General bookmaking	\$136	\$152	\$158
Total bookmaking	\$238.4	\$254.6	\$250.3

HORSE SWAB TESTING AND RESULTS

Type of Sample	2003-04*			2004-05		
	Total tested	Total positive	% positive	Total tested	Total positive	% positive
Survey & Research (Unsealed)**						
Blood	134**	N/A	N/A	611**	N/A	N/A
Urine	136**	N/A	N/A	575**	N/A	N/A
Blood (Pre-race)	197	1	0.51%	224	0	0
Blood (Post-race)	2,152	0	0	2,404	4	0.17%
Total Blood	2,349	1	0.04%	2,628	4	0.15%
Urine (Pre-race)	0	0	0	0	0	0
Urine (Post-race)	2,932	13	0.44%	2,779	12	0.43%
Total Urine	2,932	13	0.44%	2,779	12	0.43%
All Samples	5,281*	14*	0.27%*	5,407	16	0.30%

*Results reported in Queensland Racing's 2004 annual report were based on incomplete data.

The results above are the corrected figures supplied by the Racing Science Centre.

**Survey and Research samples are not included in the sample totals.

NUMBER OF LICENSEES (TRAINERS, JOCKEYS, STABLEHANDS, BOOKMAKERS)

Year	Trainers	Jockeys	Stablehands	Bookmakers
2003	1,329	278	1,798	108
2004	1,223	265	1,943	119
2005	1,277	257	1,958	121



CORPORATE GOVERNANCE

Queensland Racing recognises the importance of good corporate governance. In December 2004, the Queensland Racing Board approved a Code of Conduct covering Queensland Racing Board members, staff, officials, contractors and consultants. The Code sets out the standards of behaviour Queensland Racing requires of all those covered by the Code. The Code is based on the Public Sector Ethics Act 1994.

The Code sets out the following responsibilities of the Queensland Racing Board:

The Board of Queensland Racing is responsible for determining the strategic direction of Queensland Racing and ensuring compliance with the statutory obligations imposed on Queensland Racing.

A Board member shall act independently and not in the interests of any sectional interests. A Board member has an obligation to be impartial in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions to be taken by the Board.

The Racing Act 2002 requires every Board member of Queensland Racing to disclose a personal interest, or a direct or indirect financial interest, in an issue being considered, or about to be considered, by the Board where the interest could conflict with the proper performance of the member's duties about the consideration of the issue. Unless the Board otherwise directs, the member must not be present when the Board considers the issue or take part in a decision of the Board about the issue.

A member of the Board of Queensland Racing shall attend Board meetings. When a member is unable to attend a Board meeting, the member must obtain a leave of absence.

A Board member must ensure the member is fully informed of the activities and affairs of Queensland Racing and the thoroughbred code of racing generally, including statutory obligations imposed on Queensland Racing and on Queensland Racing officials.

The Code is based on the five principles of ethical behaviour as identified in the Public Sector Ethics Act

1994. These principles are:

1. Respect for the Law and System of Government

All Queensland Racing officials must support the implementation of government policy effectively and impartially and carry out official duties lawfully, observing, where applicable, statutory obligations. The conduct of all Queensland Racing officials is subject to relevant statutory obligations, the requirements and sanctions specified in the Code of Conduct, their employment contract and/ or Queensland Racing policies.

2. Respect for Persons

All Queensland Racing officials must:

- treat all licensees and participants in the thoroughbred racing industry with courtesy, honesty and fairness and with proper regard for their rights and obligations
- respond to reasonable demands of stakeholders and line managers in a timely manner
- cooperate and assist co-employees in the performance of their duties when reasonably requested to do so
- support their co-employees in a responsible and ethical manner
- exercise powers fairly and equitably.

All Queensland Racing officials should deal with all matters in accordance with approved procedures, promptly and without discrimination. There is an obligation on all Queensland Racing officials to treat every issue reasonably and fairly and with a view to meeting the principles of natural justice.

3. Integrity

All Queensland Racing officials must:

- perform their duties with the highest standards of personal integrity and honesty so as to maintain and enhance public confidence in Queensland Racing and the thoroughbred code of racing in Queensland
- provide a timely and competent service to all members of the public and industry



- not use or allow another person to use their official position of authority improperly.

4. Diligence

All Queensland Racing officials must:

- comply with and implement Queensland Racing policies faithfully and impartially
- comply with all reasonable and lawful instructions
- exercise all reasonable care, skill and diligence in giving information or advice
- perform their duties and functions of office to a high standard and with proper diligence, care and attention
- use their skills and experience to the best advantage of Queensland Racing
- refrain from frequently using, or using to excess, alcohol, drugs or other substances where that use may have an adverse affect on their work performance or behaviour, or on the integrity of Queensland Racing.

5. Economy and Efficiency

All Queensland Racing officials must:

- strive to obtain value for Queensland Racing money spent
- ensure Queensland Racing resources are safeguarded and not wasted, abused or used improperly or extravagantly
- not misuse the electronic communication systems of Queensland Racing to access, create, store, copy, retrieve or distribute offensive material.

The Code of Conduct sets out the procedure for dealing with ethical breaches, including referral to the Crime and Misconduct Commission.

Code of Conduct training for Queensland Racing staff was undertaken in January 2005.

QUEENSLAND THOROUGHBRED RACING BOARD ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

PURPOSE AND SCOPE

The Queensland Thoroughbred Racing Board is constituted under the provisions of the Racing Act 2002 and is a Statutory Body within the meaning given in the Financial Administration and Audit Act 1977.

In accordance with the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements these statements have been prepared:

- to provide an accounting for the custody and management of moneys and resources under the control of the Board; and
- to disclose the results of operations of the Board during the year and to indicate the financial position of the Board at the close of the year.

The Statements are general purpose in nature and reflect the whole of the financial consolidated activities of the Board.

STATEMENT OF FINANCIAL PERFORMANCE

		Consolidated		Queensland Thoroughbred Racing Board	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
REVENUE FROM ORDINARY ACTIVITIES					
Club Levies		1,024	1,070	1,024	1,070
Course Fees		77	565	75	-
Grants		860	1,523	860	860
Licence and Registration Fees		1,583	1,650	1,583	1,650
Racing Fees		6,129	6,400	6,129	6,400
Interest		940	758	868	691
Product & Program Fee		117,873	110,734	88,140	82,680
Marketing Income		307	81	307	81
Other		958	630	1,052	597
TOTAL REVENUE FROM ORDINARY ACTIVITIES		129,751	123,411	100,038	94,029
EXPENSES FROM ORDINARY ACTIVITIES					
Salaries, Wages and Associated Costs		5,482	5,809	5,482	5,246
Administration	12A	3,807	3,125	3,953	2,964
Depreciation		358	402	355	391
Committee/Board Expenses		263	266	263	266
Motor Vehicle and Travel Expenses		182	188	182	165
Product and Program Fee		29,800	28,117	-	-
Prizemoney & Other Distributions		68,408	61,358	68,408	61,358
Racing Expenses		9,899	9,442	9,899	9,442
QTIS Prizemoney		4,405	4,901	4,405	4,901
Grant - Training Track Subsidy		762	774	762	774
Auditor's Remuneration	12B	87	53	87	48
Marketing Expenditure		92	154	92	154
Operating Lease Expenses	17	727	760	727	760
Other		2,142	2,310	2,142	2,219
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		126,414	117,659	96,757	88,688
Profit/ (Loss)					
Before Related Income Tax		3,337	5,752	3,281	5,341
Income Tax	8	-	(25)	-	-
NET PROFIT/ (LOSS) AFTER RELATED INCOME TAX		3,337	5,727	3,281	5,341
Net Profit/ (Loss) Attributable To Outside Equity Interests	11	10	66	-	-
Net Profit/ (Loss) Attributable To Members Of The Parent Entity	7a	3,327	5,661	3,281	5,341
Net Increase/ (Decrease) In Asset Revaluation Reserve	7b	9,760	-	9,760	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		13,097	5,727	13,041	5,341

The accompanying Notes form part of these financial statements.

QUEENSLAND THOROUGHBRED RACING BOARD

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

STATEMENT OF FINANCIAL POSITION

		Consolidated		Queensland Thoroughbred Racing Board	
	NOTE	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
CURRENT ASSETS					
Cash Assets	2	15,644	12,122	14,753	11,755
Receivables	3	22,976	23,481	20,816	21,164
Other	4	183	81	105	44
TOTAL CURRENT ASSETS		38,803	35,684	35,674	32,963
NON-CURRENT ASSETS					
Property, Plant and Equipment	5	20,146	10,767	20,146	10,764
TOTAL NON-CURRENT ASSETS		20,146	10,767	20,146	10,764
TOTAL ASSETS		58,949	46,451	55,820	43,727
CURRENT LIABILITIES					
Bank Overdraft	2	6,263	7,948	6,246	7,948
Payables	6	11,004	9,524	7,892	6,796
Provisions	9	517	447	517	426
Fees in Advance		315	671	315	641
TOTAL CURRENT LIABILITIES		18,099	18,590	14,970	15,811
NON-CURRENT LIABILITIES					
Provisions	9	390	497	390	497
TOTAL NON-CURRENT LIABILITIES		390	497	390	497
TOTAL LIABILITIES		18,489	19,087	15,360	16,308
NET ASSETS		40,460	27,364	40,460	27,419
EQUITY					
Retained Profits	7A	30,628	27,302	30,628	27,347
Asset Revaluation Reserve	7B	9,832	72	9,832	72
OUTSIDE EQUITY INTERESTS					
Retained Profits	11	-	(10)	-	-
TOTAL EQUITY		40,460	27,364	40,460	27,419

The accompanying Notes form part of these financial statements.

STATEMENT OF CASH FLOWS

NOTE	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from Operations	120,650	109,189	90,903	80,919
Payments to Suppliers and Employees	(114,493)	(108,382)	(85,226)	(80,190)
Interest Received	1,017	723	945	657
GST Input Tax Credit	20,041	19,130	8,277	8,101
GST Remitted to ATO	(21,889)	(20,417)	(10,080)	(9,407)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	20 (A)	5,326	243	4,819
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for Property, Plant and Equipment	(169)	(1,872)	(169)	(1,872)
Proceeds from Sale of Plant and Equipment	50	1,822	50	1,814
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(119)	(50)	(119)
CASH FLOW FROM FINANCING ACTIVITIES				
Loan to Queensland Race Training	-	-	-	462
NET CASH USED IN FINANCING ACTIVITIES		-	-	462
Net Increase/(Decrease) In Cash Held		5,207	193	4,700
Cash At The Beginning Of The Reporting Period		4,174	3,981	3,807
CASH AT THE END OF THE REPORTING PERIOD	20 (B)	9,381	4,174	8,507

The accompanying Notes form part of these financial statements.

QUEENSLAND THOROUGHBRED RACING BOARD

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted in the preparation of these Statements, are as follows:

(a) Basis of Preparation of the Accounts

The financial report is a general purpose financial report and has been prepared on an accrual accounting basis and in accordance with the historical cost convention and does not take into account changing money values or, except where otherwise stated, current valuations of non-current assets.

Accounting policies adopted comply with the requirements of the Queensland Treasury Department, Financial Management Standard 1997, Statements of Accounting Concepts and applicable Australian Accounting Standards.

(b) Principles of Consolidation

The consolidated financial statements of the entity include the financial statements of the Queensland Thoroughbred Racing Board, being the parent entity, and its controlled entities being Queensland Race Product Co Ltd and Queensland Race Training Pty Ltd ("the consolidated entity").

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(c) Valuation and measurement of Property, Plant and Equipment

Land and buildings are measured using "fair values" principles in accordance with AASB 1041 Revaluation of Non-Current Assets and Queensland Treasury's Non Current Asset Accounting Guidelines for the Queensland Public Sector. Non-current physical assets measured at fair values are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where the change would be material to that class of assets.

Land and Buildings were independently valued at fair value by the Department of Natural Resources and Mines as at the 30th June 2005.

All other assets are measured at cost.

As a general policy, only assets with a value of \$2,000 or more are capitalised. Items under this value are being charged as an expense in the year of purchase. In previous years, assets with a value of \$500 or more were capitalised. As a result of this change in policy, assets to the carrying value of \$134,000 were written off.

(d) Depreciation Rates

Depreciation rates used for the different classes of assets are as follows:

	<i>Queensland Thoroughbred Racing Board</i>	<i>Queensland Race Training Pty Ltd</i>
Buildings	2%-7%	-
Furniture & Fittings	6%-24%	25%
Motor Vehicles	15%	22.5%
Computer Equipment	10%-25%	40%
Plant	5%-20%	10-40%

As a general policy, fixed assets are depreciated using the straight-line method except for land and livestock for which depreciation is not calculated.

(e) Employee Benefits

Provision is made for annual leave and long service leave entitlements. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates, which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. The Board contributes to various accumulating Employee Superannuation Plans.

The number of full time employees at June 30, 2005, is 62. (2004: 58)

(f) Unearned Income

Licence and Registration Fees, Course Fees and other income received at balance date, which relate to the next accounting period have been



deferred in the Statement of Financial Position and will be brought to account as income during the period to which the amounts relate.

(g) Apprentice Jockeys' Trust Fund

The Board holds in trust and invests the earnings of Apprentice Jockeys. At the age of 18, each jockey receives his or her earnings and related interest less any approved withdrawals.

(h) Comparatives

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.

(i) Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting.

The Queensland Thoroughbred Racing Board is exempt from income tax under the provisions of section 50-45 of the Income Tax Assessment Act 1997 with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/ payable to the ATO are recognised and accrued.

Tax effect accounting procedures have not been applied to Queensland Race Product Co due to a private tax ruling for the purposes of Part IV AA of the Taxation Administration Act 1953. This ruling deems product fees paid pursuant to the Product & Program Agreement, as agent of the Queensland Racing Industry will not constitute assessable income under section 6-5 of the Income Tax Assessment Act 1997.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought into account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

(j) Revenue Recognition

Revenue is recognised when Product and Program Fee monies are due and payable from UNITAB. Interest income is recognised as it accrues. Club Levies and Racing Fees are brought to account as income during the period to which the amounts relate. Grants are brought to account when they are received.

(k) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement generally required within 30 days from the invoice date. The collectability of receivables is assessed periodically with provision being made for doubtful debts.

Bad debts are written off in the period in which they are recognised.

Loan and advances are recognised at their face values.

(l) Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(m) Change in Accounting Policy

The Board has adopted the revised Accounting Standard AASB 1028 "Employee Benefits", which has resulted in a change in the accounting policy for the measurement of employee annual leave liability. Previously, the Board measured the provision for annual leave based on remuneration rates at the date of recognition of the liability. In accordance with the requirements of the revised Standard, the provision for annual leave is now measured based on the remuneration rates expected to be paid when the liability is settled.

(n) Rounding and Comparative Information

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(o) Adoption of International Financial Reporting Standards

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards ("IFRSs") for reporting periods beginning on or after 1 January 2005.

Queensland Racing has established a working group to assist in the implementation of the new reporting requirements. All Australian Equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

To date, no material financial impacts have been identified.



QUEENSLAND THOROUGHBRED RACING BOARD

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2. CASH				
Cash Assets				
- Cash At Bank and on Hand *	14	98	14	8
- Short term Deposits	15,630	12,024	14,739	11,747
	15,644	12,122	14,753	11,755
Overdraft				
- Bank Overdraft **	6,263	7,948	6,246	7,948
	6,263	7,948	6,246	7,948

* Amount Includes earnings held in Trust for Apprentice Jockeys by Queensland Thoroughbred Racing Board (Refer Note 6).

** As at 30 June 2005 the actual bank account balance was in credit. The bank overdraft includes the amount of cheques not presented at the bank.

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
3. RECEIVABLES				
Current				
Trade Debtors	11,946	12,903	2,637	3,704
Sundry Debtors	10,498	9,944	17,649	16,821
Less Provision for Doubtful Debts	(6)	(159)	(6)	(154)
	22,438	22,688	20,280	20,371
Accrued Interest	80	-	78	-
Race Club Advance	458	793	458	793
	22,976	23,481	20,816	21,164
4. OTHER CURRENT ASSETS				
Prepayments	24	44	24	44
GST Receivable	159	37	81	-
	183	81	105	44



5. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Land				
At Valuation	11,568	5,022	11,568	5,022
Buildings				
At Valuation	9,097	4,553	9,097	4,553
Accumulated Depreciation	(1,782)	(293)	(1,782)	(293)
NET BOOK VALUE	7,315	4,260	7,315	4,260
Furniture & Fittings				
Cost	493	639	493	622
Accumulated Depreciation	(278)	(343)	(278)	(328)
NET BOOK VALUE	215	296	215	294
Motor Vehicles				
Cost	14	63	14	63
Accumulated Depreciation	(1)	(24)	(1)	(24)
NET BOOK VALUE	13	39	13	39
Computer Equipment				
Cost	872	975	872	891
Accumulated Depreciation	(417)	(446)	(417)	(363)
NET BOOK VALUE	455	529	455	528
Plant				
Cost	830	960	830	930
Accumulated Depreciation	(284)	(338)	(284)	(309)
NET BOOK VALUE	546	622	546	621
Work In Progress				
Cost	34	-	34	-
TOTAL NET BOOK VALUE	20,146	10,768	20,146	10,764

Independent valuations of land and buildings were performed as at 30 June 2005 by the Department of Natural Resources and Mines using 'fair value' principles.

The valuation of land and buildings is based on current market values and replacement costs respectively.



QUEENSLAND THOROUGHBRED RACING BOARD

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

Queensland Thoroughbred Racing Board

Asset Name	Carrying amount 1/07/04 (\$'000)	Additions (\$'000)	Revaluation (\$'000)	Disposals (\$'000)	Depreciation (\$'000)	Carrying amount 30/06/05 (\$'000)
Building	4,259	16	3,215	(35)	(140)	7,315
Computer Equipment	529	55	-	(26)	(102)	455
Furniture & Fittings	294	6	-	(47)	(37)	214
Land	5,023	-	6,545	-	-	11,568
Motor Vehicles	38	14	-	(35)	(5)	13
Plant & Equipment	621	46	-	(49)	(71)	547
Work in Progress	-	34	-	-	-	34
	10,764	169	9,760	(192)	(355)	20,146

Consolidated Entity

Asset Name	Carrying amount 1/07/04 (\$'000)	Additions (\$'000)	Revaluation (\$'000)	Disposals (\$'000)	Depreciation (\$'000)	Carrying amount 30/06/05 (\$'000)
Building	4,259	16	3,215	(35)	(139)	7,315
Computer Equipment	530	55	-	(26)	(103)	455
Furniture & Fittings	296	6	-	(47)	(38)	214
Land	5,023	-	6,545	-	-	11,568
Motor Vehicles	38	14	-	(35)	(5)	13
Plant & Equipment	622	46	-	(49)	(72)	547
Work in Progress	-	34	-	-	-	34
	10,768	169	9,760	(192)	(358)	20,146

6. PAYABLES

Trade Creditors & Accrued Expenses
Jockey Earnings held In Trust
GST Payable
Other

Consolidated

Queensland Thoroughbred Racing Board

2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
10,865	9,280	7,753	6,552
137	182	137	182
-	60	-	60
2	2	2	2
11,004	9,524	7,892	6,796



7. EQUITY

(A) RETAINED PROFITS / (LOSSES)

Retained Profits / (Losses) at the beginning of the year
 Net Profits / (Losses) attributable to members of the parent equity
 and outside equity interests
 Transfer from Asset Revaluation Reserve

RETAINED PROFITS/(LOSSES) AT THE END OF THE YEAR

(B) ASSET REVALUATION RESERVE

Opening balance
 Transfer to Retained Profits
 Revaluation

CLOSING BALANCE *

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Retained Profits / (Losses) at the beginning of the year	27,301	20,752	27,347	21,120
Net Profits / (Losses) attributable to members of the parent equity and outside equity interests	3,327	5,661	3,281	5,341
Transfer from Asset Revaluation Reserve	-	888	-	888
RETAINED PROFITS/(LOSSES) AT THE END OF THE YEAR	30,628	27,301	30,628	27,347
(B) ASSET REVALUATION RESERVE				
Opening balance	72	959	72	959
Transfer to Retained Profits	-	(888)	-	(888)
Revaluation	9,760	-	9,760	-
CLOSING BALANCE *	9,832	72	9,832	72

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.

* Closing Balance of Asset Revaluation Reserve by Class

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Land	8,045	10	8,045	10
Buildings	1,765	40	1,765	40
Furniture and Fittings	8	8	8	8
Plant and Equipment	14	14	14	14
	9,832	72	9,832	72

8. TAXATION

Prima facie income tax expense/benefit calculated at 30% (2004: 30%)
 Change in income tax expense/benefit due to timing and permanent differences
 Over provision of previous year
 Write back of tax losses

INCOME TAX EXPENSE/BENEFIT RELATING TO ORDINARY ACTIVITIES

TOTAL INCOME TAX EXPENSE ATTRIBUTABLE TO PROFIT FROM ORDINARY ACTIVITIES

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Prima facie income tax expense/benefit calculated at 30% (2004: 30%)	-	124	-	-
Change in income tax expense/benefit due to timing and permanent differences	-	-	-	-
Over provision of previous year	-	(2)	-	-
Write back of tax losses	-	(97)	-	-
INCOME TAX EXPENSE/BENEFIT RELATING TO ORDINARY ACTIVITIES	-	25	-	-
TOTAL INCOME TAX EXPENSE ATTRIBUTABLE TO PROFIT FROM ORDINARY ACTIVITIES	-	25	-	-



QUEENSLAND THOROUGHBRED RACING BOARD

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
9. PROVISIONS				
Long Service Leave				
Balance at the beginning of the reporting period	512	615	497	585
Provision for Period	31	78	31	71
Payments for Period	(153)	(181)	(138)	(159)
BALANCE 30 JUNE	390	512	390	497
Current	-	15	-	-
Non-Current	390	497	390	497
TOTAL LONG SERVICE LEAVE	390	512	390	497
Annual Leave				
Balance at the beginning of the reporting period	402	467	396	446
Provision for Period	478	342	478	312
Payments for Period	(363)	(407)	(357)	(362)
BALANCE 30 JUNE	517	402	517	396
Current	517	402	517	396
Non-Current	-	-	-	-
TOTAL ANNUAL LEAVE	517	402	517	396
Club Insurance Premium				
Balance at the beginning of the reporting period	30	46	30	46
Provision for Period	-	-	-	-
Payments for Period	30	46	30	46
Transferred to Receivables	(63)	(16)	(63)	(16)
	33	-	33	-
BALANCE 30 JUNE	-	30	-	30
Current	-	30	-	30
Non-Current	-	-	-	-
TOTAL CLUB INSURANCE PREMIUM	-	30	-	30
Total Provisions				
Total Current	517	447	517	426
Total Non-Current	390	497	390	497
TOTAL	907	944	907	923



NOTE	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
10. CONTROLLED ENTITIES				
Particulars in relation to controlled entities:	%	%	%	%
Queensland Thoroughbred Racing Board				
Controlled entities:				
Queensland Race Training Pty Ltd	83	83	-	-
Queensland Race Product Co Ltd	66	66	-	-

11. OUTSIDE EQUITY INTERESTS

Outside equity interests in controlled entities:	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Interest in retained profits at the beginning of the financial year after adjusting for acquisitions of share capital during the financial year	(10)	(76)	-	-
Interest in operating profit/(loss) after income tax	10	66	-	-
INTEREST IN RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	-	(10)	-	-

12. EXPENSES FROM ORDINARY ACTIVITIES

12A. ADMINISTRATION EXPENSES INCLUDES THE FOLLOWING LEGAL AND CONSULTING COSTS

	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Accounting, Administration & Finance	163	197	163	197
Human Resources & Recruitment	119	254	119	254
Information Technology	17	11	17	11
Legal	481	173	481	173
Property Consulting	132	332	132	332
Public Relations & Marketing	83	10	83	10
Commission of Inquiry *	897	198	897	198
Total	1,893	1,176	1,893	1,176

* Commission of Inquiry costs were: -

Shanahan Inquiry	30	198	30	198
Daubney Rafter Inquiry	867	-	867	-
TOTAL	897	198	897	198

12B. AUDIT FEES

Internal Audit	52	-	59	-
External Audit	35	53	28	48
TOTAL	87	53	87	48



QUEENSLAND THOROUGHBRED RACING BOARD ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS

INTEREST RATE RISK

The consolidated entity is exposed to interest rate risk through its investments in the Queensland Treasury Corporation (QTC) Cash Fund, which is managed around a 45 day duration benchmark. Cash Fund earnings are credited daily based on the market value of the Cash Fund. At balance date the annual effective interest rate was 5.66% (2004: 5.47%) after administration fees, however the rate changes daily based on the change in market yields.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rates on financial assets and financial liabilities during the year were as follows:

Financial Instrument	Weighted Average interest rate		Floating interest rate		Fixed interest rate maturing in :						Non interest bearing		Carrying amount as per Statement of Financial Position		Net Fair value Amount	
					<1 yr	<1 yr	1-5 yrs	1-5 yrs	>5yrs	>5yrs						
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets																
Cash	4.5	5.47	14	98	-	-	-	-	-	-	-	-	14	98	14	98
Receivables	-	-	-	-	-	-	-	-	-	-	22,976	23,481	22,976	23,481	22,976	23,481
Investments	5.66	5.47	15,630	12,024	-	-	-	-	-	-	-	-	15,630	12,024	15,630	12,024
Financial Liabilities																
Bank Overdraft	4.5	5.47	6,263	7,948	-	-	-	-	-	-	-	-	6,263	7,948	6,263	7,948
Payables	-	-	-	-	-	-	-	-	-	-	11,319	10,195	11,319	10,195	11,319	10,195

CREDIT RISK

The Consolidated entity is not exposed to credit risk through its investments in the Queensland Treasury Corporation (QTC) Cash Fund as all deposits are capital guaranteed by the QTC. The capital guarantee is equivalent to the Queensland Government's AAA rating.

The maximum exposure to credit risk at balance date in respect of receivables is the carrying amount, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position. There are no material credit risk exposures to any single debtor at balance date.

NET FAIR VALUE

The carrying amount of financial assets and financial liabilities approximates net fair value.

14. SEGMENT REPORTING

The Board operates primarily within the racing industry in Queensland.

15. BOARD MEMBERS REMUNERATION

The number of board members of the Queensland Thoroughbred Racing Board whose income falls within the following bands:

	2005 NUMBER	2004 NUMBER
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	3	4



	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total income paid or payable, or otherwise made available, to all board members of each entity in the consolidated entity from the entities of which they are members or any related party.	136	160	136	160
16. PROFIT / (LOSS) ON SALE OF NON CURRENT ASSETS				
Proceeds from sale	50	1,822	50	1,813
Less Book value	(192)	(1,939)	(192)	(1,928)
GAIN (LOSS) ON SALE	(142)	(117)	(142)	(115)
17. OPERATING LEASE COMMITMENTS				
Operating lease payments are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Queensland Thoroughbred Racing Board.				
Car Leasing	191	178	191	178
Computer Equipment	468	489	468	489
Office Equipment	68	93	68	93
TOTAL LEASING	727	760	727	760
Outstanding lease commitments are due for payment as follows: -				
Within one year	248	263	248	263
One to five years	114	114	114	114
Over five years	-	-	-	-
TOTAL LEASING COMMITMENTS NOT RECOGNISED IN THE FINANCIAL STATEMENTS	362	377	362	377

18. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities against or incurred by Queensland Thoroughbred Racing Board.

19. POST BALANCE DATE EVENTS

The formal winding up of Queensland Race Training Pty Ltd with the Australian Securities and Investment Commission was deferred from the 2004-05 to the 2005-06 financial year. The company ceased trading during July 2005. During the 2004-05 financial year all employees, assets and liabilities were transferred to the Queensland Thoroughbred Racing Board. Queensland Thoroughbred Racing Board now performs all of the companies activities. It is anticipated that Queensland Race Training Pty Ltd will be wound up in the near future.

QUEENSLAND THOROUGHBRED RACING BOARD ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

20. NOTES TO THE CASH FLOWS

	Consolidated		Queensland Thoroughbred Racing Board	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
A) RECONCILIATION OF PROFIT/(LOSS) TO NET CASH PROVIDED BY / (USED IN) ORDINARY ACTIVITIES				
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER RELATED INCOME TAX	3,337	5,727	3,281	5,341
Depreciation	358	402	355	391
(Profit)/Loss on Sale of Non-Current Assets	142	117	142	115
Income Tax Benefit	-	125	-	-
Deferred Tax Asset	-	(100)	-	-
CHANGES IN ASSETS AND LIABILITIES EXCLUSIVE OF NON-OPERATING ACTIVITIES -				
(Increase) Decrease in Trade Debtors	250	2,198	158	(4,272)
(Increase) Decrease in Accrued Interest	(80)	34	(78)	34
(Increase) Decrease in Race Club Advance	335	50	335	50
(Increase) Decrease in Prepayments	20	175	20	132
(Decrease) Increase in Provision for Doubtful Debts	(153)	(371)	(148)	(371)
(Decrease) Increase in Creditors	1,480	(7,644)	1,096	(1,292)
(Decrease) Increase in Provisions	(7)	(168)	(16)	(138)
(Decrease) Increase in Unearned Income	(356)	(260)	(326)	90
(Decrease) Increase in loans	-	(42)	-	-
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	5,326	243	4,819	80
(B) RECONCILIATION OF CASH				
For the purpose of the Statement of Cash Flows and statement of financial position, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments.				
Cash At Bank and on Hand and Short term Deposits	15,644	12,122	14,753	11,755
Bank Overdraft	(6,263)	(7,948)	(6,246)	(7,948)
	9,381	4,174	8,507	3,807

CERTIFICATE OF THE QUEENSLAND THOROUGHBRED RACING BOARD

The foregoing annual financial statements have been prepared pursuant to the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements.

We certify that: -

- the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Queensland Thoroughbred Racing Board and the consolidated entity;
- in our opinion -
 - the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - the foregoing financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Board for the period 1 July 2004 to 30 June 2005 and of the financial position as at the close of that year.



ROBERT BENTLEY
Chairman



MALCOLM TUTTLE
Chief Operations Manager

Date: 30/9/2005



INDEPENDENT AUDIT REPORT

To the Board of the Queensland Thoroughbred Racing Board

The audit report relates to the financial report of the Queensland Thoroughbred Racing Board for the financial year ended 30 June 2005 included on the Queensland Thoroughbred Racing Board's web site (Queensland Racing). The Directors are responsible for the integrity of the Queensland Racing's web site. We have not been engaged to report on the integrity of the Queensland Racing's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Queensland Thoroughbred Racing Board, to confirm the information included in the audited financial report presented on this web site.

These matters also relate to the presentation of the audited financial report in other electronic media including CDRom.

SCOPE

The Financial Report

The financial report of the Queensland Thoroughbred Racing Board includes the consolidated financial statements of the consolidated entity comprising the Queensland Thoroughbred Racing Board and the entities it controlled at the end of the year or from time to time during the year. The financial report consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report and certificates given by the Board and officer responsible for the financial administration of the Queensland Thoroughbred Racing Board, for the year ended 30 June 2005.

The Board's Responsibility

The Board is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included –

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and

– reviewing the overall presentation of information in the financial report.

INDEPENDENCE

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

AUDIT OPINION

In accordance with s.46G of the *Financial Administration and Audit Act 1977* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Queensland Thoroughbred Racing Board and the consolidated entity for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.

K Thomas, CPA

**AS DELEGATE OF THE AUDITOR-GENERAL
OF QUEENSLAND**



Queensland Audit Office
Brisbane

STAKEHOLDERS AND STAKEHOLDER CONSULTATION

STAKEHOLDER CONSULTATION

Queensland Racing consults a range of industry, government and community sector stakeholders to ensure the Board of Queensland Racing understands issues affecting the Queensland thoroughbred racing industry.

Queensland Racing's policy development includes a formal consultation procedure with industry and other stakeholders. For example, Queensland Racing consulted the Australian Trainers' Association, Australian Trainers' Association (Queensland Branch), RSPCA, University of Queensland School of Veterinary Science and Department of Primary Industries and Fisheries on the preliminary development of its Animal Welfare Policy.

By involving stakeholders, Queensland Racing ensures that its policies are practical and have the greatest possible support from industry and other stakeholders.

Queensland Racing is represented on the committees of the following industry training bodies:

- Racing Industry Standing Committee (Agrifood Industries Skills Council) – Canberra
- National Training Package Extension (Project Steering Committee) – Sydney
- Recreation Training Queensland – Industry Training Advisory Board – Brisbane

Queensland Racing works closely with the Department of Employment and Training, Education Queensland and New Apprenticeship Centres.

STAKEHOLDERS

Queensland Racing has identified the following organisations as stakeholders:

Australian Trainers' Association (www.austrainers.com.au/)
Australian Trainers' Association (Queensland Branch)
Queensland Thoroughbred Breeders Association (www.tbaut.com.au/)
Queensland Racehorse Owners' Association (www.qob.com.au/)
Queensland Bookmakers' Association Limited
Queensland Jockeys' Association
University of Queensland School of Veterinary Science (www.uq.edu.au/vetschool/)
RSPCA
Department of Primary Industries and Fisheries (www.dpi.qld.gov.au)
Department of Employment and Training (www.det.qld.gov.au)
Education Queensland (www.education.qld.gov.au)
Racing Division, Queensland Department of Housing (www.racing.qld.gov.au/)
Racing Science Centre (www.racing.qld.gov.au/)
UNiTAB (www.unitab.com.au)
Queensland race clubs (see Queensland Racing's website www.queenslandracing.com.au/)
Queensland Harness Racing Board (www.harness.org.au/qld/qldndustry.htm)
Greyhound Racing Authority (www.graq.org.au/)



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