

ANNUAL REPORT FOR QUEENSLAND ALL CODES RACING INDUSTRY BOARD

2012/13



2012/13 Annual Report for Queensland All Codes Racing Industry Board

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Purpose of the report

This annual report details the financial performance of the Queensland All Codes Racing Industry Board trading as Racing Queensland from May 1, 2013 to June 30, 2013 and the and non-financial performance from July 1, 2012 to June 30, 2013. It highlights the work, achievements, activities and strategic initiatives of Racing Queensland and satisfies the requirements of Queensland's *Financial Accountability Act 2009*.

Your feedback

The annual report is an important document representing communication and accountability. Racing Queensland values comments and welcomes feedback from readers. To provide feedback, please email info@racingqueensland.com.au.

This publication can be accessed and downloaded from our website:
www.racingqueensland.com.au/about/annual-report.
Alternatively, hard copies of this publication can be obtained by emailing info@racingqueensland.com.au.

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Disclaimer

This document has been prepared with all due diligence and care, based on the best available information at the time of publication. Racing Queensland holds no responsibility for any errors or omissions within this document. Any decisions made by other parties based on this document are solely the responsibility of those parties.

Further information

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RQC031 - September 2013

27 August 2013

The Honourable Steve Dickson MP
Minister for National Parks, Recreation, Sport and Racing
111 George St
BRISBANE QLD 4000

Dear Minister

RE: ANNUAL REPORT 2012/13 FOR THE QUEENSLAND ALL CODES RACING INDUSTRY BOARD

I am pleased to present the Annual Report 2012/13 and financial statements for the Queensland All Codes Racing Industry Board trading as Racing Queensland.

I certify that this Annual Report complies with the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page 43 of this annual report.

Yours sincerely



Kevin Dixon

Chairman
Queensland All Codes Racing Industry Board

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MESSAGE FROM THE CHAIRMAN



I'm pleased to present the first annual report for the Queensland All Codes Racing Industry Board trading as Racing Queensland.

The Queensland All Codes Racing Industry Board came into being through an Act of Queensland Parliament on May 1, 2013 and is a statutory board under the oversight of the Minister for National Parks, Recreation, Sport and Racing.

This date marked a significant change to the administration of racing in Queensland with four boards being appointed to lead racing into the future. These boards comprise the overarching Queensland All Codes Racing Industry Board and one for each code of racing, being; the Queensland Thoroughbred Racing Board, the Queensland Harness Racing Board, and the Queensland Greyhound Racing Board.

The 11 members of these boards were selected in a rigorous external selection process, ultimately approved by the Minister, the Honourable Steve Dickson, and have my full confidence that they will deliver the best result possible for racing in Queensland.

While you will note that this report covers only the period May 1 to June 30, 2013 it is pertinent to provide commentary on the entire financial year. The financial reports for the period July 1, 2012 to April 31, 2013 are covered by Racing Queensland Limited's annual report which can be accessed on the Racing Queensland website.

As of May 1, 2013 significant progress in terms of reforming the administrative function of racing in Queensland had been achieved and will continue under the new structure and boards. Racing Queensland has a new mission to Collaborate, Assist, Regulate and Enable racing in Queensland and our staff are fully behind this with a new customer service charter. I am confident that this new focus will raise service delivery levels to our stakeholders.

In its 2011/12 financial report Racing Queensland Limited recorded a net operating loss of \$14 million.

You will note that in this report for Racing Queensland over the two month period we report a loss of \$7.7 million. This is largely because this is the period of high cost through the Winter Carnivals. When combined with the surplus reported for the 10 months to April 31 by Racing Queensland Limited of \$3.2 million, a more accurate picture of a full year result of a \$4.5 million loss is obtained.

The result for this financial year was, at the beginning of the year, planned to be nearer to a \$1 million loss. However, the need to deliver on critical industry spending has meant that this goal could not have been achieved without damaging the forward progress we are making.

Notwithstanding this result, I am pleased to report that Racing Queensland is achieving encouraging results in some key areas across all codes. The following figures represent the change in the two years FY11 to FY13 across a number of significant indicators:

- a. Total Wagering Revenue has increased 9%
- b. Prize money actually paid has increased 8%
- c. Contribution/Subsidies to clubs has increased 38%
- d. Costs of Racing Queensland Administration has decreased 21%

We are very pleased with the progress made this year in relation to infrastructure projects, the first to be undertaken under the restructured Industry Infrastructure Strategy.

This plan will ensure that the Government's commitment of \$110 million to fund critical industry infrastructure is appropriate to the needs of the industry and provides that best possible outcome. Projects have been completed or are close to completion at the Gold Coast, Cairns, Beaudesert, Mackay and Toowoomba. In addition preliminary work has been undertaken so that we can make further progress in the coming year towards establishing renewed infrastructure across all three codes.

An exciting rejuvenation of thoroughbred country racing was launched in September 2012 with new country racing programs; the Showcase Country Series (seven TAB status meetings with a "Showcase" race of \$20,000), Celebrate Country Series and Sustain Country Series. These new regionally focused programs are the key initiative in building a sustainable future for Queensland country racing. They are funded by the Government's commitment to deliver an additional \$4 million over four years to help rebuild country racing. They have provided a much needed boost to country racing, allowing clubs to attract stronger race fields and entice more patrons to the track, but more importantly it has begun to rebuild the connection of the racing industry with Queenslanders throughout the state.

In May 2013 it was announced that after 60 years racing would return to Racing Queensland's Deagon facility (although a closed TAB meeting was held at the venue in September 2007 during the equine influenza crisis). This picnic race meeting in September 2013 will be a community event epitomising the change in strategic direction at Racing Queensland and further delivering on the vision to rejuvenate the industry, capturing community spirit and grassroots support. The event is being jointly managed by the Brisbane Racing Club, Sandgate Chamber of Commerce and Racing Queensland and is highly anticipated.

Improving returns to stakeholders both in terms of prize money, and the opportunities to earn prize money through enhanced meeting scheduling, added races, and field sizes has been the primary focus of all boards. All boards have worked hard to make increases and improvements where possible given the current constrained nature of our revenue.

July 2012 saw field sizes increase at the Albion Park and Parklands harness venues and also the introduction of a float rebate to harness trainers for unplaced starters at all TAB meetings. In addition, substantial increases have been made to greyhound industry prize money including unplaced subsidies.

September 2012 saw prize money increases and added races across all codes of racing totalling \$3.5 million. This was possible due to the Government's commitment to funding the Queensland Thoroughbred Investment Scheme and allowing funds previously used for this purpose to be redirected toward much needed prizemoney initiatives.

Racing in Queensland must also focus on putting its best foot forward to remain relevant on the national stage, and attract continuing interest in racing in Queensland. One such initiative, announced in April 2013, was to raise the winner's prize for the Stradbroke Handicap, Queensland's premier thoroughbred race, cementing its place as one of the nation's top handicap races.

Over the coming year our focus will be on further improving efficiency and customer service, containing costs, and improving product and service delivery. I make particular mention of the Product and Program Agreement with our primary wagering partner Tattsbet which is due to expire in June 2014. This will be the critical challenge for the industry as a whole in the coming year, and one which I am confident the board is well equipped to deal with successfully.

Detailed commentary on these and other significant financial items can be found in the CEO's report and notes to the financial statements.

I would like to welcome our new Chief Executive Office Darren Condon and thank Adam Carter for his efforts in the role of Acting CEO.

Finally to all the dedicated staff at Racing Queensland I extend my thanks, and that of our boards, for their hard work and commitment during the year.



Kevin Dixon
Chairman,
Queensland All Codes Racing Industry Board

OUR ORGANISATION

Who we are

The Queensland All Codes Racing Industry Board trading as Racing Queensland is the control body for all three codes of racing (thoroughbred, harness and greyhound racing) in Queensland and is a statutory body established under the *Racing Act 2002*.

Racing Queensland coordinates, manages and regulates the industry by:

- Administering the rules of racing;
- Implementing sound policies;
- Establishing and maintaining standards of safety and integrity;
- Licensing industry participants;

- Licensing race clubs and venues, monitoring their activities and performance;
- Monitoring the condition of racecourses and working with race 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 three peak national bodies; the Australian Racing Board (ARB) and its subcommittees, Harness Racing Australia (HRA) and Greyhounds Australasia Limited (GAL);

- Developing an effective Product and Program mix; and
- Providing an effective and efficient system for the distribution of prizemoney.

Racing Queensland maintains its head office at Racecourse Road in Deagon Queensland and has regional offices in Toowoomba, Rockhampton, and Townsville.





OUR VISION, MISSION AND VALUES

OUR VISION

A PROSPEROUS RACING IND

Objectives

In tangible terms, the vision seen for the Queensland racing industry involves the achievement of the following:

- **High participation, engagement and skills** — Increase participation and skills in the industry and form strategic partnerships with key stakeholders directed at improving the overall performance of the industry;
- **Safety, integrity and sustainability** Ensure a high standard of safety, integrity, risk management and a sustainable industry;
- **Fit for purpose, quality infrastructure** Achieve appropriate racing infrastructure for facilities;
- **Enhanced product and intellectual property (IP)** — Achieve and maintain a high quality, competitive racing and wagering product and supporting information and services and optimise the commercial returns for it and the industry's IP, and;
- **Industry viability** — Achieve an economically efficient, competitive and viable industry.

Our future direction

Racing Queensland is in the process of determining its strategic objectives. Its current and future direction will contribute strongly to the achievement of the Queensland Government's 'back on track' objectives:

- Grow a four pillar economy;
- Lower the cost of living;
- Invest in better infrastructure and better planning;
- Revitalise front-line services, and;
- Restore accountability in government.

Mission

Racing Queensland's focus remains on taking the industry forward through the implementation of our mission statement to **CARE**:

COLLABORATE:

working together for the benefit of the racing industry

ASSIST:

providing assistance and services to encourage people in the industry to be self-sufficient and viable in the industry

REGULATE:

regulating the industry to ensure integrity and compliance with standards, policies and rules

ENABLE:

enabling the industry to participate in racing

This mission statement represents Racing Queensland's key purpose as a statutory body.

INDUSTRY FOR QUEENSLAND

Values

The values that underpin the behaviour of people at Racing Queensland are:

- **Professional and ethical** - We will at all times be professional and ethical in our dealings with stakeholders and colleagues;
- **Results-orientated** - We will ensure that our day to day activities are consistent with and contribute to achieving our goals;
- **Teamwork** - We are committed to working as a team to deliver the best solutions for our stakeholders, recognising and rewarding both team and individual contributions;
- **Stakeholder service excellence** - We will strive to serve our customers with excellence, and;
- **Balance between professional and personal life** - We recognise that people are our main asset so achieving a balance between professional and personal time is in the best interests of individuals and the organisation.

We see these values as appropriate to the industry as a whole.

Our challenges

Environmental factors affecting Racing Queensland include:

- shift in wagering behaviour of consumers from traditional high margin pari-mutual wagering to fixed odds and online wagering with corporate bookmakers and betting exchanges;
- decline in participation in all codes of racing;
- animal viruses such as Equine Influenza and Hendra Virus;
- extreme weather events and a changing and more variable climate, and;
- industrial action by racing participants.

Key strategic risks for Racing Queensland include:

- ability to renegotiate the product and program agreement which expires in 2014 to secure a favourable outcome for the Racing Industry, and;
- ability to secure appropriate insurance.

Our customers

Our primary customers are the participants and stakeholders of racing in Queensland.

Racing Queensland seeks to work collaboratively with these stakeholders. This includes all levels of government, stakeholder representative groups, and special interest groups to achieve the organisation's objectives and deliver a prosperous racing industry for Queensland. This prosperity is the key matter of interest to our customers.

Racing Queensland uses numerous communication channels to build and maintain its relationships with its customers and other interested parties and to receive feedback and suggestions about its activities and direction.

Managing our performance

Racing Queensland's strategic and business planning identifies how its objectives are to be achieved. Regular performance reporting enables Racing Queensland to monitor progress in achieving its objectives, while ongoing risk management processes assist in evaluating and managing the uncertainties faced by the organisation.

Our structure

On May 1, 2013 Racing Queensland was established as the new control body for greyhound, harness and thoroughbred racing in Queensland. As part of the new governance arrangements for racing in Queensland control boards for each code of racing were also established on May 1, 2013.

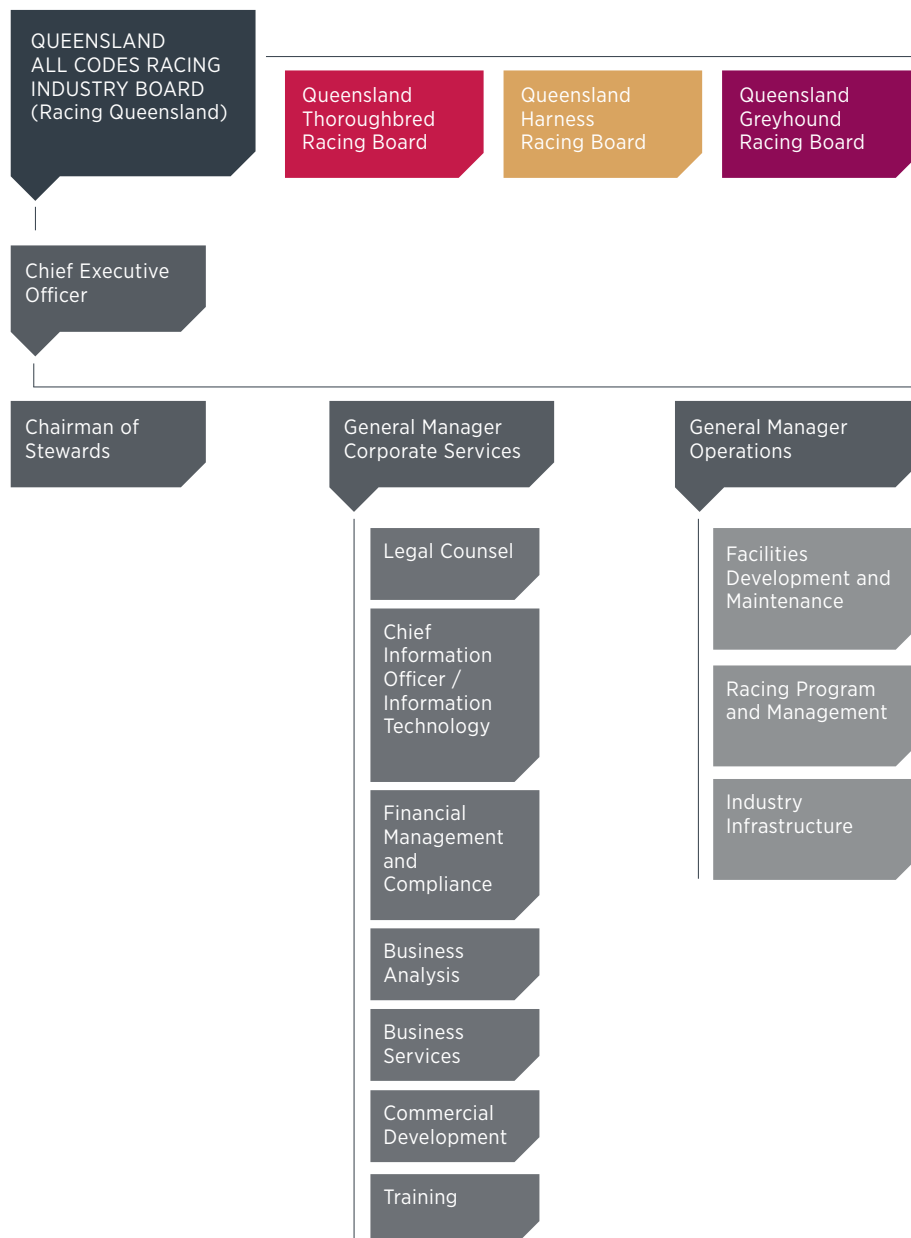
Racing Queensland and the control boards collectively oversee the strategic direction of racing for all codes in Queensland.

The current board members were appointed in April 2013 (effective May 1, 2013) by the Minister for National Parks, Recreation, Sport and Racing the Honourable Steve Dickson MP.

The Queensland All Codes Racing Industry Board is the overarching 'All Codes' Board and comprises five members including the three chairpersons of the code control boards and two independent members.

The appointment of members to the All Codes Board is governed by section 9AI of the *Racing Act 2002*. Under section 9AI(3) of the Act, a member appointed by the Governor in Council is to be appointed for a term of not more than three years. The member may also be reappointed, pursuant to section 9AI (4).

The three code control boards (the Queensland Thoroughbred Racing Board, the Queensland Harness Racing Board, and the Queensland Greyhound Racing Board) each comprises three members.



The appointment of members to a control board is governed by section 9BT and 9BU of the *Racing Act 2002*. A member of a control board is appointed for an initial term of three years.

Section 9BV(1) prescribes that after the initial term, two of the original control board members must stand down from the control board and as such, only one of the board members may be appointed for a further term of three years after the initial term.

Section 9BV(2) states that the year after the end of the initial term, the remaining member of the control board must stand down. A member who is appointed after the initial term serves a term of three years (s9BV(3)).

Composition of the Boards of Racing Queensland

Queensland All Codes Racing Industry Board

Name	Position	Term
Mr Kevin Dixon	Chairperson	Three years from May 1, 2013
Mr Barry Taylor	Deputy Chairperson	Three years from May 1, 2013
Mr Brad Steele	Member	Three years from May 1, 2013
Mr Michael Byrne	Member	Three years from May 1, 2013
Mr Greg Hallam	Member	Three years from May 1, 2013

Queensland Thoroughbred Racing Board

Name	Position	Term
Mr Kevin Dixon	Chairperson	Three years from May 1, 2013
Mr Michael Kelly	Deputy Chairperson	Three years from May 1, 2013
Mr Peter Boyce	Member	Three years from May 1, 2013

Queensland Harness Racing Board

Name	Position	Term
Mr Brad Steele	Chairperson	Three years from May 1, 2013
Mr Warwick Stansfield	Deputy Chairperson	Three years from May 1, 2013
Mr Greg Mitchell	Member	Three years from May 1, 2013

Queensland Greyhound Racing Board

Name	Position	Term
Mr Michael Byrne	Chairperson	Three years from May 1, 2013
Mr Steve Hawkins	Deputy Chairperson	Three years from May 1, 2013
Mr Chris Williams	Member	Three years from May 1, 2013

EXECUTIVE PROFILES



Chief Executive Officer
Darren Condon

Darren is responsible for the operations of Racing Queensland within established policy and in accordance with the delegated authority of the board and working with internal and external stakeholders to develop strategies and business plans that ensure the organisation works effectively, efficiently and ethically.

In addition to leading the executive team, Darren is required to provide strategic advice to the Board in relation to the business of racing, ensure a sound and appropriate structure across all areas of the organisation, assess present and future risks as they relate to the organisation and ensure appropriate action is taken to resolve unsatisfactory conditions and ensure attainment of the organisation's budgets and overall objectives and compliance with all legislation, standards, work procedures and practices.



General Manager Corporate Services
Adam Carter

Adam oversees the provision of the commercial and administrative arm of the organisation and assists with providing commercial strategic advice to the CEO.

This division seeks to reduce the administrative burden and associated costs to the industry and is responsible for policy, strategy and performance of the following areas and services:

- Legal and compliance
- Information Technology
- Communications, Commercial and Business Development
- Licensing, Registrations and Prizemoney distribution
- Human Resources
- Finance
- Industry and Workforce Development Training
- Commercial and Industry Analysis
- Race Information Fee Authorisations and Revenue



General Manager Operations
Warren Williams

Warren leads the operations section which works with clubs across the three codes of racing and Tattsbet to develop the most effective allocation of race dates, as well as scheduling prizemoney and developing state-wide racing programs and feature race schedules.

Other responsibilities include the management of the breeding schemes, such as the greyhound breeders incentive scheme, the Queensland Thoroughbred Incentive Scheme (QTIS) and QBred; provision of representation on the Australian Pattern Committee and National Racing Committee; the interface with the RISA Service Centre; the provision of handicapping services to the state; the management of the Deagon and Albion Park facilities; as well as supporting the industry with workplace health and safety issues and project management of the Industry Infrastructure Strategy.



Chairman of Stewards
Wade Birch

Wade is the Chief Steward of Queensland and the Chairman of Stewards responsible for the effective delivery of stewarding and integrity services, including veterinarians and swab officials, and operational stewarding throughout the state and is responsible for policy, strategy and performance under these areas, management of the complaints system and investigations as required, and maintaining the interaction with various levels of government.

Other responsibilities include the effective delivery of betting analysis and monitoring of all Queensland TAB races.

OUR PEOPLE

Racing Queensland recognises the importance of building and sustaining a flexible workforce to meet the Racing Industry's current and future service delivery needs.

From its commencement on May 1, 2013, Racing Queensland implemented and reviewed human resource policies that enabled the attraction, development and retention of a range of skilled employees focussed on service delivery.

The organisation recognises that its people are its most important asset and continued to build a culture that encourages work-life balance, and values and embraces health and safety, leadership and management capability, and diversity.

Workforce profile

Employee numbers

Employment Type	FTE		FTE %		Total FTE	FTE %
	Female	Male	Female	Male		
Permanent	42	66	39	61	108	76.6
Temporary	1	0	100	0	1	0.7
Contract	4	4	50	50	8	5.7
Casual	8	16	34	66	24	17
TOTAL	55	86	223	177	141	100

* The figures in the above table are based on full time equivalent (FTE) staffing numbers. The FTE is calculated by the number of hours prescribed by the award/industrial instrument for the person's position. For example, a person working 20 hours per week in a position prescribed as 40 hours has an FTE of 0.5. An organisation's FTE is the sum of all FTEs.

Workforce planning, attraction and retention

Racing Queensland has commenced planning for the attraction and retention of employees and will commence rolling out programs such as the Employee Assistance Program in the coming year.

The entire suite of human resource (HR) policies has been reviewed in conjunction with Racing Queensland's outsourced HR provider and training provided to staff in key areas such as induction, code of conduct, customer service, and discrimination and workplace harassment.

Workforce performance management

Racing Queensland is committed to assisting employees to understand their work responsibilities and to realise their potential both in terms of personal development and their level of service to the organisation and racing industry.

The performance agreement and appraisal system was overhauled and a new system will be launched in the coming year to more accurately reflect the organisations needs and employees' capabilities and assessment of performance.

CORPORATE GOVERNANCE

The governance structure of Racing Queensland has been established to set direction and oversee performance. Information about strategic and operational performance is provided by Racing Queensland's performance reporting, human resource and financial systems.

Strategic and operational direction is communicated and managed through Racing Queensland's Business Plan, quarterly plans, key performance measures and targets, and a structured risk management process.

A strategic plan will be developed in the first half of the financial year 2013/14 with a view to meeting the needs of the industry.

Compliance

The Queensland All Codes Racing Industry Board (trading as Racing Queensland) was established under s9AA of the *Racing Act 2002*. Racing Queensland is a statutory body under the *Financial Accountability Act 2009* and *Statutory Bodies Financial Arrangements Act 1982* and a unit of public administration under the *Crime and Misconduct Act 2001*.

Governance

Each officer and statutory body must ensure a governance framework appropriate for the accountable officer's department or the statutory body is established. Governance, for a statutory body, is the way the statutory body manages the performance of its functions and operations.

Governance incorporates the cultural and operational aspects of a department or statutory body that are influenced by its actions and decisions and includes the concepts of:

- (i) openness, integrity and accountability; and
- (ii) due care; and
- (iii) public defensibility.

Governance incorporates the ethics principles for public officials under section 4 of the *Public Sector Ethics Act 1994*, and includes establishing a performance management system, a risk management system and an internal control structure.

Racing Queensland's governance groups and committees oversee all major activities and areas of decision making and ensure the organisation has a clear direction, operates efficiently and fulfils its legislative responsibilities.

Frequency of meetings of the control boards and All Codes board

Queensland All Codes Racing Industry Board

Member	Number held	Number attended
Mr Kevin Dixon	3	3
Mr Barry Taylor	3	3
Mr Brad Steele	3	3
Mr Michael Byrne	3	3
Mr Greg Hallam	3	3

Queensland Harness Racing Board

Member	Number held	Number attended
Mr Brad Steele	2	2
Mr Warwick Stansfield	2	2
Mr Greg Mitchell	2	2

Queensland Greyhound Racing Board

Member	Number held	Number attended
Mr Michael Byrne	3	3
Mr Steve Hawkins	3	3
Mr Chris Williams	3	3

Queensland Thoroughbred Racing Board

Member	Number held	Number attended
Mr Kevin Dixon	2	2
Mr Michael Kelly	2	2
Mr Peter Boyce	2	2

These groups are:

- Executive Management Group
- Finance, Audit and Risk Committee
- Workplace Health and Safety Committee
- Cost Control Group
- Licensing Committee
- Human Resources and Remuneration Committee
- Oncourse Fielding Incentive Scheme Committee
- Industry Infrastructure Strategy Control Group
- Race Information Group

Executive Management Group

The Executive Management Group oversees the organisation's strategic direction and performance. The group is assisted by the Finance, Audit and Risk Committee and other governance groups.

The Executive Management Group's role is to:

- administer the rules of racing;
- implement sound policies;
- establish and maintain standards of safety and integrity;
- license industry participants;
- license race clubs and venues and monitor their activities and performance;
- monitor the condition of racecourses and work with race clubs to ensure courses are developed to a suitable standard;
- commission and undertake research and promotional activities;
- administer industry funding and commercial agreements;
- represent the Queensland racing industry on the three peak national bodies; the Australian Racing Board (ARB) and its subcommittees, Harness Racing Australia (HRA) and Greyhounds Australasia Limited (GAL);
- develop an effective product and program mix, and;
- provide an effective and efficient system for the distribution of prizemoney.

Finance Audit and Risk Committee

The Finance, Audit and Risk Committee is a committee established by the Board of Racing Queensland to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the following matters:

- Financial integrity and reporting;
- Legal compliance;
- Business risks;
- Audit effectiveness;
- The organisation's process for monitoring compliance with laws and regulations and its code of business conduct;
- Timely input in setting planning direction – major service categories and capital programmes;
- Input to the direction of Financial Strategy and Policy;
- Assurance of robust methodologies;
- Assurance of robust financial management to accepted business “best practice”, and;
- Investment oversight.

The members of the Finance, Audit and Risk Committee are shown in the following table.

Name	Role	Remuneration *
Mr Barry Taylor	Chairperson	Nil
Mr Greg Hallam	Deputy Chairperson	Nil
Mr Brad Steele	Member	Nil
Mr Michael Byrne	Member	Nil

* Members are not remunerated in addition to their board remuneration which is disclosed in the financial reports.

Frequency of meetings

Member	Number held*	Number attended
Mr Barry Taylor	0	0
Mr Greg Hallam	0	0
Mr Brad Steele	0	0
Mr Michael Byrne	0	0

*No meetings were held during the period 1 May 2013 to 30 June 2013

Internal Audit

Racing Queensland contract internal audit function out to a third-party service provider.

This function provides independent assurance and advice to the Finance, Audit and Risk Committee operating under an approved charter consistent with the relevant audit and ethical standards and with due regard to Queensland Treasury's Audit Committee Guidelines.

It enhances Racing Queensland's corporate governance framework through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices. This is in keeping with the role and responsibilities detailed in the *Financial Accountability Act 2009*.

Reports are provided to the Finance, Audit and Risk Committee on a quarterly basis. The role, the operating environment and the operating parameters of the function are established in the Strategic Internal Audit Plan which aligns with professional standards and the Audit Committee Guidelines: Improving Accountability and Performance issued by Queensland Treasury in December 2009.

Workplace Health and Safety Group

Racing Queensland is committed to ensuring a healthy and safe workplace for all workers (including employees, contractors, sub-contractors, volunteers) and visitors. The health, safety and welfare of employees, clients and the community is the highest priority and every employee is responsible for ensuring the highest possible care in all work or work related activities.

The Workplace Health and Safety Policy provides a clear outline of Racing Queensland's obligations and expectations in regards to the maintenance of workplace health and safety standards at Racing Queensland.

This policy applies to all employees, including permanent, casual and temporary personnel, of Racing Queensland, unless otherwise identified by the CEO.

The policy also applies to the following:

- Contractors and Sub-Contractors (and their employees);
- Volunteers;
- Work Experience Students, and;
- Employees engaged on labour hire arrangements.

Cost Control Group

The function of the Cost Control Group is to review non-recurring, capital and project costs in excess of \$2,000, review and control the timing of expenditure so as to maintain as positive a business cash flow as possible, to ensure costs are in line with budget, and staff are compliant.

The following procedures apply:

- The group requires a minimum at two members to approve spending;
- All submissions to the Cost Control Group must be in writing with supporting documentation via Cost Control Group email, and;
- Any spending exceeding \$10,000 requires three quotes as per the Racing Queensland purchasing policy.

Any spending exceeding the greater of the applying manager's delegation or \$20,000 requires the CEO and one other member of the Cost Control Group to sign off.

Licensing Committee

The Licensing Committee is a committee established by the All Codes Board to assist in fulfilling oversight and corporate governance responsibilities in respect of licensing decisions.

The aim of the committee is to bring together, key decision makers of Racing Queensland with a view to leveraging from their diversity, thereby strengthening the creditability and robustness of licensing decisions.

The committee has the power to conduct and authorise investigations into any matter within its objectives. The committee is entitled to have access to all relevant information held by the organisation or other organisations if deemed relevant. The committee keeps the board informed of its actions through monthly licensing reports.

Human Resources and Remuneration Committee

The Human Resources (HR) and Remuneration Committee is a committee established by the All Codes Board to assist in fulfilling their oversight and corporate governance responsibilities. The objective of the committee is to reassure the board that effective plans are in place and operating to ensure that HR policies and practices align with the overall business direction and future needs of the organisation.

The role of the committee is to ensure that there is a remuneration strategy in place and periodically undertake a review of HR practices, concerns of employees, stakeholders and government.

Open data

In line with the Queensland Government's Open Data initiative, during the 2012/13 year Racing Queensland worked with the Office of Racing and the Department of Environment and Heritage Protection to finalise its Open Data Policy which will be released in the coming year.

Information systems and recordkeeping

In May 2013 Racing Queensland met with the State Archivist to finalise a review of its retention and disposal schedule which at balance date was adopted from the Office of Racing Retention and Disposal Schedule QDAN 620 V2. In the coming year Racing Queensland will work with the State Archivist to adapt the current schedule to apply to all racing agencies to put in place a retention and disposal schedule covering the entire industry.

Racing Queensland is in the process of reviewing its record keeping to reflect best practice in this area and to better facilitate compliance with the *Public Records Act 2002*, *Information Privacy Act 2009*, and *Right to Information Act 2009*.

CEO'S REPORT

The Queensland All Codes Racing Industry Board trading as Racing Queensland came into being through an Act of Parliament on May 1, 2013 as a result of the Government's pre-election commitment to bring the administration of the racing industry under Government control and oversight. Consequently the financial reports contained herein relate only to the period from May 1, 2013 to June 30, 2013.

For the period July 1, 2012 through April 30, 2013 Racing Queensland Limited was the control body for all codes of racing in Queensland and the financial reports relating to that entity may be found in the Racing Queensland Limited annual report which is available on the Racing Queensland website www.racingqueensland.com.au.

The commentary that follows relates to the period May 1, 2013 to June 30, 2013.

Wagering

In its first two months of trade Racing Queensland saw Queensland wagering decrease by 5.62%, on the same period 2012, to \$102.6 million.

Queensland wagering turnover for thoroughbreds was down 5.84% or \$5.35 million on the previous year despite two more TAB meetings held than in 2011/12. The average turnover per meeting was \$944,000.

Queensland wagering turnover for harness was up 1.51% or \$122,000 on the previous year with six more TAB meetings being held than in 2012. The average turnover per was meeting \$162,000.

Queensland wagering turnover for greyhounds was down 9.74% or \$874,000 on the previous year with two less TAB meetings held than in 2012. The average turnover per meeting was \$123,000.

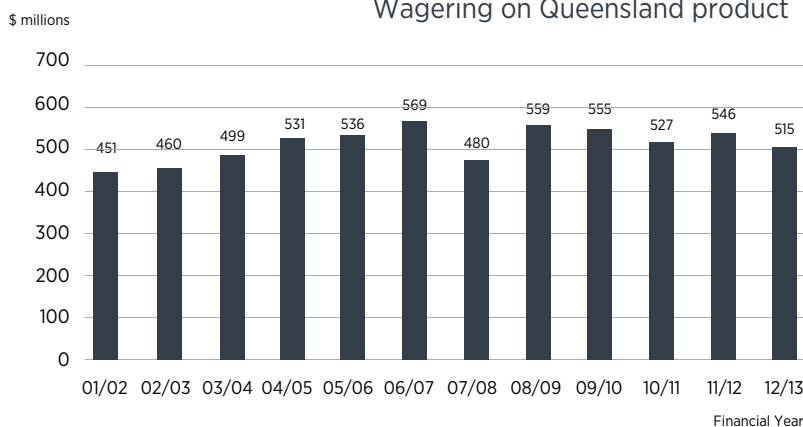
Overall wagering turnover from thoroughbred, harness and greyhounds, from which commissions are derived, was 4.11% or \$14.9 million down on the previous year, finishing at just over \$347 million.

Revenue from all wagering turnover through Tattsbet finished down 6.34% on the previous year with lower than expected returns from fixed odds wagering compared to the previous year.

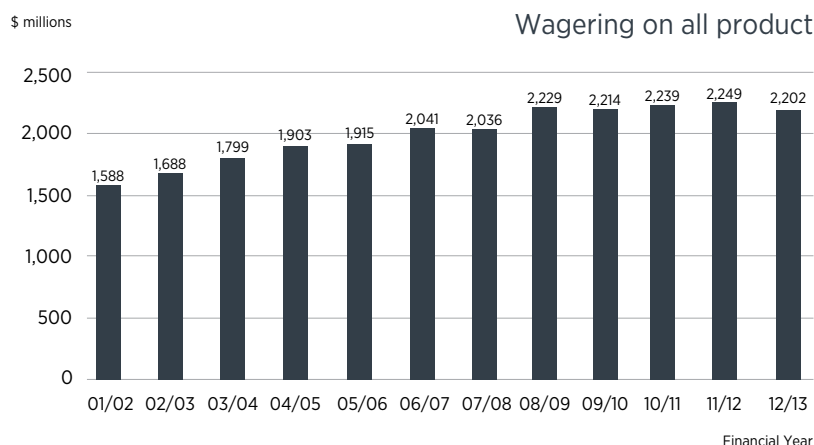
This is an expected result given the downturn in wagering in the Queensland and overall market, and the potential for lesser returns given the growth in fixed odds wagering activity.

The migration from traditional pari-mutuel wagering product to fixed odds wagering on Queensland product from 25.7% in 2012 to 29.4% in 2013 has continued to place pressure on returns to the industry.

Wagering on Queensland product



Wagering on all product



Wagering turnover vs revenue trend - TattsBet

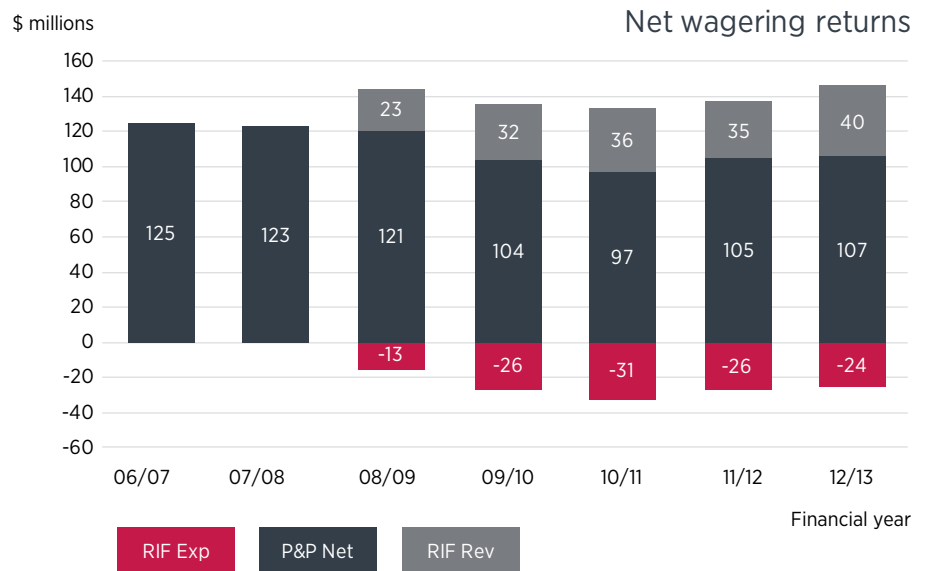


Forecasting the 2013/14 financial year's wagering outcomes continues to be a major challenge given the uncertainty surrounding the future economic climate, continued increasing competition from corporate bookmakers for market share, and the additional uncertainty the coming federal election period brings with it in consumer confidence.

The total wagering revenue for the trading period was \$25.28 million (net Product and Program fees of \$19.45 million and Race Information fees of \$9.4 million).

TattsBet passes on all third party charges from interstate Principal Racing Authorities, equating to \$3.58 million for the period, and deducts this from the Product and Program fee. Overseas fees are also deducted from the Product and Program fee.

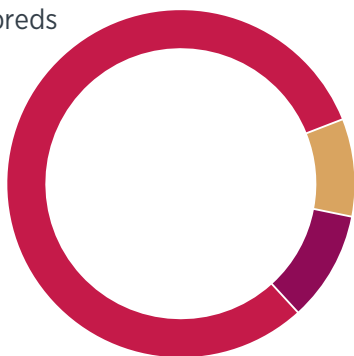
The overseas fees deducted for the trading period were \$635,000.



Queensland wagering - market share FY12/13

81.09%

Thoroughbreds



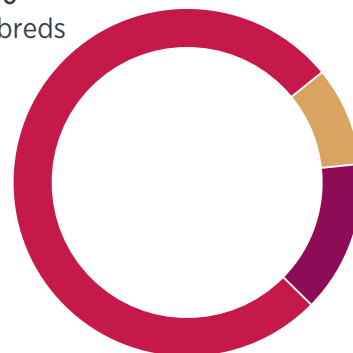
9.11%
Harness

9.80%
Greyhounds

Overall wagering - market share FY12/13

76.82%

Thoroughbreds



9.29%
Harness

13.89%
Greyhounds

Customer Service

Racing Queensland is committed to continually improving, developing and delivering quality services with a focus on moving the industry forward. This year Racing Queensland published its mission statement and customer service charter which is to; Collaborate, Assist Regulate and Enable (CARE). This mission statement represents Racing Queensland's key purpose as a statutory body.

Racing Queensland is dedicated to working towards a sustainable racing future and will continue to address all service provisions as we work towards continual customer service improvements.

Race Information Fees

Race Information is the use of Queensland thoroughbred, harness and/or greyhound race information to accept or facilitate wagering in any way, whether recording electronically or in hard copy form, in betting ledgers or on betting tickets, using the information to accept and process bet/s by telephone, in person, or online and whether on one animal or several animals in any one race.

Racing Queensland has analysed, compared and developed appropriate models to provide a platform to optimise the return on Queensland Race Product for the industry while seeking a balance so as not to inhibit or out price our resource.

Wagering operators were able to opt for either gross revenue or turnover model for the first time since legislation was introduced in September 2008. Both of these options provide a higher return for the industry than previous provisions.

Racing Queensland also employed a dedicated resource to facilitate compliance and capture of race information fees revenue from a state, national and international platform.

The effect of these changes has provided a revenue increase of approximately \$700,000 in comparison to the same trading period (May 1 to June 30), 2012.

Insurance

Insurance is a necessity in today's professional arena. The continual rising costs of adequate coverage are an ongoing concern for our industry. This has not been helped by the adverse weather conditions which have impacted significantly on many of our clubs. Racing Queensland continues to work with national bodies and insurance providers to ensure industry participants are adequately insured to cope with the varying environmental conditions and adverse risks that can be associated with the industry.

Reducing risk and ensuring compliance are the key components to a safer industry. This will also provide a platform for a reduction in claims and therefore reducing costs to the industry.

Stakes payment distribution

Racing Queensland continues to look for ways to enhance the paperwork that is provided to industry participants in terms of stakes payments for prizemoney particularly with respect to harness and greyhound participants.

The process to develop Racing Queensland's internal systems to better service industry participants in the distribution of prizemoney and race day charges and their corresponding paperwork is ongoing and enhancements will continue to be rolled out in the coming years.

Licensing

Racing Queensland continues to work on streamlining administrative processes with a view to minimise the administrative burden and costs to the industry wherever possible.

Racing Queensland is working with Racing Information Services Australia (RISA) in conjunction with other Principal Racing Authorities (PRA's) to develop a single national system for thoroughbred stakeholders. The colours registration module, the first module of this system was released internally and in the near future this will allow participants to apply, renew and review their profile and colours online.

Racing Queensland has also been working on plans to replace its greyhound racing computer system and a service level agreement has been signed for Queensland to come on board with the new system Ozchase, a joint venture between Race Wagering Western Australia (RWWA) and Greyhound Racing NSW, which will see Queensland join South Australia, Tasmania, the Northern Territory, New South Wales and Western Australia on the system.

This participation is set to significantly improve internal processes and data sharing between states, improving on the quality of outward customer service in terms of registrations, licensing, and grading.

Thoroughbreds

Industry Participants	FY11/12	FY12/13
Bookmakers	99	75
Bookmaker Clerks	424	402
Jockeys including apprentices	231	171*
Riders agents	18	23
Trainers	1,035	1024
Stable Hands	2,728	2788
Visiting Licensees	112	163
TOTAL	4,647	4,646

* The FY12/13 number is skewed due to the license renewal period being extended. Jockeys including apprentices totalled 229 at the end of the renewal period (July 31, 2013).

Harness

Industry Participants	FY11/12	FY12/13
Trainer / Drivers	219	213
Drivers	42	37
Trainers	143	150
Stablehands	187	151
TOTAL	591	551

Greyhounds

Industry Participants	FY11/12	FY12/13
Stud Masters	33	48
Track Operators	6	7
Trainers	826	959
Breeders *	n/a	380
Attendants	366	438
TOTAL	1,231	1,832

* Breeders license came into effect in October 2012.

Industry Infrastructure Strategy

The basis for the Industry Infrastructure Strategy (IIS) is to ensure that all spending is appropriate to the needs of the industry and provides that best possible outcome in terms of the growth and sustainability of the industry. Infrastructure investment is needed not only to support the actual race day delivery of racing, but also the infrastructure investments needed to ensure the long-term viability of the extended industry and, in particular, infrastructure that will stimulate industry growth.

During the financial year the Beaudesert, Mackay and Cairns projects were completed and the Brisbane, Gold Coast and Toowoomba projects commenced. The purchase of multi-use race day infrastructure including big screen and marquees will also be finalised in the first half of the 2014 financial year. All other projects are being reviewed and applications for funding being made on a case by case basis.

Queensland Government Flood Funding

Flooding rains again impacted on the racing industry in Queensland in early 2013. Rockhampton's Callaghan Park racecourse suffered the brunt of damage from the flooded Fitzroy River which saw racing unable to proceed at the venue for a two month period.

Although the Bundaberg Race Club escaped relatively unscathed, the town was not so fortunate. Racing Queensland together with the Queensland Government arranged for a "Flood Relief Raceday" to be conducted at Bundaberg. This dual-code thoroughbred and greyhound meeting was a great success with a large crowd in attendance to raise monies for local residents impacted by the devastating flooding.

The feature \$20,000 Bundaberg Ginger Beer Sustain Flood Relief Cup was broadcast on Sky Racing as a TAB race and all profits

Venue Location	Funds received to date from Government for approved projects for the life of the project to 30/06/13 [†]	Actual project costs for the life of the project to 30/06/13	Approval per funding deed	% Complete
Beaudesert	3,949,287	3,726,706	3,949,287	94%
Cairns ¹	1,859,339	1,859,379	1,859,339	95%
Gold Coast	10,897,541	4,101,456	15,461,696	27%
Mackay ²	7,443,426	8,358,834	7,443,000	100%
Multi Use Race Day Event Infrastructure	1,462,537	0	1,462,537	0%
Toowoomba	4,328,380	252,150	6,990,200	4%
Reimbursement of consultant costs	2,796,291	2,796,291	2,796,291	100%
TOTAL	\$32,736,801	\$21,094,816	\$39,962,350	

[†] Excluding GST

¹ Immaterial difference funded by RQ. Project is operationally 95% complete

² Application for additional funding has been made and is awaiting consideration. The \$426 difference between the funding received and the funding deed is due to a rounding variation.

from wagering and overall from the race club for the day were donated to the flood relief appeal.

Twenty-one venues across the thoroughbred and greyhound codes of racing were affected by the widespread rain events and at balance date Racing Queensland had offered financial assistance to those race clubs affected totalling almost \$92,000. There was no damage to harness racing facilities or tracks as a result of flooding in the 2012/13 financial year.

Fifteen thoroughbred race clubs were affected to varying degrees with the worst being Rockhampton, Chinchilla, Warwick and Gympie. Clubs moderately affected were Nanango, Monto, Goondiwindi, Wondai, Gladstone, Bundaberg and Gayndah with minor damage only at Mount Perry, the Brisbane Racing Club, Thangool and Kilcoy.

The Ipswich Turf Club donated their course proper running rail that was replaced last year with plastic, to flood affected venues

including Monto, Chinchilla, Wondai, Mount Perry and Gayndah. These Clubs had damaged or lost large sections of rail and this enabled them to rebuild with minimal financial outlay from the clubs concerned and Racing Queensland.

All greyhound clubs were flood affected to some degree with the severe flooding at Rockhampton causing significant damage to the club there which lost five race meetings returning to racing in March 2013.

Although the Albion Park venue sustained only minor damage the club lost three meetings due to weather and flooding. Three additional meetings were held during the year to increase industry returns.

Other greyhound racing clubs affected were Ipswich with the loss of two meetings due to their venue being utilised as a refuge centre for flood victims, Bundaberg losing two meetings, Cairns losing one meeting, and Capalaba sustaining minor flood damage. Two additional meetings at both Ipswich and Bundaberg were conducted.

Country Racing Contribution (May – June)

	FY12/13	FY11/12
	RQ	RQL
Product and Program fee	\$ 19,450,769	\$ 20,766,352
Race Information fee deducted by TattsBet excluding accruals	– \$ 3,581,930	– \$ 3,658,805
Net Product and Program fee paid to RQ for FY12/13	\$ 15,868,839	\$ 17,107,547
5.32% of Net UNiTAB Product Fee as prizemoney obligation under the Act	\$ 844,222	\$ 910,122
Prizemoney paid excluding value add prizemoney by the clubs	\$ 1,713,800	\$ 1,401,250
QTIS Paid	\$ 160,000	\$ 108,800
QTIS 600 Paid	\$ 44,000	\$ 33,600
Total Prizemoney paid Including QTIS and Excluding value add prizemoney	\$ 1,917,800	\$ 1,543,650
Additional prizemoney paid by RQ over and above the 5.32% under the Act	\$ 1,073,578	\$ 633,528

Racing Queensland continued its tradition of supporting country racing through the following unrecognised funding streams.

TAB prizemoney at non-TAB clubs	\$ 285,700	\$ -
Club administration payments	\$ 120,000	\$ 105,000
Jockeys riding fees	\$ 420,420	\$ 346,830
Jockey 1% prizemoney - Australian Jockey Association	\$ 19,178	\$ 15,437
*Subsidisation of insurance	\$ 33,333	\$ 33,333
*Sky Channel costs	\$ 13,333	\$ 13,333
Wages	\$ 56,623	\$ 55,513
QCRC	\$ 2,500	\$ 1,841
*Travel and communications	\$ 16,667	\$ 16,667
*RISA Service Centre costs	\$ 11,667	\$ 11,667
Total RQ paid out in unrecognised funding streams	\$ 979,421	\$ 599,621

Prizemoney paid including QTIS and excluding value add prizemoney by the clubs	\$ 1,917,800	\$ 1,543,650
Total contribution to country racing	\$ 2,897,221	\$ 2,143,271
Less 5.32% of net TattsBet product fee as prizemoney obligation under the Act	\$ 844,222	\$ 910,122
Racing Queensland paid out in excess of obligation	\$ 2,052,999	\$ 1,233,149
Combination of TAB and non TAB prizemoney paid for country racing	\$ 2,203,500	\$ 1,543,650

To be noted the country racing contribution for FY 12/13 is 76% of 7% total product and program fee for all three codes fee i.e. 5.32%
 * Note approximations based on overall costs attributed to country racing

Synthetic Track Subsidy

Previously the State Government provided grant funding of \$12 million for the synthetic tracks and in the 2012/13 financial year \$4.328 million of the remaining balance was transferred to the Toowoomba Industry Infrastructure Strategy project with the balance of funds as at June 30, 2013, of \$287,491.36 to be expended on the current synthetic tracks.

Training Track Subsidy

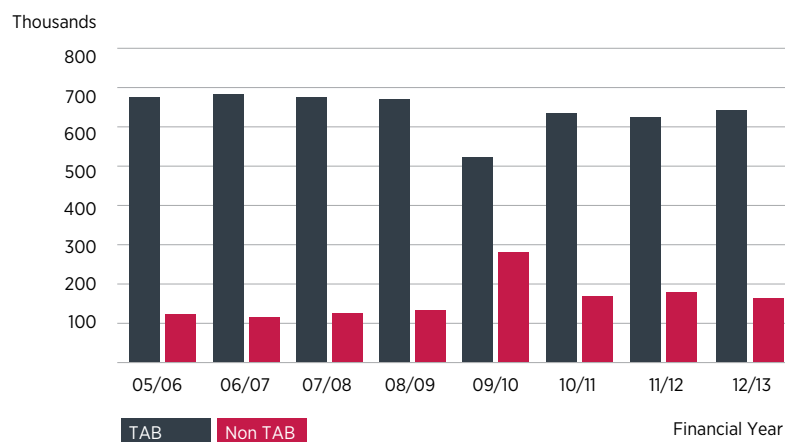
In 2012/13, the State Government provided funding of \$2 million under the thoroughbred code Training Track Subsidy Scheme, which is distributed to race clubs that provide much needed training facilities for the racing industry.

The funding is separated into two components. The first component, of \$1.2 million, is paid directly by the State Government to race clubs in accordance with the quality and extent of the training facilities provided by the individual club.

The second component, consisting of \$800,000, is distributed by Racing Queensland to race clubs in accordance with a formula that recognises the number of starters produced annually from the race club for the Queensland industry.

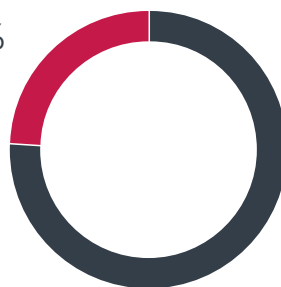
The following graphs show the historical subsidy paid to thoroughbred race clubs and the distribution of starters between TAB and non-TAB clubs that were paid the subsidy. Total number of starters between TAB and non-TAB is shown for comparison.

Training Track Subsidy paid



Racing starters FY 2012-13

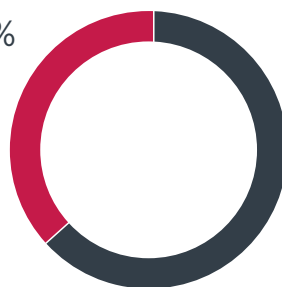
24.3%
Non TAB



75.57%
TAB Clubs

Training track starters FY 2012-13

35.84%
Non TAB
(14,343)



64.16%
TAB Clubs
(including Deagon
25,681)

Queensland Community Racing Scheme

As part of the Queensland Government commitment to country racing, Racing Queensland and the former entity Racing Queensland Limited funded six race meetings that were conducted under the Queensland Community Racing Scheme (QCRS), during the 2012/13 racing season.

The scheme allows race clubs to access up to \$5,000 per race day for the conduct of race meetings and provides that up to a maximum of \$2,000 per race to be distributed as prizemoney.

Three two-day amateur race meetings were conducted by three clubs: Oakley Amateur Picnic Race Club, Tower Hill Picnic Amateur Race Club and Western Picnic Race Club.

All six race meetings were conducted for trophy only prizes, with 259 starters contesting 46 races.

Country Racing Series

During the 2012/13 financial year, the Queensland Government announced \$4 million funding (\$1 million per year over four years) for three new Country Racing Series to assist in rejuvenating country racing throughout Queensland.

This initiative, together with a funding injection from Racing Queensland and the former entity Racing Queensland Limited, resulted in an additional 20 race meetings being conducted throughout Queensland under the three banners of the country racing series; Country Queensland Showcase, Celebrate Country, and Sustain Country.

There were eight race meetings conducted in the Country Queensland Showcase Series – all of which attracted SKY Racing and TAB coverage. Seven meetings were conducted under the Celebrate Country Series which also featured a return to racing at the Alpha Jockey Club which had not raced previously since 2002. Five meetings were held under the Sustain Country Series.

Throughout the 20 race meetings conducted there were 1178 starters in 127 races with approximately \$1.4million paid out in prizemoney and QTIS bonuses.

Queensland Thoroughbred Investment Scheme

Racing Queensland entered into a funding deed with the Queensland Government for the provision of \$5million of funding for the Queensland Thoroughbred Incentive Scheme (QTIS) over two years.

This vitally important scheme provides an incentive for Queensland bred race horses to be purchased and raced in Queensland through the provision of bonus prizemoney for QTIS eligible races. It involves all facets of the industry from breeding and purchasing to training and racing—the full life cycle of the thoroughbred horse.

The Government's injection of \$2.5million into the scheme for the financial year allowed prizemoney previously allocated to QTIS to be redirected to other areas in need of critical increases, most notably midweek metropolitan prizemoney increases and additional races, and non-strategic country racing prizemoney increases.

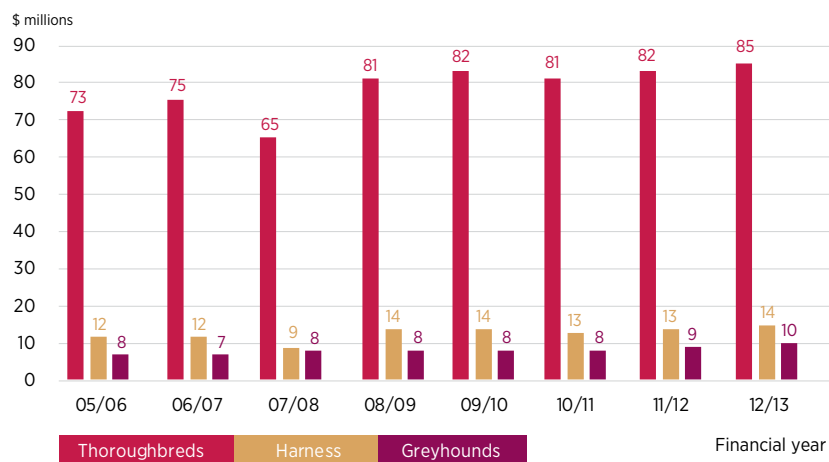
Queensland race meeting comparison

Code	TAB meetings 2011/12	TAB meetings 2012/13	Non-TAB meetings 2011/12	Non-TAB meetings 2012/13	Total meetings 2011/12	Total meetings 2012/13
Greyhound	407	409	119	133	526	542
Harness	257	289	50	20	307	309
Thoroughbred	438	443	274	281	712	724
Total	1,102	1,141	443	434	1,545	1,575

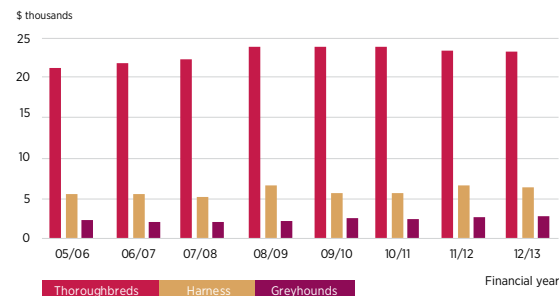
Queensland race comparison

Code	TAB races 2011/12	TAB races 2012/13	Non-TAB races 2011/12	Non-TAB races 2012/13	Total races 2011/12	Total races 2012/13
Greyhound	4,063	4,117	930	1,011	4,993	5,128
Harness	2,030	2,270	254	106	2,284	2,376
Thoroughbred	3,182	3,272	1,384	1,468	4,566	4,740
Total	9,275	9,659	2,568	2,501	11,843	12,244

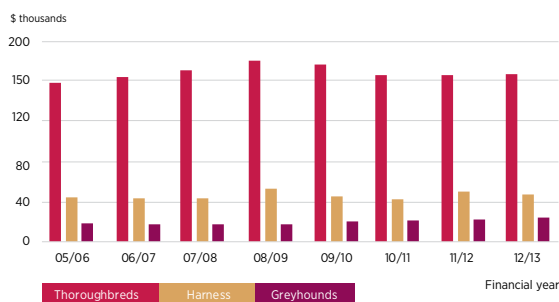
Prizemoney paid out



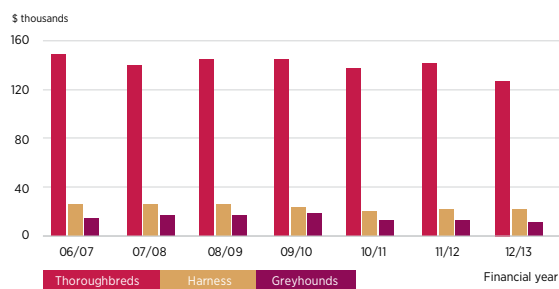
Average prizemoney per TAB race



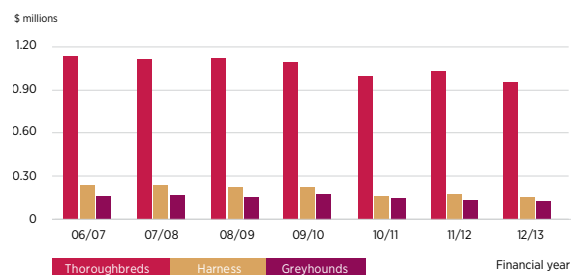
Average prizemoney per TAB meeting



Average turnover per TAB race



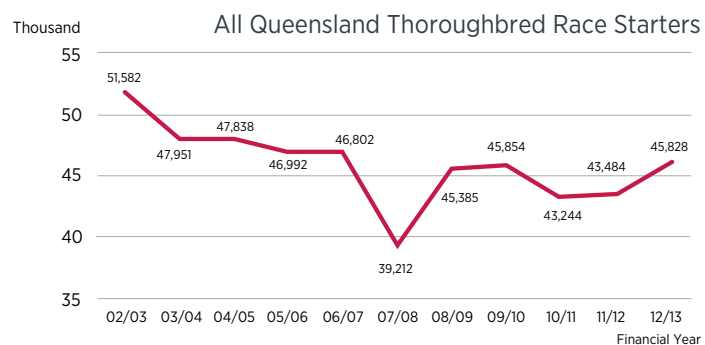
Average turnover per TAB meeting



Average starters

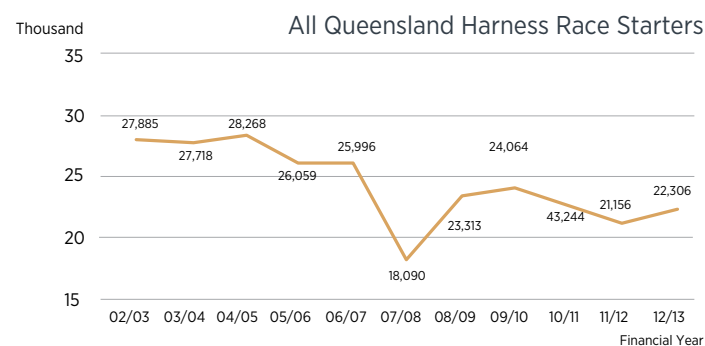
Thoroughbreds

Average Starters	FY09/10	FY10/11	FY11/12	FY12/13
TAB	10.70	10.50	10.10	10.60
Non-TAB	8.40	8.40	8.20	7.60
All	9.90	9.90	9.50	9.70



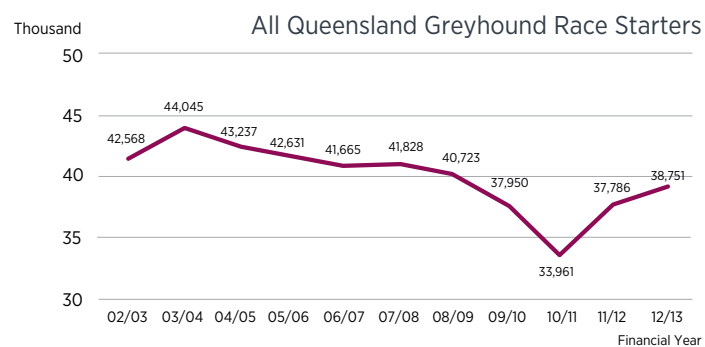
Harness

Average Starters	FY09/10	FY10/11	FY11/12	FY12/13
TAB	9.20	8.99	9.44	9.45
Non-TAB	7.64	7.98	8.66	8.08
All	9.16	8.96	9.35	9.39



Greyhounds

Average Starters	FY09/10	FY10/11	FY11/12	FY12/13
TAB	7.70	7.66	7.76	7.69
Non-TAB	7.01	6.89	6.74	7.01
All	7.44	7.48	7.57	7.56



Thoroughbred Racing



The 2012/13 racing season has seen Queensland trained horses again compete with distinction on the national stage.

Queensland's premier Trainer Robert Heathcote led the way with his stable stars Solzhenitsyn who captured the Group 1 Toorak Handicap at Caulfield, as well as being placed third in both the Group 1 Rupert Clarke and Canterbury Stakes behind Piero.

Buffering who for the second year in a row was runner up in Queensland's premier race the Group 1 Stradbroke Handicap also took honors in two Group 2 races in Melbourne namely the Moir Stakes and Schillaci Stakes.

Spirit of Boom prepared by Tony Gollan has proven to be one of the most consistent performers at the top level finishing third in both the Group 1 Winterbottom Stakes and Oakleigh Plate as well as being placed twice at Group 2 level in the Gilgai Stakes and Yellowglens Stakes.

Queensland's promising 3YO Better Than Ready trained by Kelly Schweida lowered the Randwick 1200m track record when winning the Listed Brian Crowley Stakes in Sydney. He went on to finish on the heels of the place getters in the Group 1 Newmarket Handicap at Flemington and was third in the Group 1 BTC Cup at Doomben.

Last season's star juvenile Sizzling was again very consistent in all the major races he contested finishing on the heels of the place getters in the Group 1 Coolmore Stud Stakes in Melbourne. On returning to his home base in Brisbane he was successful in the Listed Gold Edition Stakes, then beaten a small margin when runner up in the 3YO Magic Millions, with his season culminating with a win in the Group 2 Queensland Guineas at the winter carnival.

Australia's trainer with the most winners for the season Chris Waller was the dominant trainer at our Queensland Winter

Racing Carnival snaring three of eight Group 1 feature races, being successful in the Doomben Cup with Beaten Up, the Queensland Derby with Hawkspur and the final Group 1 race of the season the Tattersalls Tiara with Red Tracer.

The Winter Racing Carnival meetings were again well supported by interstate and New Zealand visitors along with the local Queensland Trainers who all shared in the prizemoney distributed.

In January the 2YO Magic Millions saw the local Kelso Wood trained Real Surreal hold off all challengers to secure victory with the 3YO Magic Millions race finishing in an all Queensland affair with the Jason McLachlan trained Saluter holding off the Kelso Wood trained Sizzling capping a great year for Queensland trained horses.



Harness Racing



The reigning Queensland 4YO and older Horse of the Year Washakie had previously finished fourth, third, and second in Queensland's richest race, the Queensland Pacing Championship.

Washakie broke his hoodoo and went one better to win the 2012 edition. The race also signified the start of the Grand Circuit season for pacers and the win of Washakie came to no more deserving horse, as he has travelled all across Australia in search of riches, never backing down from a fight along the way.

The Chairman's Scholarship winner from last season Bart Cockburn, took a lease on the McCarthy family's former property, allowing the fledgling trainer to increase numbers and move 'full-steam ahead' into the training ranks of the Queensland harness fraternity.

The move has borne instant success for Cockburn, finishing fourth on the State trainers premiership, with only the deeply established stables of Darrel Graham, Vicki Rasmussen and Grant Dixon ahead on the premiership table.

Grant Dixon, a previous employer of Cockburn, was again the State's leading trainer, adding to his inaugural success in the title last season. With more than 200 winners for the season, it was once again left to the Tamborine Tornado, Majestic Mach to be the star pupil under Dixon's tutelage.

Returning to the racetrack for his 3YO season, everyone was keen to see how long his unbeaten stretch would continue. Finishing his 2YO season with a perfect record, the unbeaten stretch came to an end at start number 13, when he finished second in the NSW Pacers Derby.

That defeat has been his only defeat thus far. With his record standing at 23 wins from 24 starts, there is every indication that he will go on to be one of the great horses of the sport.

Kylie Rasmussen is the only other driver to have sat behind Majestic Mach under race conditions and season 2012/13 was also a successful one for Kylie's star mare Forever Gold.

Queensland trainers managed to taste some interstate Group racing success over the season. Kylie Rasmussen and Forever Gold were successful in the Group 2 Robin Dundee Stakes at Menangle.

Meanwhile Graham Seymour was had Group success at Menangle when Caesar Augustus reigned supreme in the Simpson Sprint also at Menangle.



Greyhound Racing



The year saw Albion Park host three Group 1 events, with local heroes Glen Gallon and Got A Moment taking out the Group 1 Winter Cup and Group 1 Brisbane Cup respectively. The other feature event, the Group 1 Gold Cup, was taken out by Queensland bred and Victorian based greyhound Destini Fireball.

It is interesting to note that Got A Moment, owned and bred locally by Dianne Buxton, won the biggest and richest event on the national calendar, the Group 1 Melbourne Cup in November.

The season reopened the history books as Ipswich Saturday night greyhound racing was reborn with the popular Club hosting seven TAB meetings during the calendar year with great success.

Greyhound Adoption Program (GAP)

Racing Queensland remains committed to the welfare of Greyhounds in Queensland and has two dedicated full time staff, and one casual staff member who maintain the GAP along with the assistance of a number of volunteers.

Racing Queensland's Deagon GAP facility has five day kennels and a large fully fenced assessment yard with undercover area where the assessments are undertaken and the GAP also leases 16 kennels at Deception Bay to house program greyhounds.

The program statistics for the financial year 2012/13 were:

Dogs in to program	151
Dogs adopted	73
Dogs failed and returned to owner	10
Green collar assessments	24
Dogs carried over to New Year	59

The GAP held or participated in a number of promotional events throughout the year including:

- Homeless connect for Brisbane City Council
- Animal Wellness Promotion
- Ekka Show
- Dayboro, Samford, and Brookfield Shows
- Pet Barn Promotions
- AVA Pet Pep and Independent Education talks at schools
- Nursing home visits
- RSPCA Million Paws Walk
- Monthly GAP Walks
- October fest Guide Dogs for the blind
- Kennel tours
- RSPCA behavioural assessment day



Stewarding

The stewards continued to embrace a culture introduced by Chairman of Stewards Wade Birch in placing a strong emphasis on an open and co-operative relationship between the stewards and industry participants. In this regard changes have been made in relation to the greyhound industry resulting in a steward being available during office hours to handle any queries or issues.

To assist in the development of stewards, vastly experienced steward Mr. Alan Reardon returned to Queensland to take up the position of Director of Steward Development. Mr. Reardon is responsible for the professional development of the stewards panel.

To assist stewards in the performance of their duties professional form analysts have been employed to provide stewards with vital information in the form of speed maps. Speed maps are an invaluable tool to assist in analysing the way a race is likely to be run in terms of speed, positioning and use of any track bias that may be present.

Integrity

As part of the Queensland Government's reforms for the Racing Industry Jim O'Sullivan was appointed to the position of Integrity Commissioner. The Integrity Commissioner is independent of Racing Queensland.

To further support the stewards an Integrity Regulatory (IR) unit was established. The unit which includes experienced Stewards Norm Torpey and John Hackett assists with the co-ordination and implementation of current programs and procedures to ensure compliance with the Rules of Racing for all three codes.

The IR unit will enhance the current sampling procedures of human and animal sampling which saw over 2500 horses in both the thoroughbred and harness codes pre-race tested for their Total Carbon concentration level (TCO²) last year. It is significant to note that the average level of TCO² in horses has dropped from 30.45mmol/l to 29.80mmol/l since Racing Queensland began publishing TCO² results on the website.

The stewards employed the use of I-stat analysers for equine sampling. The portable machines deliver accurate blood gas, electrolyte, chemistry and haematology results in minutes from a small sample of blood. These machines have been used at both harness and thoroughbred meetings throughout the state providing stewards with valuable data.

There was an increase in out-of-competition testing of horses during the year as well as race-day raids on stables which has resulted in licensees being caught breaching the rules regarding their treatment and presentation of the animal for racing. It is envisaged that number of such raids will increase during the next financial year with the establishment of the IR unit.

The strong stance on licensee behaviour was continued this year with a large majority of the industry participants being tested on at least one occasion for banned substances.

The decision was made during the year to amend the manner in which betting markets are assessed with reference now to include both on-course bookmakers and other selected licensed wagering markets thus giving punters a better service.

Legal and Compliance

The legal and compliance department ensures Racing Queensland complies with Acts of Parliament and government regulations, and that decisions of the board are implemented. Racing appeals, Right to Information and WorkCover are also managed by this department as well as providing legal services to Racing Queensland.

Appeals

The appeal process provides a mechanism for aggrieved licensees to test the merits of the decisions of stewards in a cost effective and timely manner.

The First Level Appeal process is only one of a number of avenues available for the review of Racing Queensland officials. Other avenues include the Queensland Civil and Administrative Tribunal (QCAT) and the judicial system. The First Level Appeal Committee sat on six occasions during the reporting period.

Upheld	Dismissed	Varied	Total
0	4	2	6

Information Technology

Information technology (IT) touches or underpins almost every aspect of Racing Queensland's operations and industry services. The specification, project management and implementation of organisational and industry Initiatives and projects generally requires input from IT in varying degrees.

Racing Queensland has committed to provide all clubs with a free website. At balance date this project has seen over 65 race clubs provided with a website at no cost and the project is on track to deliver 85 websites to the industry for the purpose of promoting race clubs and their racing and local events. This delivery has been well received and extremely efficient with set up costs of less than \$20,000 and ongoing costs of around \$2,000 per year for the 85 websites.

The IT Department also worked to realise initiatives such as; the new Greyhounds National Data Repository (NDR), Thoroughbred Colours Single National System module, and Trot tips to name just a few.

The department continued to realise reduced expenditure and efficiencies across the three codes of racing while delivering a higher service level both internally and externally.

Training

The Training Department has undergone considerable change in the past year including a restructuring of staff and a change in roles and responsibilities. This change has allowed the Training arm of Racing Queensland's operations to rejuvenate and focus on supporting the Racing Industry's new positive approach in Queensland. This approach supports the Training Department's initiatives in steadily working towards rejuvenating its Training Programs to meet the needs of the Industry.

Racing Queensland has developed a partnership with the Sunshine Coast Institute of TAFE (SCIT) with the establishment of the Queensland Racing and Equine Academy (QREA).

This strategic alliance between Racing Queensland and SCIT and the development of the QREA is designed to meet the ongoing training and education needs of current and future generations of workers in the Racing and Equine Industries.

Racing Queensland is committed to provide nationally accredited training and mentoring to working apprentices, jockeys, stablehands, trackwork riders, strappers and their employers as well as the general educational and promotional services to the wider community.

Horse racing is an industry with a wide range of career paths in a host of disciplines. A career in the racing and equine industry can provide an exciting, dynamic work path in one of Australia's longest running and stable sporting industries.

Racing Queensland has committed to becoming Australia's premier training and recruitment centre for horse racing industries and has worked hard to re-establish international partnerships to promote mutual collaborations in training, education and employment for human resources in the equine industry.

The Training Department has also been instrumental in promoting internationalisation in the horse racing industry and in establishing partnerships to seek contributions in the development of horse racing industries in Australia.

Historically, Queensland has provided the early training and race riding experience for a number of jockeys enjoying success in the international arena.

The Training Department also continued to service students from the local and domestic market as the only accredited and nationally recognised Training Institution and training provider in Queensland offering courses across all three codes of racing. A steady increase in the numbers of students enrolling is encouraging and provides an ongoing validation of the process.

Commercial and Product Development

Racing Queensland introduced a new corporate identity in May 2013. This new corporate identity was introduced to mark a new era of racing in Queensland and will be used throughout all Racing Queensland communication platforms.

To foster the positive changes that have occurred in the past 12 months Racing Queensland commenced development of the 'We Run As One' industry campaign.

This campaign is designed to promote positivity among Queensland racing stakeholders and provide a platform for greater communications and positive actions and change.

In line with the Queensland Government election commitment Racing Queensland implemented the clubs cooperation scheme (CCS) during the year which saw over 15 non-TAB race clubs receive event and operational assistance from Queensland TAB race clubs. This scheme will be on-going for the benefit of all clubs.

During the year the industry's monthly magazines across all codes, undertook significant change and re-branding following a comprehensive reader survey.

The new Race, Pace and Chase magazines have been enhanced to provide industry stakeholders more relevant information and editorial content.



Industry Awards

The thoroughbred, harness and greyhound industries continued the great tradition of celebrating its heroes and high achievers. We wish to recognise the following achievements across all codes for the racing seasons.

THOROUGHBRED INDUSTRY AWARDS

Queensland Horse of the Year	Buffering
Queensland Trainer of the Year	Rob Heathcote
Queensland Jockey of the Year	Chris Munce
Ken Russell Queensland Apprentice of the Year	Tim Bell
Queensland Stallion of the Year	Show A Heart
Racing Queensland Hall of Fame	High Syce
Racing Queensland Hall of Fame	Tucker Family

HARNESS INDUSTRY AWARDS

Horse of the Year	Majestic Mach
Queensland Trainer of the Year	Grant Dixon
Queensland Driver of the Year	Grant Dixon
Queensland Chairman's Scholarship	Barton Cockburn
Queensland Owner of the Year	Greg Mitchell
Queensland Breeder of the Year	Solid Earth Pty Ltd

GREYHOUND INDUSTRY AWARDS

Queensland Greyhound of the Year	Got A Moment
Brisbane Leading Trainer	Ron Ball
Brisbane Leading Owner	Hazeltown Partnership
Top Simbi Award	Dianne Buxton
Young Achiever of the Year	Mitchell Cox
Hall of Fame inductee one	Credibility
Hall of Fame inductee two	Albert Bunny Hewton
Hall of Fame inductee three	Kirsty's First
Hall of Fame inductee four	Bevan & Elaine Williamson

Racing Queensland is committed to its mission to Collaborate, Enable, Assist and Regulate and to raising the customer service standard we provide to the industry across the three codes.

My personal thanks to the dedicated members of our boards for their hard work, continued support and guidance. I also wish to recognise the team at Racing Queensland especially the executive team, for their hard work ensuring a seamless transition to the new entity.

Adam Carter who acted as CEO prior to my appointment deserves my utmost thanks for his hard work in leading the organisation through transition.

Finally I must acknowledge our passionate industry stakeholders who continue to provide the very fabric that our great industry is built on. I am sure with their support and the Queensland Government's commitment to our industry, the coming years will see significant growth and positivity.



Darren Condon
Chief Executive Officer

APPENDICIES

GLOSSARY OF TERMS

Term	Definition
Board	The board of Racing Queensland
Breeding Incentive Scheme	A scheme that provides an incentive for Queensland bred race animals to be purchased and raced in Queensland through the provision of bonus prizemoney
Chairman of Stewards	The most senior Steward position responsible for management and oversight of Integrity services and Stewarding
Code	The type of racing being one of the following; thoroughbred racing, harness racing or greyhound racing
Control body	An organisation that exists for the purpose of controlling racing for a particular code or codes empowered by the Racing Act
Country	Areas outside of Metropolitan and Provincial. Generally country areas.
Customers	Individuals, groups or organisations with specific interest in and/or influence on the work of Racing Queensland
Group 1, 2, and 3	A level of quality in terms of performance and prizemoney ascribed to a particular race as set by the Australian Pattern Committee. Group 1 is the highest level
Integrity	The standards and required behaviours applied to the conduct of races, the rules associated with racing and the resulting confidence, all things being equal, by the public in a fair and equitable race outcome
Metropolitan	The greater Brisbane area. Specifically the venue held by the Brisbane Racing Club
Off-course	Activities conducted outside of a race course venue
On-course	Activities conducted at a race course venue
Pacing or pace	Used to describe the particular style of harness racing in reference to the horses' gait
Pari-mutuel	Traditional wagering market with floating (variable) odds based on a total market pool of funds wagered
Principal Racing Authority	A state based organisation that exists for the purpose of managing and administering racing for a particular code or codes
Prizemoney	Funds collected by Racing Queensland through the product and program agreement and race information fees and distributed to owners, trainers, riders, and drivers as a result of winning or placing their animal in a race
Product and Program	The racing product being the participation composition and broadcast race event and the program being the scheduling of that product
Product and Program Agreement	The revenue from wagering distribution agreement between Racing Queensland and Tattsbet
Provincial	Major regional cities as designated by Racing Queensland
QBRED	A harness racing breeding scheme
Race club	A not for profit association appointed by its members for the purpose of running race meetings at a particular venue
Race Information fees	The fee charged by Racing Queensland for the use of product and program for the purposes of wagering
Rules of racing	The rules relating to the participation in and conduct of a particular code of racing as formulated, published and enforced by the Control Body

GLOSSARY OF TERMS CONTINUED

Term	Definition
Stakeholders	Individuals, groups or organisations with specific interest in and/or influence on the work of Racing Queensland
Speed map	A tool to assist in analysing the way a race is likely to be run in terms of speed, positioning and use of any track bias that may be present
Swab official	Race day operations employee that performs the duties of swabbing racing animals
Synthetic track	A race track surface constructed of synthetic material (as opposed to grass)
TAB	product and program broadcast on television and radio and wagered on through any wagering operator.
Trotting or trot	Used to describe the particular style of harness racing in reference to the horses' gait
Wagering	Gambling on code specific product and program

ACRONYMS

Term	Definition
2YO	2 Year Old in relation to a Horses age
3YO	3 Year Old in relation to a Horses age
4YO	4 Year Old in relation to a Horses age
ARB	Australian Racing Board
CARE	Collaborate, Assist, Regulate, and Enable
CCS	Clubs Cooperation Scheme
CEO	Chief Executive Officer
GAL	Greyhounds Australasia Limited
GAP	Greyhound Adoption Program
HR	Human Resources
HRA	Harness Racing Australia
IIS	Industry Infrastructure Strategy
IP	Intellectual Property
IT	Information Technology
NDR	National Data Repository
PRA	Principal Racing Authority
QCAT	Queensland Civil and Administrative Tribunal
QCRS	Queensland Community Racing Scheme
QREA	Queensland Racing and Equine Academy
QRI	Queensland Race Information
QTIS	Queensland Thoroughbred Investment Scheme

ACRONYMS CONTINUED

Term	Definition
RISA	Racing information Services Australia
RISE	Racing Information Services Enterprise
RQ	Racing Queensland
RWWA	Race Wagering Western Australia
SCIT	Sunshine Coast Institute of TAFE
TCO ²	Total Carbon concentration level

COMPLIANCE CHECKLIST

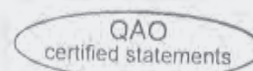
Summary of requirement		Basis for requirement	Annual report reference
Governance — risk management and accountability	Risk management	ARRs – section 15.1	15
	Audit committee	ARRs – section 15.3	15
	Internal audit	ARRs – section 15.4	16
	Information systems and recordkeeping	ARRs – section 15.7	17
Governance — human resources	Workforce planning, attraction and retention and performance	ARRs – section 16.1	12
Open Data	Open Data	ARRs – section 17	17
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42,43 and 50 ARRs – section 18.2	67
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	68
	Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	59

FINANCIAL STATEMENTS

Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Consolidated Statement of Comprehensive Income
 2 month period 1 May to 30 June 2013

	Note	2013 \$'000
Income from Continuing Operations		
Product and program fee	2	16,591
Race information fee		9,419
Racing fees		1,106
Nomination fees		1,204
Local breeder nomination fees		551
Grants and other contributions	3	2,170
Licence and registration fees		315
Rental income		77
Fines and late fees		57
Club income – operational		41
Course fees		53
Interest		68
Other revenue		56
Total Income from Continuing Operations		31,708
Expenses from Continuing Operations		
Supplies and services	4	35,832
Grants and subsidies	5	862
Depreciation expense	6	531
Employee expenses	7	2,239
Other expenses		71
Total Expenses from Continuing Operations		39,535
Operating result from continuing operations		(7,827)
Other comprehensive income		-
Total comprehensive income for the period		(7,827)
Profit/(Loss) attributable to members of Queensland All Codes Racing Industry Board		(7,783)
Profit/(Loss) attributable to non-controlling interests	20	(43)
		(7,827)
Total comprehensive income/(loss) for the period attributable to members of Queensland All Codes Racing Industry Board		(7,783)
Total comprehensive income/(loss) for the period attributable to non-controlling interests	20	(43)
		(7,827)

The accompanying notes form part of the financial statements.



Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Consolidated Statement of Financial Position
 As at 30 June 2013

	Note	2013 \$'000
CURRENT ASSETS		
Cash and cash equivalents	9	26,479
Trade and other receivables	10	16,877
Other current assets	11	1,254
Total Current Assets		44,610
NON-CURRENT ASSETS		
Available-for-sale financial assets	12	2,086
Property, plant and equipment	13	105,447
Other non-current assets	14	211
Total Non-Current Assets		107,744
TOTAL ASSETS		152,354
CURRENT LIABILITIES		
Trade and other payables	15	11,910
Accrued employee benefits	16	1,384
Other liabilities	17	16,032
Total Current Liabilities		29,326
NON-CURRENT LIABILITIES		
Trade and other payables	15	18
Accrued employee benefits	16	546
Other liabilities	17	287
Deferred tax liabilities	18	119
Total Non-Current Liabilities		969
TOTAL LIABILITIES		30,295
NET ASSETS		122,059
EQUITY		
Contributed equity		122,183
Accumulated surplus/(deficit)		(7,783)
Asset revaluation surplus		-
Capital and Reserves Attributable to Queensland All Codes Racing Industry Board		114,400
Non-Controlling Interests	20	7,659
TOTAL EQUITY		122,059

The accompanying notes form part of the financial statements.

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Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
Consolidated Statement of Changes in Equity
 2 month period 1 May to 30 June 2013

	Contributed Equity	Accumulated Surplus	Total	Non- Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 May 2013	-	-	-	-	-
Operating result from continuing operations	-	(7,783)	(7,783)	(43)	(7,827)
Other comprehensive income for the period net of income tax	-	-	-	-	-
Total comprehensive income for the period	-	(7,783)	(7,783)	(43)	(7,827)
<i>Transactions with owners as owners:</i>					
Contributions to sinking fund	-	-	-	7	7
Contributions from transfer of net assets to new entity	122,183	-	122,183	7,695	129,878
Balance at 30 June 2013	122,183	(7,783)	114,400	7,659	122,059

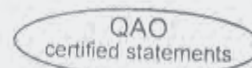
The accompanying notes form part of the financial statements.

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Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Consolidated Statement of Cash Flows
 2 month period 1 May to 30 June 2013

	Note	2013 \$'000 Inflows (Outflows)
Cash flows from operating activities		
<i>Inflows:</i>		
Receipts from Customers		26,437
Grants and Other Contributions		1,463
GST collected from customers		2,444
Interest Received		70
<i>Outflows:</i>		
Employee expenses		(2,110)
Supplies and services		(35,672)
GST paid to suppliers		(1,646)
GST remitted to ATO		(798)
Net cash provided by (used in) operating activities		(9,812)
Cash flows from investing activities		
<i>Outflows:</i>		
Purchase of Property, Plant and Equipment		(253)
Net cash provided by (used in) investing activities		(253)
Cash flows from financing activities		
<i>Inflows:</i>		
Transferred from Racing Queensland Limited on 1 May 2013		36,544
Net cash provided by (used in) financing activities		36,544
Net increase (decrease) in cash and cash equivalents		26,479
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	8	26,479

The accompanying notes form part of the financial statements.



Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Notes to and Forming Part of the Financial Statements
 2 month period 1 May to 30 June 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Australian Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the period ending 30 June 2013 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretation, Queensland All Codes Racing Industry Board has applied those requirements applicable to not-for-profit entities, as the Board is a not-for-profit public sector entity.

Except where stated, the historical cost convention is used. All amounts throughout the financial statements are in Australian dollars.

(b) Principles of Consolidation

A controlled entity is any entity Queensland All Codes Racing Industry Board has the power to control the financial and operating policies of so as to obtain benefits from its activities.

The consolidated financial statements of the entity include the financial statements of Queensland All Codes Racing Board, being the parent entity, and its controlled entities being Queensland Race Product Co Limited, Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust, and Rockhampton Racing Pty Ltd ("the consolidated entity").

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year end.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

(c) Revenue Recognition

Revenue is recognised when Product and Program Fee monies are due and payable from TattsBet. 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. Race Information Fees are brought to account as income during the period to which the amounts relate.

(d) Grants and Contributions

Grants that are non-reciprocal in nature are recognised as revenue when the Board obtains control over them (control is generally obtained at the time of receipt). Where grants received are reciprocal in nature, revenue is progressively recognised over the term of the funding arrangement.

(e) Special Payments

Special payments include *ex gratia* expenditure and other expenditure that is not under a contract. In compliance with the *Financial and Performance Management Standard 2009*, the Board maintains a register setting out details of all special payments greater than \$5,000. There were no special payments made during the 2 month period ended 30 June 2013.

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Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Notes to and Forming Part of the Financial Statements
 2 month period 1 May to 30 June 2013

(f) Cash and Cash Equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents include all cash and cheques receipted but not banked at 30 June as well as all deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the consolidated entity's option and that are subject to a low risk of changes in value.

(g) 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 impairment of debts.

Bad debts are written off in the period in which they are recognised. All known bad debts were written off as at 30 June.

Loan and advances are recognised at their face values.

(h) Non-Current Assets Classified as Held for Sale

Non-current assets classified as held for sale are assets that are available for immediate sale in their present condition, for which their sale is highly probable within the next 12 months.

No assets have been classified as held for sale or form part of a disposal group held for sale.

(i) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting assets ready for use, included architects' fees and engineering design fees. However, any training costs are expensed when incurred.

(j) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Buildings	\$2,000
Plant and Equipment	\$2,000

Items with a lesser value are expensed in the year of acquisition.

(k) Revaluations of Non-Current Physical Assets

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items acquired during the financial year has been judged by Queensland All Codes Racing Industry Board to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Notes to and Forming Part of the Financial Statements
 2 month period 1 May to 30 June 2013

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. Revaluations are based on independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair values (i.e. where indicators suggest that the value of the class of asset may have changed by 20% or more from one reporting period to the next), it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such method of revaluation.

Where indices are used in the revaluation process, Queensland All Codes Racing Board ensures that the application of such indices would result in a valid estimation of the asset's fair value at reporting date. Suppliers of indices provide assurance as to their robustness, validity, and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets and comparing results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. At year end, management assesses the relevance and suitability of indices provided based on Queensland All Codes Racing Board's own particular circumstances.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(l) Intangibles

Queensland All Codes Racing Board currently hold no intangible assets.

(m) Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings and plant and equipment are depreciated on a straight line basis so as to allocate the revalued amount or net cost for each asset (respectively), less its estimated residual value, progressively over its estimated useful life.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

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

Buildings & Tracks	2%-10%
Plant and Equipment	5%-25%

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Queensland All Codes Racing Industry Board**Trading As Racing Queensland**

ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements

2 month period 1 May to 30 June 2013

(n) Impairment of Non-Current Assets

Queensland All Codes Racing Industry Board reviews each reporting date the carrying amounts of its non-current assets to determine whether there is any indication that those assets may be impaired. Such indicators may be either specific to Queensland All Codes Racing Industry Board or to the particular asset e.g. technology changes, or political and economic developments. If an indicator or possible impairment exists, the recoverable amount of the asset is determined and then compared to its carrying value. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount of an asset is the higher of the asset's 'fair value less costs to sell' and its 'value in use'. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows or if the asset would be replaced if Queensland All Codes Racing Industry Board was deprived of it, value in use is determined as the depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had the impairment loss not been recognised for the asset on the prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 1(k).

(o) Payables

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

(p) Financial Instruments*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions cost where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Queensland All Codes Racing Industry Board
Trading As Racing Queensland
 ABN 80 730 390 733
 Notes to and Forming Part of the Financial Statements
 2 month period 1 May to 30 June 2013

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit and loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) *Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(q) Employee Benefits

Wages and salaries, annual leave, long service leave, and employer superannuation contributions are regarded as employee benefits. Worker's compensation insurance and payroll tax are a consequence of employing employees, but are not included in an employee's remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rate(s). These liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

Sick leave is non-vesting, so an expense is recognised for this leave as it is taken.

Annual and Long Service Leave

Annual leave and long service leave liabilities are disclosed as current liabilities to the extent that Queensland All Codes Racing Industry Board expects to pay such liabilities within the 12 month

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following balance date. Otherwise, annual leave and long service leave liabilities are classified as non-current liabilities.

Entitlements expected to be paid within the 12 months following balance date are recognised at their undiscounted values. For those entitlements not expected to be paid within the 12 months following balance date, the liabilities are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely payment.

Long service leave liabilities are estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 8 years of qualifying service, the probability that they will reach the required minimum period of service has been taken into account in estimating the long service leave liability.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax, and workers' compensation insurance) are also recognised as liabilities where these costs are material.

Superannuation

Queensland All Codes Racing Industry Board contributes to various accumulating Employee Superannuation Plans. Contributions are expensed in the period to which they are paid or payable. Queensland All Codes Racing Industry Board's liability is limited to its contribution to these Plans.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to Note 8 for the disclosures on key management personnel and remuneration.

(r) Insurance

Queensland All Codes Racing Industry Board insures its buildings and plan and equipment for loss and damage, and also insures for public liability risks. Such insurance cover is held with AON Risk Services Australia Limited.

(s) Taxation

Queensland All Codes Racing Industry 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 All Codes Racing Industry Board 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 is only provided in Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust to the extent that accumulated income is assessable to the trustee in accordance with Section 95 of the Income Tax Assessment Act. No income tax is payable by the trust since, in accordance with the trust deed, taxable income is fully distributed to the beneficiaries.

Income tax is only provided in Rockhampton Racing Pty Ltd to the extent that accumulated income is assessable to the company.

(t) Apprentice Jockeys' Trust Fund

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

(u) Rounding

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars.

(v) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line bases over the lease term.

(w) Issuance of Financial Statements

The financial statements are authorised for issue by the Chief Executive Officer and the Chairman at the date of signing the Management Certificate.

(x) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in Note 13 – Property, Plant and Equipment.

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	2013 \$'000
2. PRODUCT AND PROGRAM FEES	
Product and Program Fees	16,591
Total	16,591
Queensland Race Product Co LTD was charged \$3.583M (2012: \$26.475M) for Race Information fees in the period 1 May 2013 up to 30 June 2013. These fees have been charged by the Principal Racing Authorities to TattsBet and have been netted off the Product and Program Fee by TattsBet.	
3. GRANTS AND OTHER CONTRIBUTIONS	
Queensland Government - Infrastructure	1,463
Queensland Government – Queensland Thoroughbred Incentive Scheme	433
Queensland Government – Country Racing	275
Total	2,170
4. SUPPLIES AND SERVICES	
Prizemoney and other distributions	29,376
Racing expenses	1,848
Race day expenses	436
Local breeders incentive schemes	1,100
Industry insurances	483
RISA expenses	58
Vet expenses	72
Venue expense	495
Greyhound Adoption Program	8
Capital works expense	826
Administration expense	557
Operating lease expense	53
Marketing expense	217
Auditor's remuneration	91
Board expenses	55
Motor vehicle and travel expense	158
Bad debts	(1)
Total	35,832

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	2013 \$'000
5. GRANTS AND SUBSIDIES	
Club sustainability	186
Country racing	185
Industry infrastructure scheme	374
Other	117
Total	862
6. DEPRECIATION	
Buildings and tracks	465
Plant and equipment	66
Total	531
7. EMPLOYEE EXPENSES	
Employee Benefits	
Wages and salaries	1,713
Annual leave expense	141
Superannuation contribution	148
Long service leave expense	29
Employee Related Expenses	
Payroll tax	93
Workcover	19
Other employee related expenses	97
Total	2,239

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

2013
120

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8. KEY MANAGEMENT PERSONNEL

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Queensland All Codes Racing Industry Board during 2013.

Position	Responsibilities	Contract appointment authority	Date appointed to position
Chairperson	Decide the objectives, strategies and policies to be followed by Queensland All Codes Racing Industry Board and ensure it performs its functions in a proper, effective and efficient way.	Appointed by the Governor in Council.	1 May 2013
Member	Decide the objectives, strategies and policies to be followed by Queensland All Codes Racing Industry Board and ensure it performs its functions in a proper, effective and efficient way.	Appointed by the Governor in Council	1 May 2013
Acting Chief Executive	The Chief Executive is responsible for the ongoing management of the organisation in accordance with the strategy, policies and programs approved by the Board. Provides leadership and strategically manages the performance and services delivered through each of the corporate services areas of financial management and compliance, legal, information technology, business analysis, business services and commercial racing development.	Appointed by the board	1 May 2013
General Manager, Operations	The General Manager, Operations, provides leadership and strategically manages the performance and services delivered through facilities development and maintenance, racing program management, industry training and recruitment.	Appointed by the board / Acting Chief Executive	1 May 2013
Chairman of Stewards	Chairman of Stewards responsible for the effective delivery of stewarding and integrity services, including veterinarians and swab officials, and operational stewarding throughout the state and is responsible for policy, strategy and performance under these areas, management of the complaints system and investigations as required, and maintaining the interaction with various levels of government. Other responsibilities include the effective delivery of betting analysis and monitoring of all Queensland TAB races.	Appointed by the board / Acting Chief Executive	1 May 2013

The remuneration policy for the Directors and Chief Executive of Queensland All Codes Racing Industry Board is set by the Governor in Council. The remuneration policy for employees, who are key management personnel, is set by the Board.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employment benefits which include:
 - Base consisting of base salary, where applicable, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the Director or employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income

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- Non-monetary benefits consisting of the provision of a motor vehicle together with fringe benefits tax applicable to the benefit
- Long service leave accrued is the only long term employment benefit provided
- Superannuation contributions are the only post-employment benefits provided.

Position	Short Term Employee Benefit \$	Long Term Employee Benefit \$	Post- Employment Benefit \$	Total \$
Chairperson (QACRIB & QTRB)	9,781	880	-	10,661
Deputy Chairperson (QACRIB)	8,006	720	-	8,726
Deputy Chairperson (QTRB)	2,040	184	-	2,224
Member (QTRB)	2,040	184	-	2,224
Chairperson (QHRB) & Member (QACRIB)	6,550	590	-	7,140
Deputy Chairperson (QHRB)	2,040	184	-	2,224
Member (QHRB)	2,040	184	-	2,224
Chairperson (QGRB) & Member (QACRIB)	6,550	590	-	7,140
Deputy Chairperson (QGRB)	2,040	184	-	2,224
Member (QGRB)	2,040	184	-	2,224
Member (QACRIB)	6,550	590	-	7,140
Acting Chief Executive	47,706	5,128	1,192	54,026
General Manager Operations	30,000	2,700	917	33,617
Chairman of Stewards	36,835	3,165	500	40,500
Total Remuneration	164,218	15,467	2,609	182,294

KEY
 QACRIB - Queensland All Codes Racing Industry Board
 QTRB - Queensland Thoroughbred Racing Board
 QHRB - Queensland Harness Racing Board
 QGRB - Queensland Greyhound Racing Board

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	2013 \$'000
9. CASH AND CASH EQUIVALENTS	
Cash Assets	
Cash at bank and on hand *	3,297
Short term deposits **	7,174
Cash held for infrastructure projects	16,007
	26,479

The value of cash available for use by Queensland All Codes Racing Board for the period ended 30 June 2013 is \$8,618,333.

* Amount includes \$33,063 held in Trust for Apprentice Jockeys by Queensland All Codes Racing Board.

The effective interest rate on short-term bank deposits was 4.08%.

10. TRADE AND OTHER RECEIVABLES

Current	
Trade debtors	6,244
Less: Allowance for impairment loss	(243)
	6,001
Product and program fee receivables	9,180
Race information fees receivable	564
Accrued interest	2
Other receivables	1,130
	16,877

Movements in the allowance for impairment loss for trade receivables

Balance at the beginning of the period	-
Provision transferred to new entity from Racing Queensland Limited on 1 May 2013	(244)
Increase/(decrease) in allowance recognised in the operating result	1
Balance at the end of the period	(243)

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	2013 \$'000
11. OTHER CURRENT ASSETS	
Prepayments	1,254
	<u>1,254</u>
12. AVAILABLE-FOR-SALE FINANCIAL ASSETS	
Unlisted Securities	
- Equity Securities	2,086
	<u>2,086</u>
Unlisted securities comprise an 18% interest in the capital of Racing Information Services Australia Pty Ltd.	
13. PROPERTY, PLANT AND EQUIPMENT	
Land	
At fair value ¹	49,760
	<u>49,760</u>
Buildings and Tracks	
At fair value ¹	53,406
Accumulated depreciation	(465)
	<u>52,491</u>
Plant and Equipment	
At cost ²	2,337
Accumulated depreciation	(66)
	<u>2,271</u>
Work In Progress	
At cost	474
	<u>105,447</u>

- 1 At fair value includes the Land and Buildings transferred to Queensland All Codes Racing Board on 1 May 2013 from Racing Queensland Limited. Independent valuations of all land and buildings were undertaken by AON Valuation Services using 'fair value principles' on 30 April 2013 prior to the transfer to Queensland All Codes Racing Board.
- 2 At cost includes Plant and Equipment transferred to Queensland All Codes Racing Board from Racing Queensland Limited on 1 May 2013 at the carrying value at that date.

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13. PROPERTY, PLANT AND EQUIPMENT (continued)**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current period:

	Land \$'000	Buildings & Tracks \$'000	Plant & Equipment \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 01/05/2013					
Assets transferred 01/05/2013	49,760	53,406	2,318	240	105,724
Additions	-	-	19	234	253
Disposals	-	-	-	-	-
Depreciation	-	(465)	(66)	-	(531)
Carrying amount as at 30/06/2013	49,760	52,941	2,271	474	105,446

2013
\$'000

14. OTHER NON-CURRENT ASSETS

Funding Loan	211
	211

15. TRADE AND OTHER PAYABLES**Current**

Trade payables	1,908
Trade payables attributable to Industry infrastructure plan	267
Sundry payables and accrued expenses	9,735
	11,910

Non-Current

Loan – Equity in RISA Investment	18
	18

Trade payables include invoices payable in the future for goods and services received and invoiced as part of the normal operating cycles of Queensland All Codes Racing Industry Board.

Sundry payables and accrued expenses include amounts payable in the future for goods and services received and not yet billed to the consolidated entity.

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	2013 \$'000												
16. ACCRUED EMPLOYEE BENEFITS													
Current													
Annual leave	945												
Long service leave	439												
	<u>1,384</u>												
Non-Current													
Long service leave	546												
	<u>546</u>												
17. OTHER LIABILITIES													
Current													
Deferred revenue - Fees in advance	2,824												
Industry infrastructure funds received in advance	13,208												
	<u>16,032</u>												
Non-Current													
Deferred grants	287												
Deferred revenue - Fees in advance	-												
	<u>287</u>												
18. DEFERRED TAX LIABILITIES													
Deferred tax liabilities comprise temporary differences attributable to:													
Amounts recognised in other comprehensive income													
Revaluation of property, plant and equipment	119												
	<u>119</u>												
Movements in deferred tax liabilities													
	<table><tr><th>Opening Balance at 01/05/2013 \$'000</th><th>Transferred at 01/05/2013 \$'000</th><th>Closing balance at 30/06/2013 \$'000</th></tr><tr><td colspan="3">Amounts recognised in other comprehensive income</td></tr><tr><td>Revaluation of property, plant and equipment</td><td>-</td><td>119</td></tr><tr><td></td><td>-</td><td><u>119</u></td></tr></table>	Opening Balance at 01/05/2013 \$'000	Transferred at 01/05/2013 \$'000	Closing balance at 30/06/2013 \$'000	Amounts recognised in other comprehensive income			Revaluation of property, plant and equipment	-	119		-	<u>119</u>
Opening Balance at 01/05/2013 \$'000	Transferred at 01/05/2013 \$'000	Closing balance at 30/06/2013 \$'000											
Amounts recognised in other comprehensive income													
Revaluation of property, plant and equipment	-	119											
	-	<u>119</u>											

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19. CONTROLLED ENTITIES

	2013 %
Particulars in relation to controlled entities:	
Queensland All Codes Racing Industry Board	
Controlled entities:	
Queensland Race Product Co Ltd	100.0
Sunshine Coast Racing Pty Ltd	84.6
Rockhampton Racing Pty Ltd	63.8

20. NON-CONTROLLING INTERESTS

Non-controlling interest relates to equity investments held by Sunshine Coast Turf Club Inc in Sunshine Coast Racing Unit Trust (15.4%) and Rockhampton Jockey Club Inc in Rockhampton Racing Pty Ltd (36.2%).

In relation to the Sunshine Coast Racing Unit Trust the non-controlling interests is held by way of units in the unit trust. It is the opinion of the Directors that these units are in the nature of equity and not a financial liability.

Non-controlling interests are reconciled as follows:

	2013 \$'000
Retained Earnings/(Losses)	(43)
Capital Contributions	7,695
Sinking Fund Reserve	7
Total Non-Controlling Interest	7,659

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21. PARENT ENTITY INFORMATION

Parent entity financial statements have not been disclosed. Instead the following limited disclosure in regards to the parent entity, Queensland All Codes Racing Industry Board.
 The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policies described in Note 1.

	2013 \$'000
Current Assets	41,845
Non-Current Assets	98,925
Total Assets	140,770
Current Liabilities	28,460
Non-Current Liabilities	851
Total Liabilities	29,311
Net Assets	111,461
Contributed Equity	119,192
Retained Earnings	(7,731)
Total Equity	111,461
Profit/(Loss) for the period	(7,731)
Total Comprehensive Income for the period	(7,731)

Guarantees

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

Capital Expenditure Commitments

Capital expenditure projects – property, plant and equipment

Total

-

Contingent Liabilities

The parent entity has no contingent liabilities.

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22. CAPITAL AND LEASING 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 All Codes Racing Industry Board.

a) Operating Lease Expense

Car Leasing	26
Computer Equipment	22
Office Equipment	5
Total Leasing Expenses	53

b) Lease Commitments (Non-Cancellable Operating Leases—Future Minimum Lease Payments)

Payable Within 1 Year	338
Payable 1 – 5 Years	142
Total Lease Commitments	480

c) Capital Commitments

Capital expenditure projects – property, plant and equipment	232
Total Capital Commitments	232

23. CONTINGENT ASSETS AND LIABILITIES

Contingent Assets - Group

Nil to report.

Claims

Nil to report.

Guarantees

Nil to report.

24. POST BALANCE DATE EVENTS

Racing Queensland is currently before a Commission of Inquiry which, by Order in Council (dated 23 May 2013) commenced on 1 July 2013. The Queensland All Codes Racing Industry Board trading as Racing Queensland has been granted leave to appear before the Commission and is currently responding to Notices issued by the Commissioner for the provision of information, documents and witness statements.

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Certificate of Queensland All Codes Racing Industry Board
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CERTIFICATE OF QUEENSLAND ALL CODES RACING INDUSTRY BOARD

These general purpose financial statements have been prepared pursuant to s.62(1)(a) of the *Financial Accountability Act 2009* (the Act), s43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects
- b) The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland All Codes Racing Industry Board (Racing Queensland) for the period 1 May to 30 June 2013 and of the financial position of Racing Queensland as at the end of that year.



Darren Condon
CHIEF EXECUTIVE OFFICER

DATE 27/8/13



Kevin Dixon
CHAIRMAN

DATE 27/8/13

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland All Codes Racing Industry Board

Report on the Financial Report

I have audited the accompanying financial report of Queensland All Codes Racing Industry Board, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period 1 May 2013 to 30 June 2013, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman and Chief Executive Officer of the entity and the consolidated entity comprising the board and the entities it controlled at the year's end or from time to time during the financial year.

The Board's Responsibility for the Financial Report

The board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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.

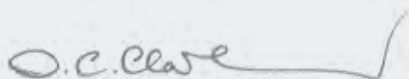
Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Queensland All Codes Racing Industry Board and the consolidated entity for the period 1 May 2013 to 30 June 2013 and of the financial position as at the end of that period.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.




O C CLARE FCPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

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