

# ANNUAL REPORT FOR QUEENSLAND ALL CODES RACING INDUSTRY BOARD

2013/14



# Annual Report for Queensland All Codes Racing Industry Board 2013/14

ISSN 2202-4409

## Purpose of the report

This annual report details the financial and non-financial performance of the Queensland All Codes Racing Industry Board trading as Racing Queensland from July 1, 2013 to June 30, 2014.

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](mailto:info@racingqueensland.com.au).

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

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September 2014

August 29, 2014

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

Dear Minister

**RE. ANNUAL REPORT 2013/14 FOR THE QUEENSLAND ALL CODES RACING INDUSTRY BOARD**

I am pleased to present the Annual Report 2013-2014 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 44 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 second 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. As such, this past year was our first full year of operation.

This year has undoubtedly seen a significant change to the administration of racing in Queensland with the four boards (All Codes Board and the three Code Boards) working together to lead racing into the future.

The financial year of 2013/14 is, in my view, best reviewed in two distinct parts. The first part July 1, 2013 to June 28, 2014, saw the industry going about its work in much the same way as the previous year, whilst holding its collective breath in regard to the future.

The second part of the year was the two days 29-30 June 2014, in which the industry turned overnight from one which was full of potential but without the means nor security to realise that potential, into one that was well able to celebrate the future with confidence.

The event which delivered this complete turnaround was our agreement with the Tatts Group on a new funding deal that delivered immediate benefits as well as 30 years of certainty. I would be remiss if I did not acknowledge Tatts for the professional and deliberate way that they approached our negotiations. It was clear from the outset that Tatts viewed the racing industry in Queensland as fundamental to their own future and prosperity. In the end, this allowed us to develop a deal that not only

benefited racing significantly, but also allowed Tatts to prosper and thus deliver even more benefit to us in the future. Our deal is based on the fundamental of mutual sharing of market and revenue growth. It displays the true spirit of a partnership for the betterment of the industry.

In addition, Racing Queensland is working closely with the new electronic based wagering operators to ensure they also pay a fair and equitable fee for the use of our product.

As I write this report, Racing Queensland is preparing for the beginning of a new financial deal for our participants. This new deal represents a fair and appropriate return for the efforts made by the industry participants, as well as balancing these returns with the sustaining of the breadth of our industry in Queensland.

As I, and other members of the Board, travel through Queensland, talking with participants, there is little doubt that the industry overwhelmingly values the breadth of our industry. In each of our three codes we have designed a mix of racing that competes and is relevant at the highest level in Australia, but at the same time retains our roots and origins.

In its 2013/14 financial report Racing Queensland recorded a net operating loss of \$4.4 million. This loss was generated as a direct result of maximising returns to participants in the year. With a confidence that by years end we would have a new more effective financial model in place, Racing Queensland operated throughout the year determined to return every possible dollar to industry. We did this by calling on all our financial reserves. It was a make or break year, and fortunately it ended with celebration.

We should not, though, gloss over the achievements in this year. Through ensuring that each of our codes' racing programs were delivered, we saw prize money and bonus payments actually paid to participants increase by \$3.5 million year on year. Whilst there was little headline increases in that year, by being diligent about delivering the program, we ensured that we could maximise returns.

The future though, is much more robust with certainty around revenue streams and enhanced abilities to deliver increases in revenue across all codes and to all stakeholders.

We are also very pleased with the progress made this year in relation to infrastructure projects. In particular, we have seen work start in relation to primary venues in each code. Major works have now begun at Eagle Farm, Cronulla Park (Logan), and Albion Park. These works will ensure that not only are nationally competitive rewards provided by our racing schedule, but also that our facilities are the envy of other racing jurisdictions.

Racing Queensland is determined that we will not stand still. Our exciting rejuvenation programs in regard to Country racing, which begun in 2012, are continuing and are again funded in this next year.

In addition, Racing Queensland is conscious of the need for constant innovation in our industry. One such example of very successful innovation has been the introduction of our grass harness racing series.

Over the coming year our focus will be on delivering the benefits that our new circumstances promise. We will progressively roll out funding initiatives that will touch every corner of the industry, in

every corner of the State. Notwithstanding this, customer service, containing costs, and improving product and service delivery will remain key planks of our operations.

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

I would like to thank our Chief Executive Officer Darren Condon, our management team and all our staff for the focus and commitment they have steadfastly delivered.

Finally, I extend my thanks, to all board members, for their hard work and commitment, especially in the many times of uncertainty.

**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 & program mix; and
- Providing an effective and efficient system for the distribution of prizemoney.

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







# OUR VISION, MISSION AND VALUES

## Vision

Racing Queensland is a premier sporting body representing our three racing codes: greyhounds, harness and thoroughbreds. We invest in our people to realise their potential by offering high-class learning and development programs and career opportunities. We have a reputation for support and success that people want to be a part of, which makes us an employer of choice. Our industry creates sporting heroes and legends.

Racing Queensland provides the best training, stabling, racing and facilities in the country. Through our people, we set the standard for integrity in wagering, racing and the industry as a whole. We are seen by all sports as the blueprint for how to conduct successful business with integrity. Through collaboration with our partners, we deliver an exciting, innovative and continuously evolving racing product.

We set the standard worldwide in the humane treatment of our animals and champion their welfare. We treat our animals, which our sport is totally dependent on, with the same respect and dignity we treat all our sporting legends.

We do this because racing in Queensland is part of the fabric of our vibrant community, which genuinely supports and enhances all its members. It is a community that is inherently beneficial and one that people are proud to be a part of.

## Objectives

Racing Queensland's strategic plan identifies eight core strategic objectives, each of which is linked to the key performance indicators (KPIs) of all staff at Racing Queensland.

- **Building passion for our sport -**  
Broaden the appeal of racing; grow the fan base and increase attendances.
- **Creating a compelling racing product -**  
Create high intensity racing programs that optimise attendance and wagering outcomes.
- **Increasing and diversifying revenue -**  
Use research and technology to drive change within the wagering industry and deliver exciting wagering propositions. Find alternative revenue streams to reduce reliance on government funding.
- **Becoming a data-driven technology-led industry -** Use technology and data insights to make informed decisions on behalf of the industry. Deliver racing content to new audiences and satisfy ever-evolving consumer needs through research and innovation.
- **Championing animal welfare -**  
Expand welfare education programs and further develop guidelines for breeding, training and competition. Increase intelligence capability and share information with other welfare groups.
- **Investing in infrastructure -** Continue to invest in infrastructure to create modern 21st Century race courses, multi-purpose sports stadia and entertainment precincts that the industry can be proud of and customers want to visit.

- **Celebrating our people -** Nurture our organisation and an industry that is people-led. Create a culture for success through recognition and rewards.
- **Upholding integrity -** Ensure the Queensland racing industry operates with integrity at all times. Build our intelligence capability and strengthen our grip on non-compliant activity

## 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.

## Values

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

- **Professional and ethical** – We will at all times be professional and ethical in our dealings with stakeholders and colleagues
- **Result-oriented** – 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 strive to serve our customers with excellence
- **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:

- Maintaining adequate insurance cover
- Managing sustainable growth.
- Effectively reduce animal welfare issues within the industry.
- Maintaining a compelling racing product
- Securing infrastructure funding for the industry.
- Changing political environment resulting in changing priorities for the Industry.
- Turnover of industry participants impacts on product.

## Our future direction

Racing Queensland has published its strategic objectives in its strategic plan, which 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.

## 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. 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 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 its progress in achieving its objectives, while ongoing risk management processes assist in evaluating and managing the uncertainties faced by our 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.

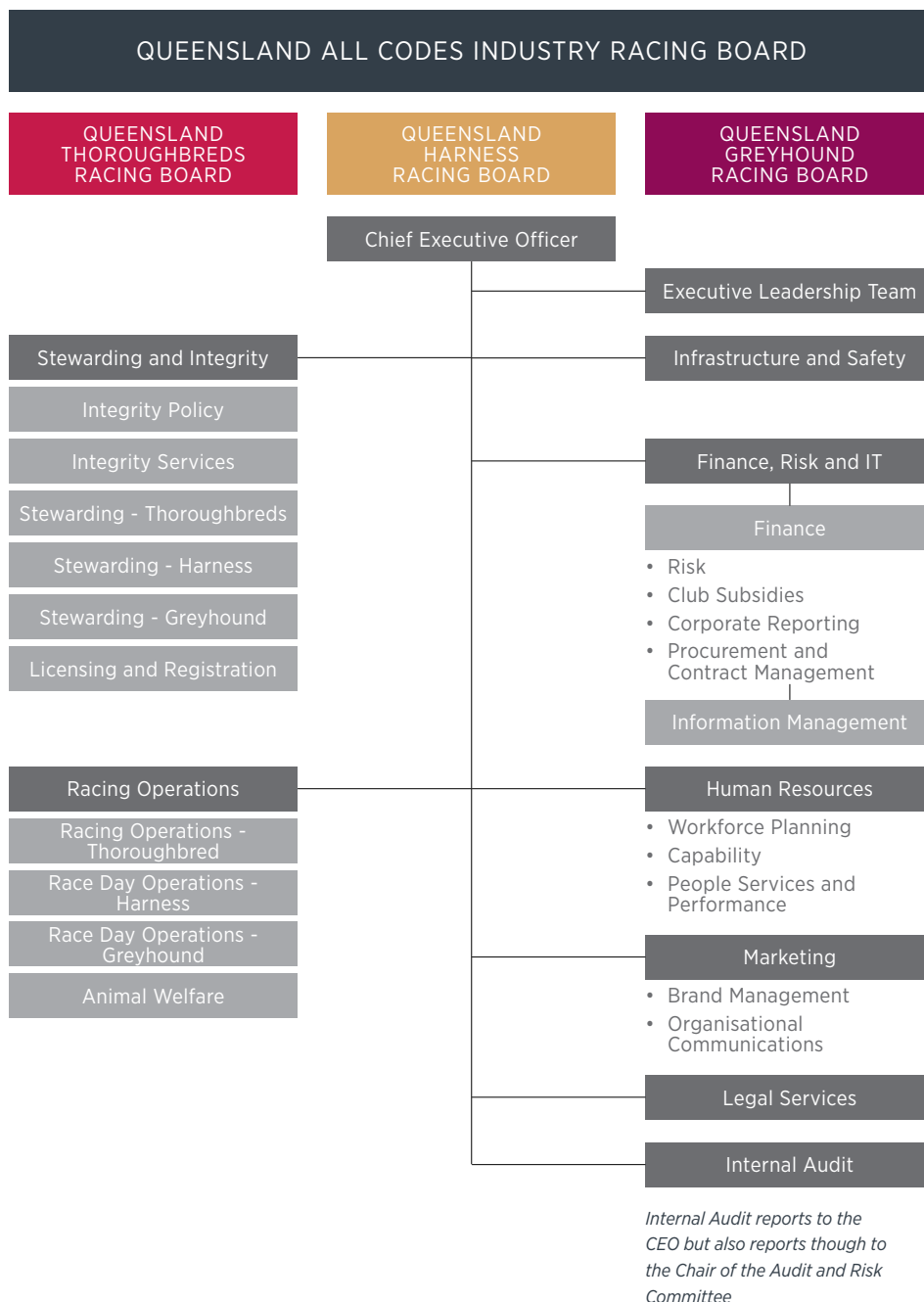
Racing Queensland and the control boards collectively oversee the strategic direction of racing for all codes in Queensland.

The 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* (Qld). Under section 9AI(3) of the Racing Act, a member appointed by the Governor in Council is to be appointed for a term of not more than three years. Members 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 comprise three members.

The appointment of members to a control board is governed by section 9BW of the *Racing Act 2002* (Qld). Each member of a control board is appointed for an initial term of three years. Section 9BW(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 9BW(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 (ss9BW(3)).

## Composition of the control boards and Racing Queensland board

### 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

\* Mr Barry Taylor and Mr Brad Steele resigned their positions in May 2014.

# EXECUTIVE PROFILES

## Chief Executive Officer **Darren Condon**

Darren Condon was appointed to the role of Chief Executive Office in August, 2013. Darren leads Racing Queensland in advising the All Codes Racing Industry Board in the effective strategic administration of thoroughbred, harness and greyhound racing across Queensland. Darren holds a position on the Australian Racing Board and is also an alternate director for Harness Racing Australia. Darren was previously the Chief Operating Officer for the Brisbane Racing Club before joining Racing Queensland and has previously held roles with Amalgamated Holdings Limited and Birch Carroll and Coyle.

## Chief Financial Officer **Adam Carter**

Adam Carter leads and directs the financial, risk and IT services of Racing Queensland. Adam has been with our organisation for over 10 years and has previously acted as the CEO from March 26, 2012 to July 31, 2013. Adam is also responsible for policy, strategy and performance across the three codes of racing for the following areas and services: Information technology, prizemoney distribution, risk and compliance, commercial and industry analysis, industry insurances, and club subsidy distribution.

## General Manager Racing Operations **Declan Martschinke**

Declan Martschinke leads the racing operations section which works with clubs across the three codes of racing. Racing Operations aims to develop the most innovative and 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 breeder's 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 and the provision of handicapping services across the codes to the state.

## Human Resources and Training Manager **Karen Green**

Karen Green joined Racing Queensland in November 2013 to establish and lead the implementation of strategic human resources practices across our business. Karen has a lengthy background in the public sector environment leading HR and business change initiatives. This role is responsible for workforce planning, organisational design, people management practices and workforce capability and development across the Industry.

## Registered Training Organisation Manager **Gabrielle Passlow**

Gabrielle Passlow is responsible for industry training and workforce development strategies for all racing codes. Appointed to the position of RTO Manager in March, 2014, Gabrielle has operated as a consultant to the Vocational Education and Training Sector on State and Commonwealth industry skills development projects and has extensive knowledge of National Accredited training system. The role assumes responsibility for administration, compliance and implementation of all accredited training and the management of broader industry workforce and training initiatives for all three racing codes.



### General Manager Infrastructure and Safety **Warren Williams**

Warren Williams leads this operational department of Racing Queensland for the rollout of the Industry Infrastructure Strategy (IIS) projects, rolling capital works program, preferred standards for all three codes and Industry safety as a whole. The strategy for Infrastructure group will be to create modern, multi-purpose sports stadia and entertainment precincts that the industry will value and enjoy.

### Marketing Manager **Tracy Grierson**

Tracy Grierson is responsible for the marketing strategy of Racing Queensland. Appointed in April 2014, Tracy previously held a number of roles including marketing manager at Brisbane Racing Club, Honorary Teacher at University of Liverpool and Head of Marketing at Everton Football Club. This role assumes responsibility for the presentation of Racing Queensland, and the industry's three racing codes, to its constituents and the wider public.

### General Manager Strategy and Corporate Counsel **Samuel Adams**

Samuel Adams is Racing Queensland's General Counsel and Head of Strategy (commencing in July 2014). In this role, Samuel is responsible for legal matters involving Racing Queensland, advising the boards and the organisation on legal issues and leading the development and implementation of Racing Queensland's strategic plan. Samuel has over 10 years' experience as a lawyer, having worked at top tier and Magic Circle firms in Australia and the United Kingdom. Samuel was a director of the Brisbane Racing Club between August 2009 and June 2014.

### Internal Audit Manager **Michael Campbell**

Michael Campbell joined Racing Queensland as our internal auditor in March 2014, from the Queensland Audit Office where he had over 10 years' experience auditing Public Sector entities. Michael's role forms an important part of our corporate governance framework and he is responsible for providing an independent appraisal and advisory service to the CEO and the Queensland All Codes Racing Industry Board. Reporting to the CEO and the Audit and Risk Committee (ARC), Michael is also responsible for developing Racing Queensland's rolling three year and annual internal audit plans, executing the approved annual audit plan, reporting audit findings and recommendations to the Audit and Risk Committee and monitoring the implementation of all audit recommendations.

### General Manager Integrity and Stewarding Operations **Wade Birch**

Wade Birch is responsible for the effective delivery of integrity services to the Queensland racing industry. Wade's role is to ensure there is effective interaction between all areas of the Integrity Department for the purpose of providing the highest level of integrity services to the industry's participants and its supporters. The recently restructured Integrity Department is made up of the operational steward's panels, Integrity Regulatory Unit, Betting Compliance and Monitoring Division, Veterinary Services Division and Licensing and Registrations Division. Wade is also accountable for the strategic direction of the department and bears the responsibility of ensuring the department has the capacity to adapt and combat emerging risks to the integrity of the Queensland racing industry. To ensure there is a clear separation between the commercial and integrity arms of Racing Queensland, Wade is required to report directly to the Racing Integrity Commissioner on all matters affecting the integrity of the Queensland racing industry. Wade is also required to maintain effective relationships with various levels of government and is responsible for implementing recommendations from the Racing Animal Welfare and Integrity Board and those arising through Government audit processes.

# 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.

Racing Queensland has implemented and reviewed human resource policies to enable 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

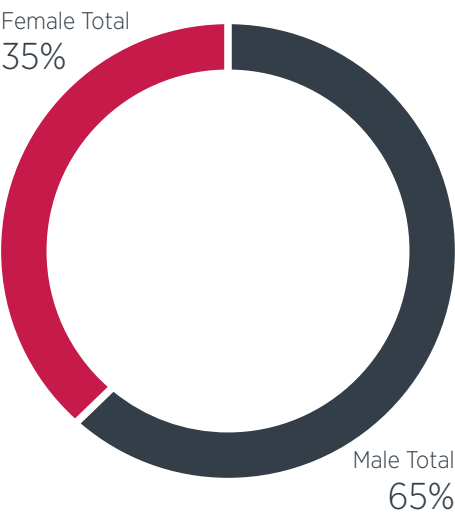
- 142 full-time equivalents
- 35% of our workforce is female
- 6% are part time employees
- Average number of service years is 14
- Permanent separation rate is 28%

## Workforce planning, attraction and retention

Racing Queensland has increased its focus on workforce planning and implemented a number of key initiatives to enhance workforce readiness and agility for the business. These included:

- Organisational review and alignment of roles and positions to support improved functions and business processes. This provided increased visibility of occupational skills and identification of critical needs.
- Improved recruitment processes with a focus on building workforce capability and addressing critical roles
- Increased focus on the performance management process to support a greater emphasis on discussions with employees and their managers about performance. This will assist in providing effective information that is critical to the ongoing development, implementation and revision of workforce planning strategies.

## Gender in the workplace



Racing Queensland offers a number of non-salary benefits to attract and retain staff including access to flexible leave arrangements, employee assistance programs, study assistance and professional development options.

## Promoting work-life balance

Racing Queensland employees continue to benefit from the organisation's flexible work arrangements, enabling continued support of work-life balance arrangements, including part-time and job share opportunities, telecommuting and flexible working hours. Information and advice on working hours and flexible options are readily accessed through the HR advice and policy and internal communications.

## Workforce performance and development

Racing Queensland is committed to assisting employees to understand their responsibilities and to realise their potential both in terms of personal development and their level of service to the organisation and racing industry. The business engages in performance management and coaching with the business performance appraisal cycle and the executive leadership and management coaching program. This program, underpinned by the performance management policy assists staff in achieving a culture of ongoing and continued performance coaching, planned performance development to meet organisational needs and career planning. This area will remain a core focus for the business in the coming year.

# 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.

## 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 Corruption Act 2001*.

## Governance

Each accountable officer and statutory body must ensure a governance framework appropriate for 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 the Public Sector Ethics Act 1994, Section 4 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 fulfills its legislative responsibilities. These groups are:

- Executive Leadership Team
- Audit and Risk Committee
- Workplace Health & Safety Committee
- Licensing Committee
- Human Resources & Remuneration Committee
- Oncourse Fielding Incentive Scheme Committee
- Industry Infrastructure Strategy Control Group
- Race Information Group

## Risk Management

Racing Queensland considers the development and welfare of the racing industry and the protection of the public interest through its risk management policy and processes.

Racing Queensland has taken a pro-active approach to risk management and ensures appropriate mitigation strategies are established to protect the industry from any adverse event or circumstance. Risk management provides for improved planning and performance, minimise losses, improved decision making and enhance Racing Queensland reputation.

Through understanding the risks affecting the industry, Racing Queensland can establish mitigation strategies such as its Insurance Program which provides suitable cover for any losses and/or injuries for industry participants. Racing Queensland continues to review these policies, ensuring value for money is obtained without compromising the benefits for the industry.

## Frequency of meetings of the control boards and Racing Queensland board

### Queensland All Codes Racing Industry Board

Member	Number Held	Number Attended
Mr Kevin Dixon	29	29
Mr Brad Steele	25	24
Mr Barry Taylor	25	21
Mr Michael Byrne	29	26
Mr Greg Hallam	29	27
Mr Warwick Stansfield	2	2

### Queensland Thoroughbred Racing Board

Member	Number Held	Number Attended
Mr Kevin Dixon	12	12
Mr Michael Kelly	12	10
Mr Peter Boyce	12	11

### Queensland Harness Racing Board

Member	Number Held	Number Attended
Mr Brad Steele	12	12
Mr Warwick Stansfield	13	11
Mr Greg Mitchell	13	11

### Queensland Greyhound Racing Board

Member	Number Held	Number Attended
Mr Michael Byrne	15	15
Mr Steve Hawkins	15	13
Mr Chris Williams	15	15

## Executive Leadership Team

The Executive Leadership Team oversees Racing Queensland's strategic direction and performance. The group is assisted by the Audit and Risk Committee and other governance groups. The Executive Leadership Team's role is to oversee:

- Administration of the rules of racing;
- Implementation of sound policies;
- Establishment and maintenance of standards of safety and integrity;
- Licensing of industry participants;
- Licensing of race clubs and venues and 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.

## Audit and Risk Committee

The Audit and Risk Committee was 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;
- Risk management;
- Internal control environment;
- Internal audit – approve the annual Internal Audit Plan and monitor its implementation and findings;
- External audit – consult in relation to

audit plans and fees, monitor findings and implementation of recommendations;

- The organisations 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 financial management to accepted business “best practice”, and;
- Investment oversight.

The members of the Audit and Risk Committee are shown in the following table:

Name	Role	Remuneration *
Barry Taylor**	Chairman	Nil
Greg Hallam	Deputy Chairman/Chairman	Nil
Brad Steele**	Member	Nil
Michael Byrne	Member	Nil

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

\*\* Mr Barry Taylor and Mr Brad Steele resigned their positions in May 2014.

### Frequency of meetings

Member	Number held	Number attended
Barry Taylor*	6	2
Greg Hallam	6	6
Brad Steele*	6	4
Michael Byrne	6	3
John Falvey **	6	1
Warwick Stansfield **	6	1

\* Mr Barry Taylor and Mr Brad Steele resigned their positions in May 2014.

\*\* Mr John Falvey and Mr Warwick Stansfield resigned their positions in August 2013

## Internal Audit

Racing Queensland contracted out the Internal Audit function for the majority of the 2013/14 financial year, to KPMG and from March 2014 operated as a "co-source model". In March 2014, as part of an internal restructure, Racing Queensland appointed Mr Michael Campbell to the position of Internal Auditor bringing with him over ten years' experience in auditing Public Sector Entities in Queensland.

Internal Audit is an integral part of Racing Queensland's corporate governance framework and was established to provide an independent appraisal and advisory function to the CEO and the Queensland All Codes Racing Industry Board. Responsibilities also include providing assessment and evaluation of the effectiveness and efficiency of financial and operating systems, compliance and reporting processes and activities.

The Internal Auditor retains an independent and direct reporting relationship to the Chairperson of the Audit and Risk Committee.

An Internal Audit Charter has been developed which defines the purpose, responsibilities and function of Internal Audit. The Charter was developed, as required by the *Financial and Performance Management Standard 2009*, and is consistent with accepted auditing and ethical standards, including the International Professional Practices Framework approved by the Institute of Internal Auditors and the Auditing and Assurance Standards Board.

Internal Audit worked to the annual audit plan, approved by the Audit and Risk Committee. A risk based approach was applied in developing the annual audit plan, whilst maintaining an appropriate balance with review of core business processes. Internal Audit reported quarterly, and as required, on the outcome of audits undertaken, progress in relation to the annual plan and the implementation of audit recommendations.

The most significant learning's for the 2013/14 financial year were in the following areas:

- Procurement
- Contract management
- Race Club governance, operations and management

A three-year strategic Internal Audit Plan (2014/15 to 2016/17), incorporating the 2014/15 annual audit plan was also developed.

## Workplace Health & Safety Group

Racing Queensland is committed to ensuring a healthy and safe workplace for all workers 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-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.

## Licensing Committee

The Licensing Committee was established by the 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 from within 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 CEO and Board informed of its actions through monthly licensing reports.

## Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee was established by the 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 Human Resources (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 to periodically undertake a review of HR practices. The committee also considers concerns of employees, stakeholders and the Government. The Board has delegated this function to the CEO.

## Oncourse Fielding Incentive Scheme Committee

The purpose of the Oncourse Fielding Incentive Scheme Committee is to manage the internal “end to end” process of the Oncourse Fielding Incentive Scheme by Racing Queensland.

There are three categories of eligibility under the Scheme being:

1. Racecourse facilities – Licensed Clubs are eligible to apply for assistance to establish and maintain facilities at racecourses such as the bookie stand area, TV monitors, and power and communications connections.
2. Oncourse bookmaking – licensed wagering operators are eligible to apply for assistance to conduct oncourse bookmaking activities.
3. Specific Initiatives – Industry participants, including licensed clubs or licensed wagering operators, are eligible to apply for assistance for specific initiatives aimed at assisting in the development of vibrant and valuable oncourse activities in Queensland.

## Industry Infrastructure Strategy Control Group

The purpose of the Industry Infrastructure Strategy Control Group is to manage the internal “end to end” process of individual industry infrastructure projects being implemented by Racing Queensland as part of its Industry Infrastructure Strategy (IIS). The duties and responsibilities of Group are to:

- Oversee the contract tender process;
- Approve tenderers and claims;
- Consent to the provision of documents;
- Report to the Queensland Government;
- Manage Audit Reports;
- Develop business cases for each IIS Project and seek Board approval prior to submission to the Queensland Government;
- Provide monthly reports to the Board and request for Board approvals on variances to budgets and programs, and;
- Adhere to the requirements of the funding agreements between Racing Queensland and the Queensland Government.

## Race Information Group

The purpose of the Race Information Committee is to manage the internal “end to end” process of Queensland Race Information (QRI). The Queensland Government has passed the *Revenue and Other Legislation Amendments Act (No. 2) 2008 – Part 13 Amendment of Racing Act 2002* (Race Information Legislation) and Regulations to the Race Information Legislation in relation to the use of QRI (as defined in the Race Information Legislation).

The Race Information Legislation is contained in Chapter 3, Part 6 of the *Racing Act 2002* (Qld). The Race Information Legislation requires all licensed wagering operators (as defined in the Race Information Legislation) proposing to use QRI to be authorised to use such information by Racing Queensland. The duties and responsibilities of the Committee are to:

- Approve wagering operators’ use of QRI;
- Ensure that all wagering operators using and/or proposing to use QRI are authorised to use such information;
- Ensure that all authorised wagering operators are submitting monthly forms, data is captured and subsequent invoicing and debt recovery is being achieved in an accurate and timely manner, and;
- Report to the Board on a monthly basis.

## Open data

In line with the Queensland Government’s Open Data initiative, Racing Queensland has developed an Open Data Policy and publishes a wide range of data to interested parties as part of this.

## Information systems and recordkeeping

Racing Queensland is working 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 continue to work with the State Archivist to adapt the current schedule to apply to all racing agencies to put in place retention and disposal schedules covering the entire industry.

Racing Queensland regularly reviews 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

It is with great pleasure that I present the first full year Annual Report for Racing Queensland. The tri code body had a strong first year as shown by our numbers, with many highlights and many changes to the structure of the business to meet the demands of a growing entity.

It is a pleasure that we have been able to increase returns to participants by increased prizemoney, as shown later in the report. Across all three codes, we were able to deliver high level returns to participants in a year where there were many other challenges for the business.

The Commission of Inquiry received full support from Racing Queensland and the outcomes from that inquiry will stand the business in strong stead for future years. The negotiation of our wagering deal, which provides certainty and sustainability for the industry, will be a highlight for many many years to come. Our participants and stakeholders now have a guaranteed revenue for the next 30 years which will continue to grow across the life of the \$4.5 billion dollar deal, with an average of \$28.3 million dollar increase per annum as a worst case scenario. It stands the Queensland racing industry in a very strong position to take itself forward provided it can grab the opportunity that exists before it. Further, the increase in race information fees – where Queensland was the market leader – will also return approximately \$7 million to the industry in increased revenue. In a tough year fiscally we received great support from our industry stakeholders, highlighted by the Queensland Jockeys Association forgoing their riding increase

in season 2013/14 to support the industry in anticipation of the new wagering deal being completed. This is a great sign of cooperation and something that will be required for the industry to receive the fullest benefit in the future. However, we were able to increase a number of other areas for our jockeys with the death and disability benefit improved and increased insurance for jockeys' second jobs. The thoroughbred code performed incredibly well with our participants competing well across the country, and more importantly driving a strong business in Queensland. The country clubs showed significant signs of improvement under a structure, which is supported now and provides certainty for the future. Clubs like Yeppoon, Oak Park, Longreach and many others also hosted significant race days throughout the year. In North Queensland, the Cairns Amateurs were again a highlight as was the Townsville Cup meeting. Unfortunately we struck some challenges at our Mackay Turf Club, however Racing Queensland has moved swiftly to ensure racing will continue in this market and will continue to review the way forward for the Mackay Turf Club to ensure the best outcome for the industry in the future.

Our Thoroughbred Carnival was a tremendous success once again with Queensland participants this year dominating the carnival. The performances of Spirit of Boom in the Doomben 10,000 and River Lad in the Stradbroke Handicap truly showed that Queensland racing is on the up and will continue to grow in coming years and meet the challenges of our Interstate

and New Zealand rivals. Unfortunately, wagering turnover through TattsBet was down on our thoroughbred code, however, as we continue to grow our compelling product, our strong belief is that this will turn around in the ensuing years.

A key restructure at our training department across the year has seen both a much more structured view of training and an improvement of the quality of our apprentice rider group, that will continue into the future. Training is a key platform for the success of Racing Queensland and must be delivered across all three codes as a future attraction to participants, and also for retention of participants. In particular, the form of the apprentices this year has been outstanding as we have dealt with the challenges of having to downgrade some apprentice licenses, while also developing them into being ambassadors for the sport, and more importantly quality jockeys to deliver our compelling racing product.

Our QTIS program had its most successful year with horses winning QTIS races achieving the greatest outcome in its history and distributing more funds through QTIS than any year previously. The Magic Millions Carnival continued to be a success and our partnership with the Magic Millions Company will be something that Racing Queensland looks to continue to grow and develop in future years.

Harness racing improved its connection with regional communities through the development of a grass track trotting program to complete a renaissance of



sorts for the initiative. With meetings conducted in Toowoomba, Kilcoy and Beaudesert that were well received by the public, this concept will continue into the future. The reintroduction of harness racing at the Brisbane Exhibition will be another key platform we can use to connect the sport with a new audience and develop its future. The growth of our junior participants in this sport gives a strong indication that the future is bright. Many of the up and comers are joining a program known as the Young Guns, where they are being mentored and strongly supported by Kevin Seymour. I would like to personally thank Kevin for his support on this program. The future development of the outlay has been a challenging process as we look for a new venue for the Gold Coast Harness Racing Club, however Racing Queensland remained committed to this process, working through the issues and continuing to drive forward on this plan.

Covering both the harness and thoroughbred codes, Racing Queensland also implemented the program subsidising the Hendra Virus vaccine to improve the number of horses that are vaccinated across both codes to ensure the safety of its participant's right across the group. Prizemoney increases were also delivered to harness racing throughout the year, which was helped by the significant support we received from the industry.

Greyhound racing continued to prosper and show that it is truly the 2020 of racing with growth in its awareness right across the state, particularly thanks to great events run at Ipswich and the

Brisbane Greyhound Club. Welfare continues to be a major focus for Racing Queensland across all its animal participants, in particular the Greyhound Adoption Program, which has been a significant contributor to our welfare program. This year, we were also able to make multiple prizemoney increase announcements in the greyhound racing code, which were well received by participants, particularly the \$40 appearance fee which is now paid to participants' right across the state wherever they race.

I'm particularly proud of the restructure that was conducted at Racing Queensland, putting in key roles to meet the demands of the future for our business and drive its success. I particularly thank my team for their hard work in delivering the restructure in what has been a great first year for the business. I'd like to thank the Board for their contribution and key direction in driving the business forward, and the many hours they put in to ensure that Racing Queensland thrives.

We were again very well supported by the Government throughout the year, particularly through their support during the negotiation of the wagering deal and their willingness to concede on key points to ensure the best outcome for the racing industry. This is something that is very much appreciated by our organisation.

The continued delivery of our industry infrastructure strategy has also been an important facet of the business – both for the industry's future and for Racing

Queensland. This year's key projects were the completion of stage one of the Gold Coast Turf Club development, which opened for Melbourne Cup Day, as well as the new track at Toowoomba. We have also announced the long awaited and much anticipated new course at Eagle Farm, phase two at the Gold Coast Turf Club and the new Townsville Track. Additionally, the announcement of the development of the grandstand at Albion Park for both greyhound and harness Racing and the Logan one turn greyhound track will ensure another big year of infrastructure projects. For our greyhound participants, the Logan track will be an absolute bonus to the industry, which has been demanding a one turn track for some time. These key initiatives of the Industry Infrastructure Strategy are vitally important.

## Wagering

Total wagering revenue generated \$145.4 million in the 2013/14 financial year, which is a decrease of 0.2% on the prior year and in line with budget. Total Wagering is represented by Tattsbet product and program fee revenue and race information fee revenue less race information fees deduction.

With more TAB races and meetings run compared to the prior year, prizemoney and returns to the industry increased 3.3% across the three codes.

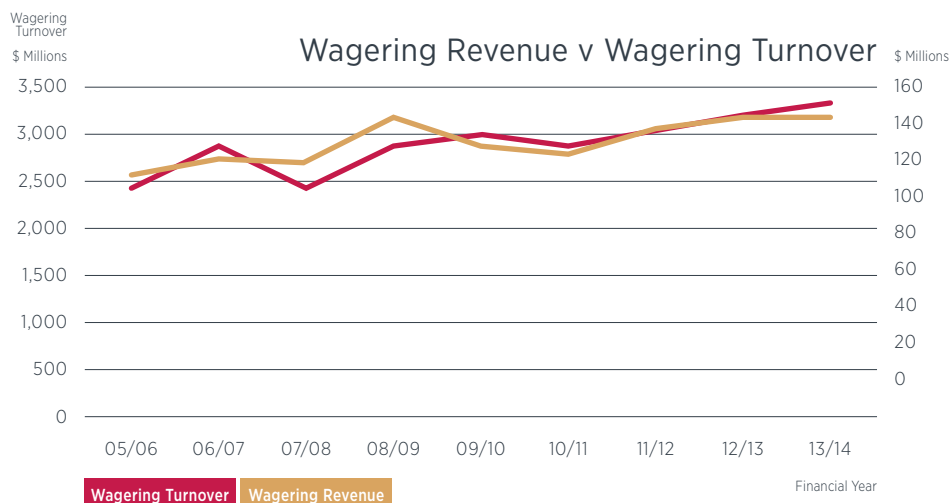
The 2013/14 financial year saw overall Queensland wagering turnover increase by 5.1%, on the prior financial year, to \$3.33 billion, with total wagering revenue decreasing by 0.2% or \$350,000.

Total Queensland wagering turnover for thoroughbreds decreased 0.8% or \$19 million on the prior financial year despite seven more TAB meetings being held than in 2012/13 with total wagering revenue decreasing by 1.3% or \$1.4 million.

Total Queensland wagering turnover for harness increased by 15.9% or \$56.3 million on the prior financial year with 25 more TAB meetings being held than in 2012/13 with total wagering revenue increasing by 2.7% or \$388,000.

Total Queensland wagering turnover for greyhounds increased by 18.8% or \$85 million on the prior financial year with 34 more TAB meetings being held. Wagering revenue increased by 3.3% or \$682,000.

For the 2013/14 financial year, there was a decline in all wagering turnover through Tattsbet Queensland operations of 2.23%, with a 0.4% decline in Queensland only wagering turnover, which has resulted in a lower than budgeted revenue return and a decrease in relation to the prior financial year.



With overall Tattsbet wagering turnover decreasing 2.23%, and the continued growth in fixed odds wagering product uptake by customers a decline in product and program fees received resulted.

The combined impact of lower wagering turnover and an increase in fixed odds wagering in the 2013/14 financial year, resulted in a reduction in gross product fees from Tattsbet to Racing Queensland of \$4.5 million or 3.3% (excluding deduction of overseas fees) on the prior financial year.

With fixed odds wagering products offered by Tattsbet, in addition to the traditional pari-mutuel wagering products, there has been a rapid growth in the share that fixed odds wagering represents in the overall wagering turnover through the Tattsbet Queensland operations.

For the 2013/14 financial year there

has been a rapid increase in fixed odds wagering turnover, which represented 32.8% of all wagering and 36.1% of Queensland wagering, increasing by 17.3% on the prior financial year.

This growth in fixed odds turnover also had an impact on the revenue generated as the fixed odds product return is determined by the relative success of the wagering client and is therefore more susceptible to fluctuation in returns. Traditional pari-mutuel wagering returns are determined on a take-out rate, with a 39% share distributed to Racing Queensland from the betting pool, and so is not impacted by the win or loss of the wagering client.

## Race Information Fees

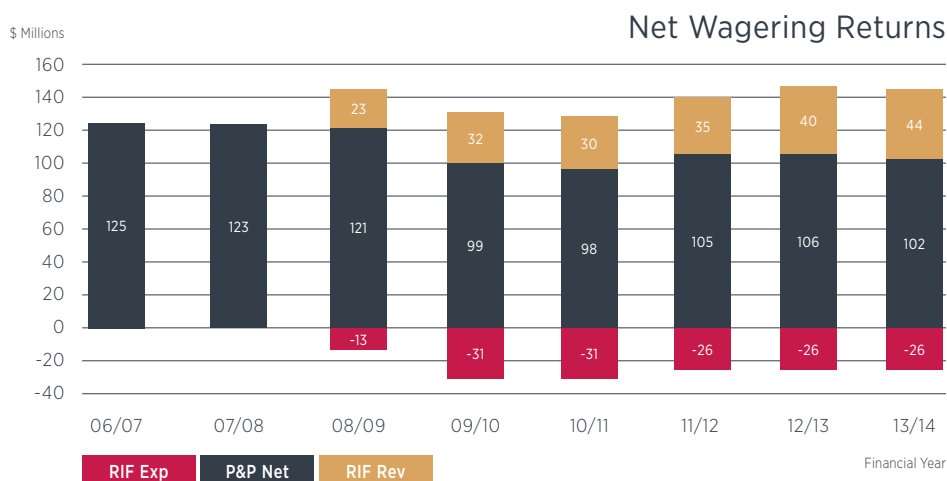
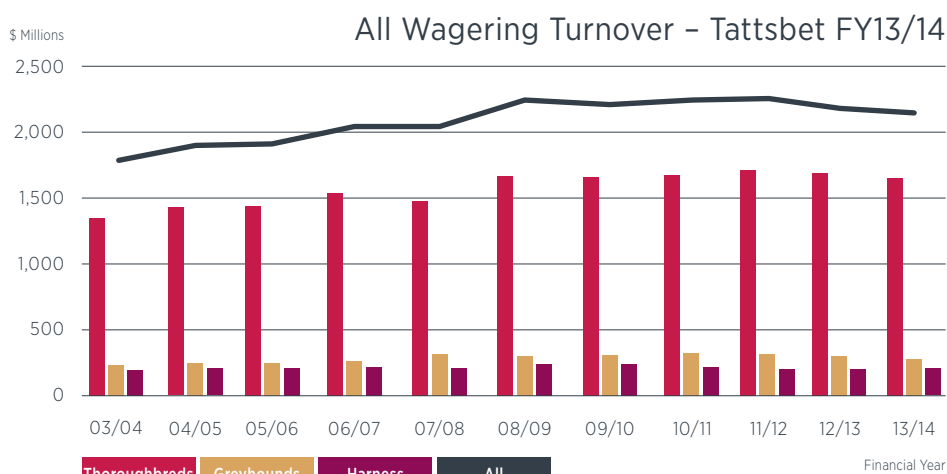
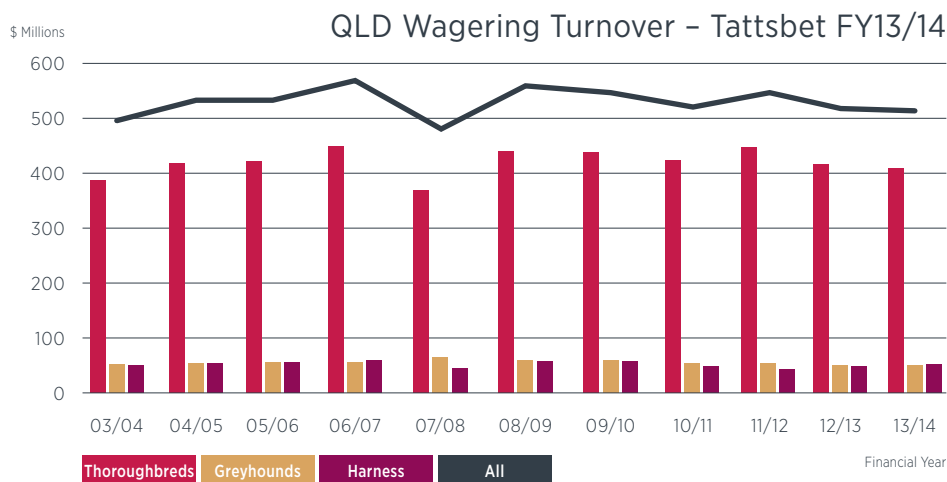
Race Information Fees (RIF) revenue constitutes the second largest revenue stream behind Product Fees revenue (received from Tattsbet), amounting to \$39.97 million in 2012/13 and, \$43.78 million for the 2013/14 financial year, an increase of \$3.8 million.

Total domestic Queensland turnover is up 5.1% on 2012/13. Corporate Bookmakers have continued to grow market share, increasing turnover on prior year by 21.8% albeit at a lower revenue return rate to Racing Queensland, whereas Totalisator Operators, while continuing to grow, achieved a more modest increase of 1.6% on prior year.

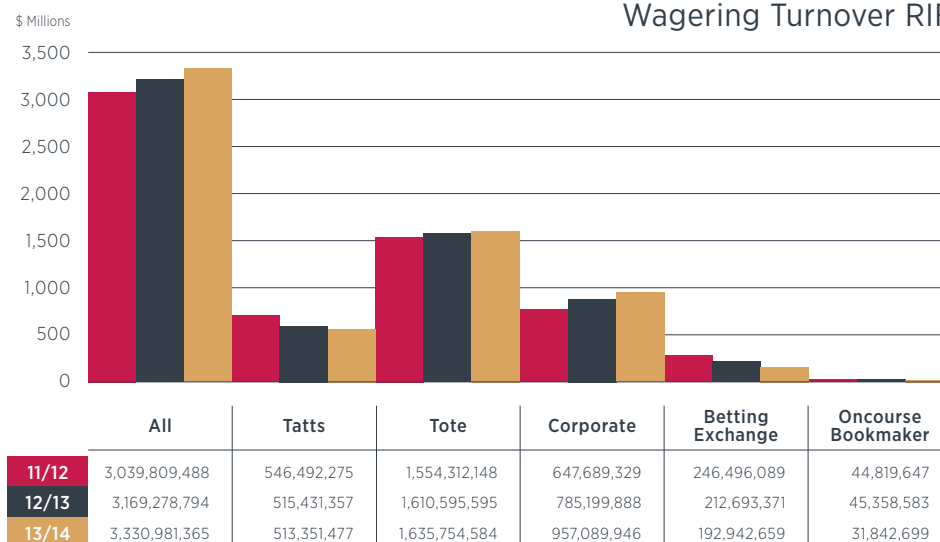
Race Information Fees revenue returns for Racing Queensland have been forecast to grow in the 2014/15 financial year as changes have been made to the fees structure, abolishing the gross revenue method and increasing fee rates for fixed odds and derivative based while holding traditional pari-mutuel rates at 2013/14 rates.

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 bets by telephone, in person, by internet and whether on one horse or several horses in any one race.

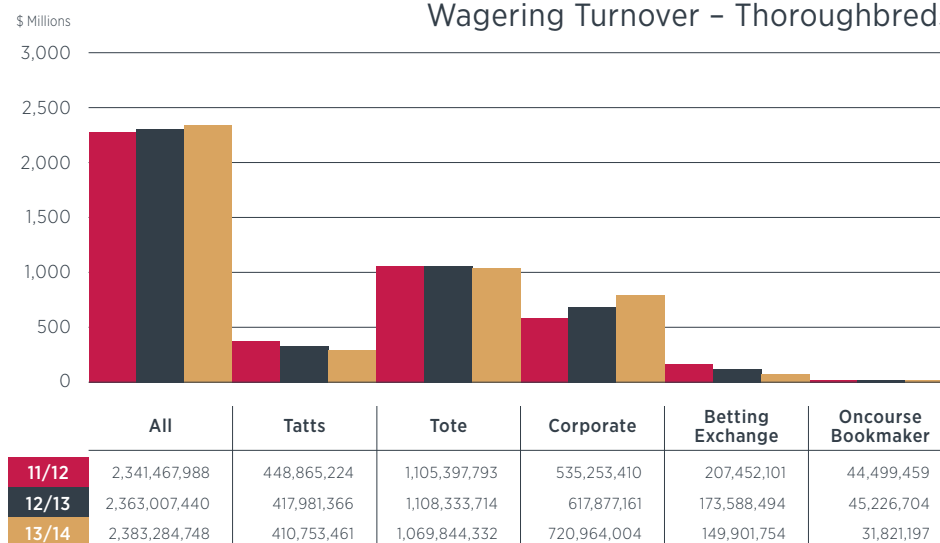
Racing Queensland has analysed, compared and developed appropriate models to provide a platform to optimise the return on Queensland Race Product for the industry while seeking a balance so as not to inhibit or out price our resource. In the 2013/14 financial year wagering operators were able to opt for either a 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.



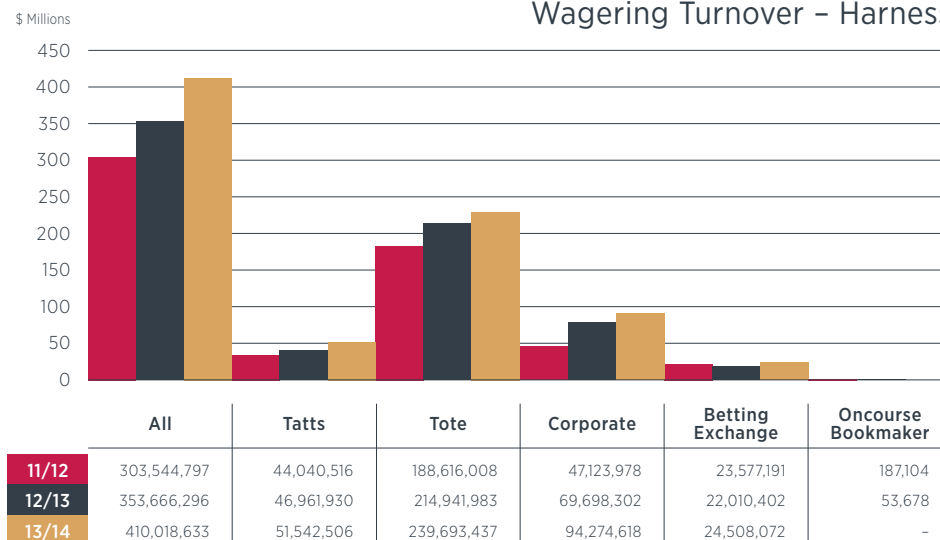
## Wagering Turnover RIF



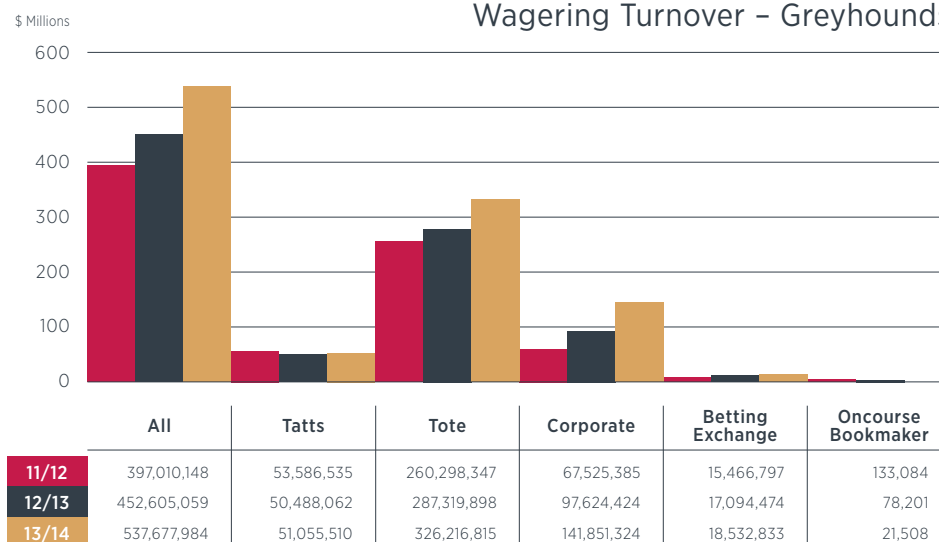
## Wagering Turnover - Thoroughbreds



## Wagering Turnover - Harness



## Wagering Turnover – Greyhounds



## Three Code Performance

For 2013/14 overall revenue increased by \$2.6 million on prior year despite overall wagering across the three codes declining by \$591,000. The decline of overall wagering revenue was mainly due to the shift of wagering revenue streams from Tattsbet, decreasing on prior year by \$4.4 million, with a shift of wagering to Race Information Fee operators at a lower return to Racing Queensland. Race Information fee revenue increased by \$3.8 million on prior year. Additional revenue to Racing Queensland of \$3.2 million was received

through the granting of assets from the Parklands facility and the Cronulla Park, Logan facility.

For 2013/14 overall expenditure increased by \$5.4 million, which saw Racing Queensland distribute greater returns back to the industry participants through prizemoney and bonus distributions, which increased by \$3.5 million on prior year. This was as a result of more race meetings being conducted, which generated more starters, and greater returns to industry participants through increased prizemoney and bonus

distributions, jockey riding fees, driver's fees and appearance fees.

Insurance coverage was also increased at an increased premium of \$410,000 to ensure participants and clubs were adequately covered.

Additional administration expenditure of \$2.98 million on prior year was incurred over and above normal business operations which affected the operating result. This was for the Commission of Inquiry, Tattsbet litigation and land tax charges with the transfer of assets.

	30 June 2014				30 June 2013			
	Thoroughbreds \$000	Harness \$000	Greyhounds \$000	Consolidated \$000	Thoroughbreds \$000	Harness \$000	Greyhounds \$000	Consolidated \$000
<b>Total income from continuing operations</b>	154,143	26,778	19,956	200,877	154,543	26,461	17,115	198,120
<b>Total expenses from continuing operations</b>	155,174	27,558	20,919	203,651	151,874	26,559	19,368	197,801
<b>EBITDA</b>	(1,031)	(781)	(962)	(2,774)	2,670	(98)	(2,253)	319
Interest	251	39	25	315	347	57	44	449
Depreciation expense	2,219	410	375	3,004	2,639	448	370	3,457
Loss on disposals/remeasurement of assets	-	-	-	-	2,193	(180)	(191)	1,821
<b>Operating result from continuing operations</b>	<b>(2,999)</b>	<b>(1,152)</b>	<b>(1,312)</b>	<b>(5,462)</b>	<b>(1,815)</b>	<b>(309)</b>	<b>(2,387)</b>	<b>(4,511)</b>

## Insurance

Racing Queensland ensures that there is sufficient insurance coverage for its assets, clubs and its people through a comprehensive insurance portfolio reviewed annually. This portfolio consists of the following policies:

- Public and Products Liability
- Directors' and Officers'
- Professional Indemnity
- Motor Vehicle
- Business Travel
- Crime
- Industrial Special Risks (Property)
- Workers' Compensation/Personal Accident,

Specifically, these policies provide the following cover for industry participants:

- Club Public Liability Insurance
- TAB Club Industrial Special Risks (Property)
- Trainers Public Liability Insurance through the Australia Trainers Association (ATA)
- Jockeys Public Liability Insurance through the Queensland Jockey Association (QJA) and Australia Jockeys Association (AJA)
- Jockeys Workers Compensation through Workcover Queensland.
- Accidental Death and Total Permanent Disablement Cover for Jockeys through the AJA

- Harness Trainer and Driver Public Liability and Personal Injury through Harness Racing Australia (HRA)
- Harness Personal Accident including mini-trotters (Volunteers)
- Club Volunteers Insurance

Racing Queensland continues to review these policies to ensure that the industry is protected from adverse events resulting in injury, loss or damage to industry participants.

## Country Racing Contribution

### Racing Queensland

#### Country Racing Contribution

##### Thoroughbreds

##### Product and Program fee

Race Information fee deducted by Tattsbet

##### Net Product & Program fee paid to RQ for FY13/14

5.32% of Net Tattsbet Product Fee as Prizemoney Obligation under the Act

Prizemoney paid excluding value add prizemoney by the clubs

QTIS Paid

QTIS 600 Paid

##### Total Prizemoney paid incl QTIS & Excluding Value Add prizemoney

##### Additional prizemoney paid by RQ over and above the 5.32% under the ACT

	FY13/14 RQ	FY12/13 RQ/RQL
\$	127,114,642	\$ 131,564,839
\$	(25,536,922)	\$ (25,823,233)
	<b>\$ 101,577,720</b>	<b>\$ 105,741,606</b>
\$	5,403,935	\$ 5,625,453
\$	8,255,450	\$ 7,956,500
\$	604,500	\$ 602,700
\$	13,600	\$ 211,600
	<b>\$ 8,873,550</b>	<b>\$ 8,770,800</b>
\$	<b>3,469,615</b>	<b>\$ 3,145,347</b>

#### RQ continued its tradition of supporting country racing through the following unrecognised funding streams

TAB prizemoney at Non-TAB clubs

Club Administration/subsidy Payments

Jockeys Riding Fees

Jockey 1% prizemoney – Australian Jockey Association

\*Subsidisation of Insurance

\*Sky Channel Costs

Wages

QCRC

\*Travel and Communications

\*RISA Service Centre Costs

##### Total RQ paid out in unrecognised funding streams

Prizemoney paid including QTIS & excluding value add prizemoney by the clubs

##### Total contribution to country racing

Less 5.32% of net TattsBet product fee as prizemoney obligation under the Act

##### RQ paid out in excess of obligation

##### Combination of TAB and Non TAB prizemoney paid for country racing

\$	3,395,000	\$ 947,000
\$	672,000	\$ 589,000
\$	2,497,935	\$ 2,016,660
\$	88,736	\$ 87,708
\$	200,000	\$ 200,000
\$	122,244	\$ 80,000
\$	411,994	\$ 300,000
\$	13,364	\$ 15,000
\$	108,827	\$ 100,000
\$	70,000	\$ 70,000
	<b>\$ 7,580,100</b>	<b>\$ 4,405,368</b>
\$	8,873,550	\$ 8,770,800
	<b>\$ 16,453,650</b>	<b>\$ 13,176,168</b>
\$	5,403,935	\$ 5,625,453
	<b>\$ 11,049,715</b>	<b>\$ 7,550,714</b>
\$	<b>12,268,550</b>	<b>\$ 9,717,800</b>

To be noted the Country Racing Contribution for FY13/14 is 76% of 7% total P&P for all 3 codes fee i.e. 5.32%

\* Note approximations based on overall costs attributed to Country Racing

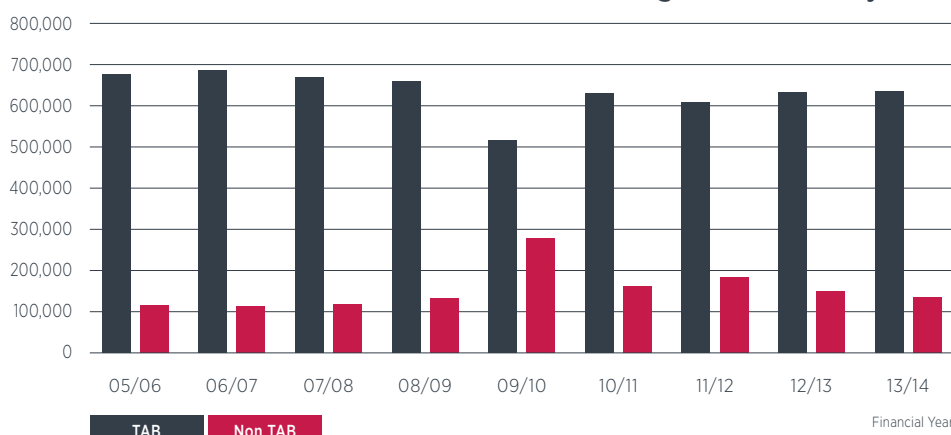


## Synthetic track subsidy

The State Government provided grant funding of \$12 million for the synthetic track scheme for three synthetic tracks to be installed in Queensland. The Toowoomba Turf Club IIS project of \$4.328 million was used to rebuild the grass proper at Toowoomba Turf Club.

Previously, synthetic tracks were approved and installed at Corbould Park and Clifford Park, and \$4.328 million of the remaining balance was transferred to the Toowoomba Industry Infrastructure Strategy project with the balance of funds of \$293,581 returned to the Government in March 2014.

Training Track Subsidy Paid



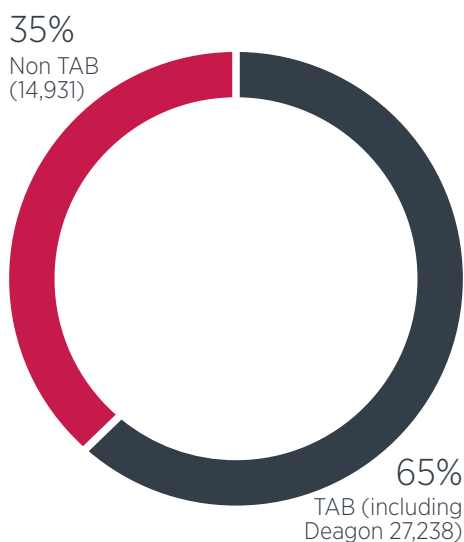
## Training track subsidy

In 2013/14, the State Government provided funding of \$1.985 million under the thoroughbred Code Training Track Subsidy Scheme, which was distributed to race clubs providing much-needed training facilities for the racing industry.

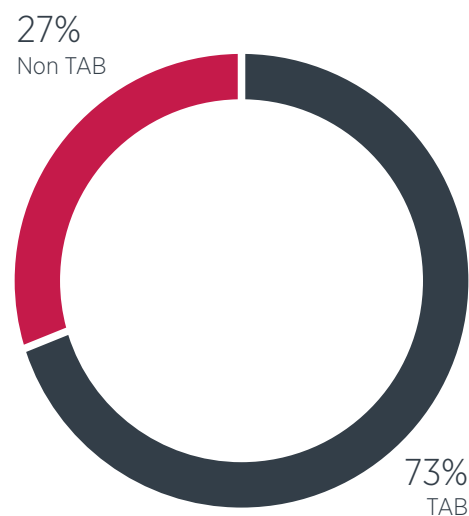
The funding was separated into two components. The first component, of \$1.2 million, was paid directly by the State Government to race clubs in accordance with the quality and extent of the training facilities provided by the individual club. The second component, consisting of \$785,000, was distributed 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 Starters FY13/14



Racing Starters FY13/14

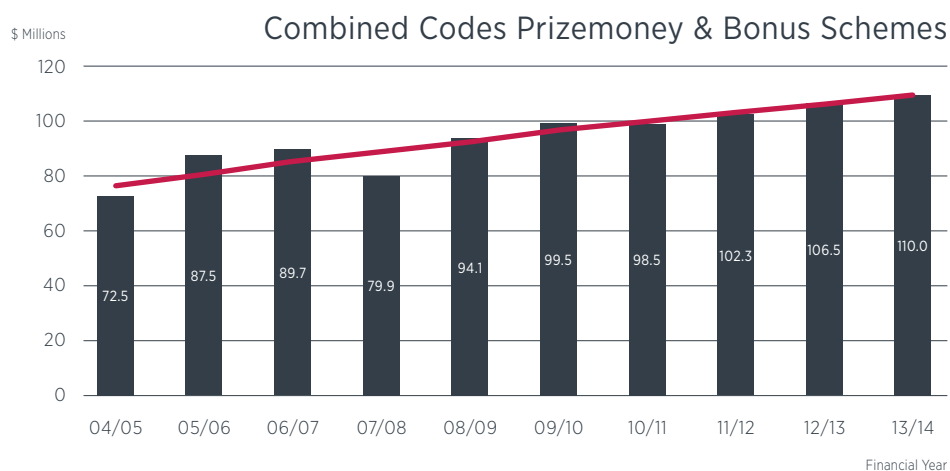
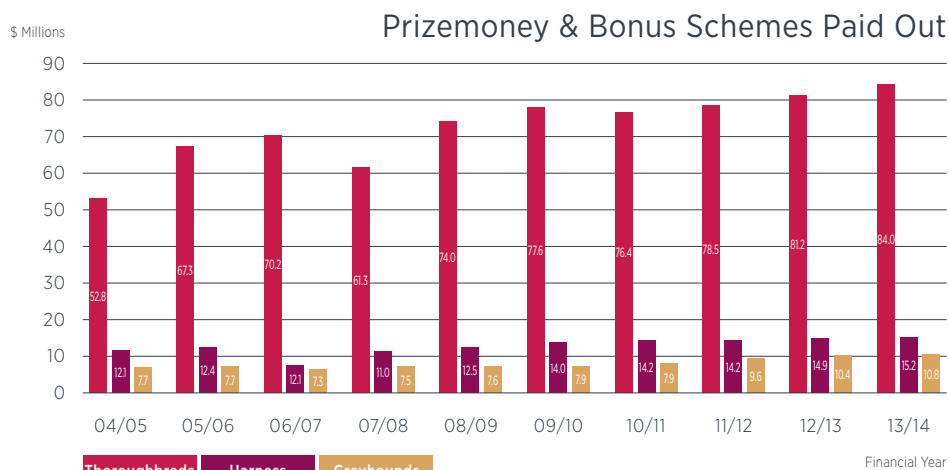




## Stakes payment distribution

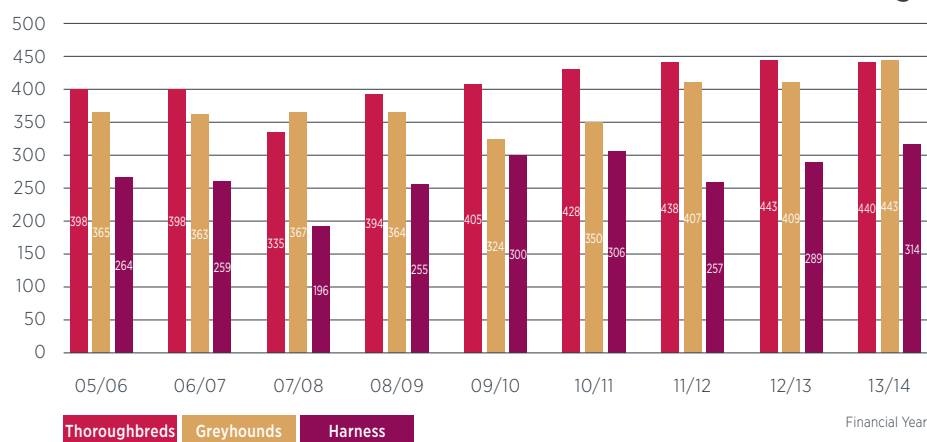
The prizemoney graphs represent net prizemoney and bonus schemes contributed by Racing Queensland with no value added prizemoney by either country non-TAB clubs or sponsors such as Magic Millions. The total value of prizemoney and bonus schemes contributed by Racing Queensland for 2013/14 increased by \$3.5 million on prior year to \$110 million.

The total value added prizemoney and bonus scheme contributed by non-TAB clubs and sponsors for 2013/14 increased by \$1 million on prior year to \$5.3 million. The total prizemoney and bonus schemes distributed across the three codes increased by \$4.9million on prior financial year to \$115.2 million for 2013/14.



## Racing Statistics

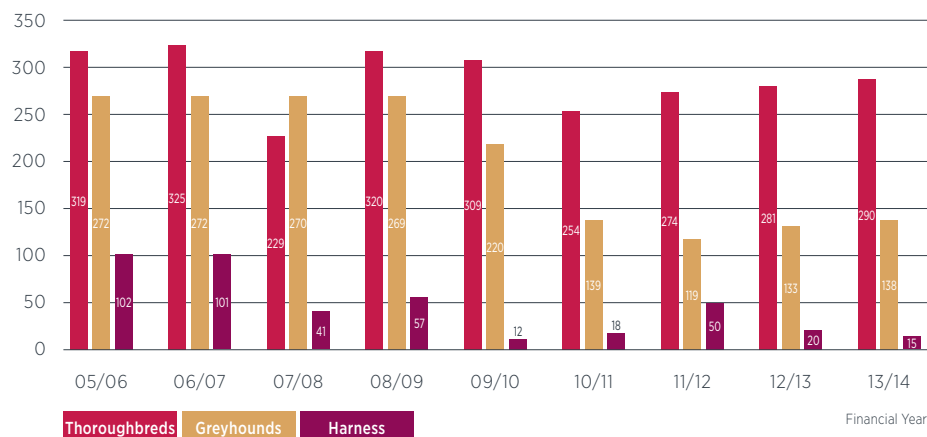
### TAB Meetings



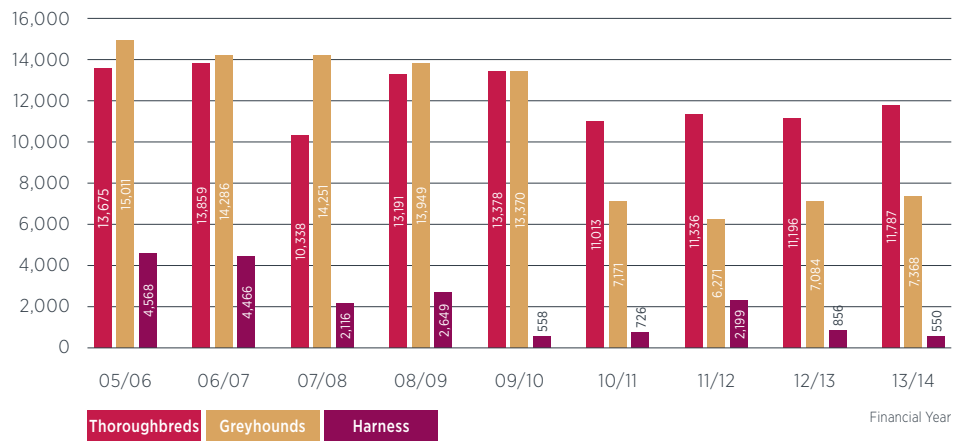
### TAB Starters



### Non TAB Meetings



## Non TAB Starters



## Human Resources

In 2013/14 Racing Queensland continued to focus on embedding organisational changes required as a result of the Commission of Inquiry. The organisational structure was restructured to meet the demands of the industry to deliver the key needs to the industry and stakeholders. There has been a stronger focus on improved governance and greater accountability across business functions.

The establishment of centralised human resources practices saw a shift from the use of external HR consulting services to the provision of in house expertise and advice. The development and embedding of these practices will remain a focus for the coming year as people and organisational development initiatives continue to be rolled out.

Recruitment remained a key focus with a number of new executive roles being created or filled during the year including the Internal Auditor, General Counsel, Human Resources, Marketing and Racing Operations. Racing Queensland will be looking to bring a concentrated effort on talent management and retention to support staff. The business continued to progress the movement of racing club based functions from within the industry control body back to within club management. This is reflected in the higher than average permanent separation rate for the business.

The organisation placed a strong emphasis on leadership development with the implementation of the Executive Leadership Development program. Given the continued need for leadership development, it will remain a focus across the management streams in the coming year.

Racing Queensland delivered on one of its key business plan initiatives with the implementation of the Employee Assistance Program. This program has provided another mechanism to support staff and their families in the workplace, building a stronger, more engaged culture.

## Marketing

Racing Queensland's marketing team is charged with responsibility for increasing the profile, reach and relevance of the racing industry. The department was re-structured in April 2014 and a new marketing strategy was developed, moving Racing Queensland away from a club development role to an industry development focus. The marketing strategy supports the delivery of Racing Queensland's strategic objectives as outlined in the 2014-2017 strategic plan.

Where previously Racing Queensland had employed a club development officer to assist clubs with their marketing operations, the new structure consists of a brand manager for each racing code and a communications manager. While the club-focused role was well-received, the new structure allows each brand manager to take ownership of their code and drive industry-based marketing activities in conjunction with the club's day-to-day marketing.

Collaboration with clubs and the respective industry bodies remains a key element of Racing Queensland's marketing focus, ensuring the marketing activity covers all facets of the industry from wagering and attendances to breeding schemes and ownership campaigns.

### Deagon Community Race Day

The thoroughbred races returned to Deagon Racecourse on Sunday 15 September as the Deagon Community Race Day after a 72-year hiatus. Five thousand tickets were available for sale, and to the delight of race day organisers, 1500 were sold within the first 30 minutes of ticket sales opening. A full slate of activities was held to support the eight-race card, including the running of the Deagon Cup. The initiative to bring thoroughbred racing back to Deagon was spearheaded by the Sandgate Chamber of Commerce and supported by the Brisbane Racing Club, Racing Queensland and countless local volunteers. Preparations are well underway for the next Deagon Community Race Day which will be held on Sunday 14 September, 2014.

### Queensland Grass Trotting Series

The introduction of the Queensland Grass Trotting Series aimed to increase awareness of harness racing to areas outside of the Brisbane CBD. Toowoomba, Kilcoy and Beaudesert played host to successful dual-code racing events that improved their levels of patronage and improved the customer experience by providing a unique spectacle for race goers. The series will look to expand the footprint to other areas of Queensland who have expressed interest. Currently plans are being developed to introduce a standalone harness meeting, with TAB status, to be hosted at Deagon Racecourse in August, 2014.

## Breeding Programs

### QGREY

The 2013/14 financial year saw the introduction of the QGreys incentive scheme following the lead from existing programs QTIS (Queensland Thoroughbred Investment Scheme) and QBred (Queensland Standardbred Incentive Scheme). QGreys has already received over 800 nominations into the program and ten individual greyhounds have earned bonuses since the scheme was launched (bonus eligibility effective May 2014).

### QTIS

There was a decrease in QTIS registration for 2012 yearlings with 1,280 horses making qualifying payments for QTIS to enter the 2014/15 racing season. 1,431 two year-olds and 1,262 three year-old thoroughbreds competing in 617 QTIS bonus races for the opportunity to win a share in \$8.01 million QTIS bonus money. Over \$6 million was claimed by Queensland bred QTIS horses. Bruce Hill led all Queensland trainers for three year-old thoroughbreds in claiming \$147,700 in QTIS bonuses during the season. The QTIS scheme is maintaining its \$8.01 million in bonuses for the 2014/15.

### QBRED

As part of Racing Queensland's QBred scheme, \$1.39 million in bonus payments and prize money was delivered to the harness racing industry during 2013/14. The QBred Triads, Breeders Classic attracted strong participation, but the scheme itself is showing a decline in registrations and income. Mr Kevin Seymour AM promoted free servicing for Queensland breeders with stallion Mr Feelgood which was a welcome boost to the industry. A revitalised strategy to boost breeding programs for Standardbreds in Queensland will be developed for 2014/15.

### 2014 Queensland Winter Racing Carnival

As Queensland's flagship product, the Winter Racing Carnival was a key focus for the new marketing team. The eight week racing carnival showcased the very best of Queensland racing with local trainers, jockeys, drivers, dogs and horses having huge success on the biggest stage of the year in Queensland.

The marketing team was able to complement the participating clubs' marketing campaigns with PR, the use of social media and radio advertising to promote the industry and provide support for key carnival race days.

Racing Queensland's increased focus on mainstream broadcast coverage led to widespread media coverage of all three carnivals. Prominent broadcast coverage came via the Today Show for a story on thoroughbred preparation and 7 News with a feature on champion pacer, I'm Themightyquinn. Greyhounds attracted media attention from Sky, mX and Redland Times. The combined reach of these stories was over 2.664 million people.

## Communications

Racing Queensland has continued to provide extensive weekly content on its website across each of the three codes. The coverage is generated through Racing Queensland's network of contributors as well as through the clubs, which provide previews and wrap ups of key meetings.

The most significant announcement of the year was the new wagering deal, which was announced at a press conference at Eagle Farm on June 27, 2014.

The media surrounding the announcement reached an audience of 12.3 million people nationally and generated in excess of \$600,000 of media coverage, including interstate metropolitan daily newspapers and the three commercial news networks.



# THOROUGHBRED RACING



The 2013/14 racing season saw Queensland again shine on the national stage both at home during the Queensland Winter Racing Carnival and interstate. Our horses recorded standout performances at all levels of racing, while events such as the Cairns Amateurs and Magic Millions again proved a success to further cement their places as highlights on the national racing calendar.

Three-time Queensland Horse of the Year Buffering broke through for his maiden Group 1 win in the Manikato at Moonee Valley before going on to win the VRC Sprint and the Winterbottom to make it a hat-trick of Group One's to start the season. His performances were matched by that of regular rider Damian Browne, who partnered Buffering in the three wins and also claimed the Blue Diamond Stakes aboard Earthquake.

Buffering was in good company as his Robert Heathcote stablemate Solzhenitsyn tasted Group One success in the Toorak Handicap before retiring mid-season, while the Tony Gollan-trained Spirit of Boom added another Queensland Group One win in the William Reid.

He would go on to play a starring role in the Queensland Winter Racing Carnival with brother Temple of Boom before retiring to stud with two Group One successes to his name.

We also caught a glimpse of generation next from the Gollan yard when Looks Like the Cat excelled in the juvenile features, culminating in a hard-fought third in the JJ Atkins behind the Gai Waterhouse-trained Almalad and Brazen Beau.

The other young Queensland to announce his arrival in 2013/14 was Sir Moments, who played a part in Tim Bell's Oaks Day treble by winning the Group Two Queensland Guineas and later the Daybreak Lover on Stradbroke Day.

Almalad wasn't the Waterhouse stable's only carnival success as Cosmic Endeavour claimed the Tatts Tiara for Tommy Berry who rode a treble himself on the day. Other

southern raiders to share in the carnival spoils were three-year-old filly Srikandi and the Henry Dwyer-trained Sonntag.

Not to be outdone, the local contingent ensured a number of the carnival's features remained on Queensland soil this season. Tinto got the ball rolling when she won the Gold Coast Bracelet on the opening day of the carnival before becoming the first Queensland filly to claim the Group One Queensland Oaks in many years.

The time-honoured Doomben 10,000 proved a carnival highlight when Spirit of Boom, Temple of Boom and Buffering completed a Queensland trifecta, but it was the state's biggest day of racing which set the scene for the carnival's climax. After winning the BRC Sprint just weeks before, the Natalie McCall-trained River Lad with Damien Oliver on board won a thrilling duel with Temple of Boom in the closing stages to win the Stradbroke Handicap and etch McCall's name in the record books.

In addition to the Group One successes, locals also took the lion's share of the purses in the Group Two Queensland Guineas, the Group Three Rough Habit and BRC Sprint, and at Listed level the Mick Dittman Plate, Dalrello Stakes, Lancaster Stakes, Queensland Day Stakes, Chief De Beers Quality, Lightning Handicap, The Phoenix, Bright Shadow Quality, Strawberry Road Handicap, The Ken Russell and The Daybreak Lover.

### Queensland Thoroughbred Investment Scheme (QTIS)

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

This 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.

### Queensland Community Racing Scheme (QCRS)

Following on from a Queensland Government initiative, Racing Queensland allocated six race meetings under the Queensland Community Racing Scheme during the season.

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

Two day race meetings were allocated to three clubs – Western Picnic Race Club, Tower Hill Picnic Amateur Race Club and Oakley Amateur Picnic Race Club.

Severe drought conditions caused the cancellation of four meetings – Western Picnic Race Club (2) and Tower Hill Picnic Amateur Race Club (2).

Two race meetings were conducted by the Oakley Amateur Picnic Race Club for trophy only prizes, with 105 starters contesting 17 races.

### Country Racing Series

The season was the second year (of a four year commitment) that saw the Queensland Government provide \$1 million annually in funding for three Country Racing Series', to assist in rejuvenating country racing throughout Queensland.

This commitment from the Queensland Government, together with a funding injection from Racing Queensland, resulted in 20 additional race meetings being conducted throughout country Queensland under the three banners of the Racing Series listed below:

- Country Queensland Showcase – 10 meetings
- Celebrate Country – 7 meetings
- Sustain Country – 3 meetings

There were 1,113 starters on the 129 races conducted under the three Country Series, with over \$1.4 million paid out in prizemoney and QTIS bonuses.



# HARNESS RACING





The 2013/14 racing season saw many changes to the landscape of trotting in Queensland that will help ensure the sustainability of harness racing into the future.

The QBred scheme was modified with a view to increase the racing value of fillies, with a flow on effect to their residual value as a broodmare. This modification to the QBred scheme also hopes to stimulate the ailing breeding industry in Queensland.

The changes involved boosting the first career penalty win for Two Year Old Fillies to \$10,000, a figure that makes it the highest individual state bred bonus payment for winning of any Australian state. The figure for Two Year Old colts and geldings was also raised to \$5,000.

For Three and Four Year Olds of both sexes, the bonus was lifted to \$5,000 and \$3,000 respectively. These amendments make both the attractiveness and viability to either breed or purchase a QBred eligible foal an easy choice for owners and breeders in Queensland.

The last season saw an exciting relationship begin, when the Redcliffe Harness Racing Club and the Kilcoy Jockey Club came together. The result of this association saw the Kilcoy club host a fully TAB covered dual-code race-day that was extremely well received by participants and public alike.

This association set the wheels in motion for the return of a Grass Trotting Series in Queensland. Toowoomba hosted the first meeting before the dual-code meeting at Kilcoy and another dual-code meeting at Beaudesert on the Hibernian Race Day. Perhaps the biggest and most progressive event of this resurgence is a stand-alone grass trotting meeting with TAB status scheduled for Deagon. Plans are also afoot for a stand-alone meeting in Warwick – the first in the town for 47 years.

While grass trotting has hit a chord with the sport, September unfortunately saw the last meeting to be held at the Parklands complex on the Gold Coast, which was resumed for

the purpose of the Commonwealth Games in 2018. Racing Queensland continues to work with the State Government and other stakeholders to ensure that the Gold Coast Harness Racing Club can once again race at their own venue. As a result of these efforts, a Project Management Group has been established and is charged with the investigation and evaluation of all options for a replacement track and venue.

In February, the Queensland Harness Racing Board, with the approval of Harness Racing Australia, lifted the metropolitan threshold to \$15,000. This has seen the introduction of a "Q" racing penalty. This has been introduced to stimulate ownership and provide the option for owners and trainers to take career penalty, only for wins at metropolitan meetings with the rationale of improving the earning potential of a horse.

With the support of Mr Kevin Seymour AM, a change to the weekly race programme saw the delivery of the Seymour Rising Stars. A weekly heat and final series designed to offer top level prizemoney for the C0-C5 bracket of the horse population. This initiative has been extremely well received from participants and resulted in some very competitive and exciting racing in the series.

Our equine stars have been led by arguably Australia's best mare, Forever Gold. Trained by Darren Weeks, the mare is normally driven by Darren's partner Kylie Rasmussen. However, following a nasty fall in the Albion Park Members Cup, Darren took the reins behind the mare in many of the big events for the season.

Winning Queensland's heat of the Interdominion, she headed to Menangle for the final. Being caught up in a scrimmage in the home straight, she did not figure in the finish. Heading to Victoria to tackle the Mares Triple Crown, she was successful in the first leg, placed second in the second leg and was unplaced in the third leg. Other notable interstate performances from

locals on the National group racing stage included Avonnova finishing second in the Group One Len Smith Mile. Majestic Mach finished third in the Group One Chariots of Fire on Interdominion Grand Final Day. Narissa McMullen was Queensland's representative in the Australasian Young Drivers Championship and did the state proud winning two races in the Series, including a victory on Interdominion Grand Final Day.

The State trainer's premiership and both the Metropolitan trainers and drivers premierships were taken out by Grant Dixon. While Mathew Neilson, stable foreman for the Dixon barn, was successful in taking out the State driver's title, it was a McMullen family quinella in the concession driver's title, with older brother Pete leading home sister Narissa.

Racing Queensland said farewell to long serving administrator Damian Raedler. Most recently employed as the Harness Racing Manager, Damian's retirement comes at the end of over 30 years involved as an administrator in the sport.

# GREYHOUND RACING



The 2013/14 year was highly successful for the greyhound industry in Queensland. Upon review, significant progress has been made in the last 12 months. The commencement of long-term plans to secure the future of greyhound racing in this state was supplemented by additional financial returns being passed on to stakeholders. Highlights off the racetrack included the State Government announcement for the approval of a new greyhound racing facility at Logan, to be completed in July 2015. The state-of-the-art one-turn track will be the first new greyhound facility in Queensland since 1988 when Parklands was developed as a dual code track.

Earlier in the year, Racing Queensland secured full TAB status for Saturday night racing at Ipswich. As a result a number of positive changes were made to the structure of the industry including the new classification of race meetings, new prizemoney breakdowns and new grading procedures. The value of these changes can be seen through growth in the number of race meetings held, the number of starters and the amount of prizemoney paid out in 2013/14. Further to this, trainers received a significant boost through the introduction of the trainer's appearance fee of \$40 per starting greyhound. Owners and breeders were also rewarded through the introduction of the QGreys breeder's incentive scheme which has seen nearly 900 pups nominated by end of financial year.

Turning to performances on the track, 2013/14 saw the inaugural running of the Winter Racing Carnival for greyhounds to coincide with feature racing for thoroughbreds and harness racing in Queensland. The carnival featured a Winter Cup at each race venue which was supplemented by the existing group and feature race program at Albion Park. Strong fields were assembled for each respective Winter Cup with the highlight being Wag Tail, trained by Christina Harman, breaking the 732m track record in taking out the Winter Cup at Ipswich by 13.75 lengths.

Three successful Group One events were held at Albion Park in 2013/14. Queensland champion, and greyhound of the year award winner, Glen Gallon took out an emotional victory in the Group One Winter Cup 520m in July, 2013. After winning his heat he was able to jump straight to the front from Box 7 in the final and never looked like being headed. He was retired shortly after by trainer Tony Brett as the third highest prizemoney earner of all-time in Australian greyhound racing history. Kiss Me Ketut, trained by David Burnett in Victoria, won his heat and the final of the Group One Brisbane Cup 520m in December, 2013 and Xylia Allen trained by Jenny Hunt in Victoria won both her heat and the final of the Group One Gold Cup 710m in June, 2014.

Queensland greyhounds also performed admirably in interstate feature racing. Punch One Out, trained by Grant Fennelly, was Group One placed at Wentworth Park in January, 2014 and also took out the Group Three Gold Coast Cup at Albion Park in October, 2013. Glen Gallon, trained by Tony Brett, was also Group One placed at Dapto in September, 2013. Frosty Jay Jay, trained by Renald Attard, won the Group Two Healesville Cup 350m in February 2014. Regal Lauryn, trained by Tony Brett, won the Group Two Lismore Cup 520m in October, 2013 and also won the Group Three Ipswich Cup 520m in November, 2013. Are Ate, trained by Rachel Scott, won the Group 3 Devonport Cup 452m in January, 2014 and the Group Two Ipswich Auction Series 520m in April, 2014.

Overall, 2013/14 saw memorable performances on the racetrack matched by positive industry developments off the racetrack. With a new racetrack and increased funding on the way, the outlook is bright for the future of greyhound racing in Queensland.

## Greyhound Racing Highlights:

### QLD GROUP RACE WINNERS:

#### GROUP 1:

Winter Cup – Glen Gallon  
Brisbane Cup – Kiss Me Ketut  
Gold Cup – Xylia Allen

#### GROUP 2:

Jungle Junction – Vince Curry Memorial  
Are Ate – Action Series  
Visualize It – Qld Futurity  
Flash Reality – Qld Derby

#### GROUP 3:

Regal Lauryn – Ipswich Cup  
Spirited Flame – Townsville Cup  
Benarkin – Big Dog Cup  
Punch One Out – Gold Coast Cup

### INTERSTATE WINNERS GROUP WINNERS:

Frosty Jay Jay – Group 2 Healesville Cup  
Regal Lauryn – Group 2 Lismore Cup  
Are Ate – Group 3 Devonport Cup

### Track Records:

#### ROCKHAMPTON:

- Miner's Moss 510m
- El Senorita 407m

#### BUNDABERG:

- Tejay's Grand 460m

#### IPSWICH:

- Wag Tail 710m
- Allez Brigitte 630m
- Jetta's Girl 431m

#### BRISBANE:

- Pink Jeanes 331m
- Mr. Babbici 395m
- Late Angel Lee 520m

## Industry Infrastructure Strategy

Following a commitment of the State Government, through the redirection of the wagering tax, an estimated \$110 million has been committed towards the development of infrastructure within the racing industry.

The fundamental basis of the Industry Infrastructure Strategy (IIS) is that the investment be viewed as providing infrastructure necessary to the growth and sustainability of the industry. This includes infrastructure 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, provide infrastructure that will stimulate industry growth.

Racing Queensland's Proposed Approach to Industry Infrastructure (the Strategy) set's in place the whole of industry approach for investing in infrastructure to ensure growth and sustainability.

The Strategy highlights the need to explore raceday and non-raceday activities taking into consideration the opportunity of providing additional revenue opportunities to clubs, as a secondary purpose to racing.

An infrastructure model has been developed for identifying projects of high priority and/or strategically important projects as well as projects for immediate action.

During the financial year, the Clifford Park Racecourse surface upgrade to turf and the Bundall Racecourse facilities project were completed with the training pool commencing in the 2014/15 financial year. Other projects included Cronulla Park Greyhound facility commenced, Brisbane Racing Club - Eagle Farm Racecourse racing surface upgrade was approved, Portable multi-use equipment (Large video screens and marquees) were commissioned.

## Legal Services

The Legal Services Department provides legal services to Racing Queensland. It advises Racing Queensland on its obligations under Acts of Parliament and government regulations, and ensures that decisions of the Board are implemented. Racing appeals, Right to Information applications and WorkCover claims are also managed by the Legal Services Department.

During the 2013/14 financial year, the Legal Services Department also provided legal support during the negotiation of the new wagering agreement, and increased governance and legal support provided to the operations, integrity, infrastructure, finance, procurement and human resources teams.

Project	Funds Received from Government for the life of the project to 30/06/14 (including interest earned)	Actual project costs for the life of the project to 30/06/14	Approval per funding dead	Funding Deed Approval to transfer from Synthetic Track Funding	% Complete	Funds Return to Government
Ooralea Park, Mackay	8,358,739	8,358,834	8,178,360	-	100%	-
Cannon Park, Cairns	1,898,513	1,859,339	1,859,339	-	100%	39,175
Beauresert	4,177,978	3,789,750	3,949,287	-	100%	388,228
Clifford Park, Toowoomba	7,086,505	6,908,115	2,661,820	4,328,380	99%	-
Bundall, Gold Coast	15,886,149	14,225,135	15,461,696	-	92%	-
Multi Use Race Day Event Infrastructure	1,503,944	509,414	1,462,537	-	35%	-
Cronulla Park, Logan	480,536	610,945	12,000,000	-	5%	-
WHS Flood Funding	2,536,428	1,518,108	2,350,000	-	100%	1,018,320
Rockhampton Greyhound	115,309	-	110,000	-	0%	115,309
Logan Greyhound	1,487,417	-	1,379,222	-	0%	1,487,417
Reimbursement of internal/external costs	2,796,291	2,796,291	2,796,291	-	100%	-
<b>TOTAL</b>	<b>46,327,809</b>	<b>40,575,931</b>	<b>52,208,551</b>	<b>4,328,380</b>		<b>3,048,449</b>



## 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 41 occasions during the 2013/14 period.

Upheld	Dismissed	Varied	Total
12	25	4	41

## Stewards

Vastly experienced Steward Allan Reardon took over the position of Chief Stipendiary Steward for the Thoroughbred code in February, 2014. His appointment marked Allan's return to the position of leading Thoroughbred Steward in Queensland.

In recognition of the significance of the training and racing operations on the Gold and Sunshine Coasts, Senior Stewards Ian Brown and James Williamson were appointed as the Stewards responsible for the provision of operational stewarding services to the Gold and Sunshine Coast areas. Accountability and improvement to the level of services provided to participants on the Gold and Sunshine Coast and surrounding areas was the motivation for these appointments.

Highly experienced Steward James Dart was appointed to the position of Chief Stipendiary Steward of the Greyhound code. James brings 15 years' experience as a thoroughbred steward to the role and has used that knowledge to introduce a number of initiatives and procedural changes to the integrity process applied at greyhound meetings.

Following the retirement of Neil Finnigan, the role of Deputy Chief Stipendiary Steward for the Harness code was divided and appointments in Larry Wilson and Kwan Wolsey were made. Larry brings an enormous amount of practical experience to the role having operated as a trainer/driver before becoming a Steward. Kwan has operated across the thoroughbred and harness codes for the past six years and shapes as one of the organizations leaders in integrity in the future.

## Integrity Regulatory Unit (IRU)

The Integrity Regulatory Unit (IRU) works to maintain Racing Queensland's high standards and commitment in regard to animal welfare. Strong penalties have been handed out to licensees found in breach of animal welfare rules, including lengthy disqualifications and significant fines.

As part of its commitment to animal welfare, Racing Queensland has now established, via the IRU, a strong working relationship with the RSPCA and Biosecurity Queensland with a Memorandum of Understanding soon to be finalised between the three organisations.

To ensure compliance and monitor the well-being of both horses and greyhounds, 485 stables and kennels throughout the state were visited by the IRU. Particular attention was given to the area of veterinary care. This resulted in the seizure of a number of unlabelled or unprescribed medications and prosecutions for failing to maintain and provide the necessary treatment records.

In support of Racing Queensland's policy on endeavouring to achieve a safe and professional environment when carrying out a licensed activity, the IRU carried out random breath and urine tests on many thoroughbred track riders, jockeys and apprentices, as well as harness racing drivers throughout the state.

A number of licensees were dealt with by Stewards for returning positive findings to banned substances resulting in penalties of four and five years disqualification.

In order to preserve the integrity of racing the profile of the IRU was raised at the many feature thoroughbred race carnivals conducted as well as the harness feature events. IRU activities extended from metropolitan meetings to provincial and country race meetings at many different venues throughout the state.

The IRU undertook increased surveillance of stables with horses engaged in feature events as well as additional sampling of horses prior to raceday. Several jockeys, both local and interstate, were sampled when competing at these feature race days.

## Licensing

During the 2013/14 financial year, Racing Queensland undertook to review the strategy of licensing and training for the State. The Licensing Scheme Policy is in the process of being redeveloped with the view to recognise and develop skills for the industry.

The ability to ride, drive or train horses and greyhounds is a great skill and Racing Queensland's aim is to recognise the current skills held and to provide a platform to develop the level of skills and increase professional participation within our industry.

Over the coming months we intend to consult with industry peak bodies and engage with industry participants through a consultation process with a view to implement any proposed changes in the upcoming year.

We are continuing to work on streamlining administrative processes to minimise the administrative burden and costs to the industry. This includes continuing to work with RISA in conjunction with other Principal Racing Authorities (PRA's) to develop a Single National System for Thoroughbred stakeholders.

In addition, Racing Queensland has been working closely with other PRA's to develop and release a new Greyhounds computer system, OzChase. This system will 'go live' for industry participants in July, 2014. OzChase is set to significantly improve internal process and improve on the quality of outward customer service.

	Jun-13	Jun-14
<b>THOROUGHBRED</b>		
Total Trainers	1,024	1,012
Total Jockeys	171	198
Total Stable Staff	2,788	2,800
Bookmakers	75	79
Bookmakers Clerks	402	363
Riders Agents	23	12
Total Visiting Licenses	163	226
<b>Total Thoroughbred</b>	<b>4,646</b>	<b>4,690</b>
<b>HARNESS</b>		
Total Trainer/Drivers	213	209
Total Drivers	37	32
Total Trainers	150	128
Total Stablehands	151	159
<b>Total Harness</b>	<b>551</b>	<b>528</b>
<b>GREYHOUND</b>		
Total Trainers	959	916
Attendants	438	427
Breeders License	380	398
Studmasters	48	48
Track Operators	7	6
<b>Total Greyhound</b>	<b>1,832</b>	<b>1,795</b>
<b>Overall Total</b>	<b>7,029</b>	<b>7,013</b>

\* Numbers at year end are lower than average throughout the year due to the licence renewal period.  
Jockeys including apprentices totalled 229 at the end of the renewal period (July 31, 2014).





## Information Technology

Information technology (IT) is an important component of the organisation's capability and underpins almost every aspect of Racing Queensland's operations and industry services. As well as the implementation and support of new and existing technology, the specification, project management and implementation of organisational and industry initiatives and projects generally requires input from IT.

Racing Queensland completed the rollout of a free website to all clubs in the financial year which saw over 85 race clubs provided with a website at no cost for the purpose of promoting race clubs, their racing and local events. This project has been well received with very low set up and ongoing costs and many race clubs that previously had their own website have elected to come on board with the initiative and take part in the rollout.

The IT Department also worked to realise initiatives such as; the new Greyhounds system OzChase, Thoroughbred Bonus Scheme Single National System module, live streaming of thoroughbred barrier trials, and facilitated critical operations such as the operation, management and scheduling of satellite broadcasting for country TAB race meetings.

## Training

The Racing Queensland Training Department has again undergone major changes during the past year including the transition of Registered Training Organisation (RTO) operations returning to Racing Queensland along with the reestablishment of the Apprentice Jockey Program, a completely new training team, a Thoroughbred and Standardbred rehabilitation program and several new training initiatives inclusive of all racing codes. The majority of these changes have occurred from March 2014 with the establishment of a new training team driven by enthusiasm, diverse skills and experience to support workforce development across all racing codes.

In October 2013 a partnership trialled with Sunshine Coast Institute of TAFE came to a close and all industry training returned to the

Racing Queensland Training Department. Since returning industry training to Racing Queensland, the Training Department has assisted over 88 enrolled students in a range of Apprenticeship and Traineeship contracts to make the transition back to a Racing Queensland training program that provides responsive, flexible and quality training experiences. The Apprentice Jockey Program is one such training initiative recommenced in April, 2014 in its new format and is conducted on a monthly basis in Cairns, Townsville, Toowoomba and twice a month at Deagon. Apprentices attending the program receive instruction from experienced industry subject matter experts on all aspects of being a successful Jockey. The program is designed to balance the theory and skills development of all participants and forms an essential part of the four year Jockey Apprenticeship. Apprentices attending this school are supported by the newly formed Apprentice Mentoring Program, which includes exposure to the wealth of experience and advice of successful ex jockeys.

The Apprentice Race Day Mentor Program is coordinated by Shane Scriven and supported by a pool of experienced ex Jockeys including Rachel Mason and Glenn Stockdale. Mentors are in attendance at race days and cover both metropolitan and provincial meetings with the intention to secure Mentors to cover country race meetings. The role of the mentor is to support, advocate and provide race riding performance feedback to apprentices on race day. Mentors provide a critical contribution to the apprentice race riding skills development that is immediate and forms part of the overall apprentice development and wellbeing. In July 2014 Racing Queensland announced the appointment of Rachel Mason to the role of Race Day Jockey Welfare Officer. This role provides Jockey's and their families with support in the unfortunate instance of a race day incident and promotes the Racing Queensland holistic approach to Jockey welfare.

The Training Department has supported workforce development initiatives that are broader than the Apprentice Jockey program

and include career pathways for Stablehands and Trackwork Riders and this year we have supported 32 students in these traineeships with onsite training and assessment in locations at Longreach, Winton, Nanango, Toowoomba, Beaudesert, Gold and Sunshine Coasts. To ensure the effective reestablishment of the Racing Queensland Training Department a new team was formed in March 2014 ensuring a diverse yet balanced mix of industry and training experience. The mix of management, mentors, workplace trainer and assessors and administrative staff is proving successful and has permitted a broadening of scope to address the intention of "all codes" workforce development and training delivery. The Training Department has engaged with the Greyhound Industry to establish an Industry Training Advisory Group to provide advice on skills shortages and promote awareness of race day job opportunities and form short course on site training programs for lure drivers, judges and race starters. The Harness Short Course continues to be delivered as part of the licencing requirement for Harness Drivers and Trainers and planning has commenced for benchmarking of this course to the nationally recognised qualification of Cert IV in Racing (Harness Driver/Trainer). A further initiative of the Training Department has been the focus on Animal Welfare and the establishment of the Thoroughbred and Standardbred rehabilitation and rehoming program at Deagon. An additional feature of the program is the delivery of an Animal Welfare training program to all racing code industry participants and in support of the strategic initiative of Racing Queensland. The rehabilitation program also provides opportunity for future program delivery for pre vocational training and racing industry career pathways.

The Training team are committed to ensuring workforce development needs are identified and supported in a consultation and industry engagement process that results in strategic and responsive training initiatives to grow a safe and professional racing industry in Queensland.

Thank you to our great team of staff who have once again shown their commitment to our great industry through their hard work and dedication.

Thanks also to the members of our boards for their continued support and guidance and of course my Executive team for all their hard work this year.

Finally our industry stakeholders need to be acknowledged as without them and their passion there would be no racing industry. 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

## Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
<b>Governance — risk management and Accountability</b>	Risk management	ARRs – section 15.1	14
	Audit committee	ARRs – section 15.3	15
	Internal audit	ARRs – section 15.4	16
	Information systems and recordkeeping	ARRs – section 15.7	17
<b>Governance — human resources</b>	Workforce planning, attraction and retention and performance	ARRs – section 16.1	12
<b>Open Data</b>	Open Data	ARRs – section 17	17
<b>Financial statements</b>	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.2	77
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	78
	Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	66



# APPENDICIES

## Glossary of terms

Term	Definition
<b>Board</b>	The board of Racing Queensland
<b>Breeding Incentive Scheme</b>	A scheme that provides an incentive for Queensland bred race animals to be purchased and raced in Queensland through the provision of bonus prizemoney
<b>Chairman of Stewards</b>	The most senior Steward position responsible for management and oversight of Integrity services and Stewarding
<b>Code</b>	The type of racing being one of the following; thoroughbred racing, harness racing or greyhound racing
<b>Control Body</b>	An organisation that exists for the purpose of controlling racing for a particular code or codes empowered by the Racing Act
<b>Country</b>	Areas outside of Metropolitan and Provincial. Generally country areas.
<b>Customers</b>	Individuals, groups or organisations with specific interest in and/or influence on the work of Racing Queensland
<b>Group 1, 2, and 3</b>	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
<b>Integrity</b>	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
<b>Metropolitan</b>	The greater Brisbane area. Specifically the venue held by the Brisbane Racing Club
<b>Off-course</b>	Activities conducted outside of a race course venue
<b>On-course</b>	Activities conducted at a race course venue
<b>Pacing or pace</b>	Used to describe the particular style of harness racing in reference to the horses' gait
<b>Pari-mutuel</b>	Traditional wagering market with floating (variable) odds based on a total market pool of funds wagered
<b>Principal Racing Authority</b>	A state based organisation that exists for the purpose of managing and administering racing for a particular code or codes
<b>Prizemoney</b>	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
<b>Product and Program</b>	The racing product being the participation composition and broadcast race event and the program being the scheduling of that product
<b>Product and Program Agreement</b>	The revenue from wagering distribution agreement between Racing Queensland and Tattsbet
<b>Provincial</b>	Major regional cities as designated by Racing Queensland
<b>QBRED</b>	A harness racing breeding scheme
<b>QGREY</b>	A greyhound racing breeding scheme
<b>Race club</b>	A not for profit association appointed by its members for the purpose of running race meetings at a particular venue
<b>Race Information Fees</b>	The fee charged by Racing Queensland for the use of product and program for the purposes of wagering
<b>Rules of Racing</b>	The rules relating to the participation in and conduct of a particular code of racing as formulated, published and enforced by the Control Body
<b>Stakeholders</b>	Individuals, groups or organisations with specific interest in and/or influence on the work of Racing Queensland
<b>Speed map</b>	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
<b>Swab Official</b>	Race day operations employee that performs the duties of swabbing racing animals
<b>Synthetic Track</b>	A race track surface constructed of synthetic material (as opposed to grass)
<b>TAB</b>	product and program broadcast on television and radio and wagered on through any wagering operator.
<b>Trotting or Trot</b>	Used to describe the particular style of harness racing in reference to the horses' gait
<b>Wagering</b>	Gambling on code specific product and program



## Acronyms

Term	Definition
<b>2YO</b>	2 Year Old in relation to a Horses age
<b>3YO</b>	3 Year Old in relation to a Horses age
<b>4YO</b>	4 Year Old in relation to a Horses age
<b>ARB</b>	Australian Racing Board
<b>CARE</b>	Collaborate, Assist, Regulate, and Enable
<b>CCS</b>	Clubs Cooperation Scheme
<b>CEO</b>	Chief Executive Officer
<b>GAL</b>	Greyhounds Australasia Limited
<b>GAP</b>	Greyhound Adoption Program
<b>HR</b>	Human Resources
<b>HRA</b>	Harness Racing Australia
<b>IIS</b>	Industry Infrastructure Strategy
<b>IP</b>	Intellectual Property

Term	Definition
<b>IT</b>	Information Technology
<b>NDR</b>	National Data Repository
<b>PRA</b>	Principal Racing Authority
<b>QCAT</b>	Queensland Civil and Administrative Tribunal
<b>QCRS</b>	Queensland Community Racing Scheme
<b>QRI</b>	Queensland Race Information
<b>QTIS</b>	Queensland Thoroughbred Investment Scheme
<b>RISA</b>	Racing information Services Australia
<b>RISE</b>	Racing Information Services Enterprise
<b>RQ</b>	Racing Queensland
<b>RWWA</b>	Race Wagering Western Australia
<b>SCIT</b>	Sunshine Coast Institute of TAFE
<b>TCO2</b>	Total Carbon concentration level







# FINANCIAL STATEMENTS

**Queensland All Codes Racing Industry Board**  
**Trading As Racing Queensland**  
 ABN 80 730 390 733  
 Consolidated Statement of Comprehensive Income  
 For the year ended 30 June 2014

	Note	12 months ended 30 June 2014 \$'000	2 months ended 30 June 2013 (restated) \$'000
<b>Income from Continuing Operations</b>			
Wagering revenue	2	174,808	29,592
Racing fees		5,371	1,106
Nomination fees		2,313	1,204
Local breeder nomination fees		1,552	551
Grants and other contributions	3	13,790	2,528
Licence and registration fees		1,149	315
Rental income		456	77
Fines and late fees		297	57
Club income – operational		122	41
Course fees		51	53
Interest		315	68
Other revenue		969	56
Total Revenue		201,193	35,648
<b>Total Income from Continuing Operations</b>		<b>201,193</b>	<b>35,648</b>
<b>Expenses from Continuing Operations</b>			
Supplies and services	4	163,175	36,190
Wagering expenses	5	25,537	3,582
Grants and subsidies	6	822	862
Depreciation	7	3,004	531
Employee expenses	8	13,613	2,239
Other expenses		499	71
Total Expenses		206,650	43,475
Loss on disposal of assets		5	
<b>Total Expenses from Continuing Operations</b>		<b>206,655</b>	<b>43,475</b>
<b>Operating result from Continuing Operations</b>		<b>(5,462)</b>	<b>(7,827)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase (decrease) in asset revaluation surplus		1,080	-
Total items that will not be reclassified subsequently to Operating Result		1,080	-
<b>Total Comprehensive Income</b>		<b>(4,382)</b>	<b>(7,827)</b>
Profit/(Loss) attributable to members of Racing Queensland		(5,106)	(7,783)
Profit/(Loss) attributable to non-controlling interests	21	(356)	(43)
		<b>(5,462)</b>	<b>(7,827)</b>
Total comprehensive income/(loss) for the period attributable to members of Racing Queensland		(4,225)	(7,783)
Total comprehensive income/(loss) for the period attributable to non-controlling interests	21	(157)	(43)
		<b>(4,382)</b>	<b>(7,827)</b>

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 2014

	Note	2014 \$'000	2013 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	12,592	26,479
Receivables	11	19,237	16,877
Other current assets	12	429	1,254
<b>Total Current Assets</b>		<b>32,258</b>	<b>44,610</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	13	2,086	2,086
Property, plant and equipment	14	107,561	105,447
Other non-current assets	15	211	211
<b>Total Non-Current Assets</b>		<b>109,858</b>	<b>107,744</b>
<b>TOTAL ASSETS</b>		<b>142,116</b>	<b>152,354</b>
<b>CURRENT LIABILITIES</b>			
Payables	16	19,532	11,910
Accrued employee benefits	17	1,527	1,384
Other liabilities	18	2,285	16,032
<b>Total Current Liabilities</b>		<b>23,344</b>	<b>29,326</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	16	18	18
Accrued employee benefits	17	634	546
Other liabilities	18	-	287
Deferred tax liabilities	19	398	119
<b>Total Non-Current Liabilities</b>		<b>1,050</b>	<b>969</b>
<b>TOTAL LIABILITIES</b>		<b>24,394</b>	<b>30,295</b>
<b>NET ASSETS</b>		<b>117,722</b>	<b>122,059</b>
<b>EQUITY</b>			
Contributed equity		122,183	122,183
Accumulated surplus/(deficit)		(12,889)	(7,783)
Asset revaluation surplus		881	-
<b>Capital and Reserves Attributable to Racing Queensland</b>		<b>110,175</b>	<b>114,400</b>
<b>Non-Controlling Interests</b>	21	<b>7,547</b>	<b>7,659</b>
<b>TOTAL EQUITY</b>		<b>117,722</b>	<b>122,059</b>

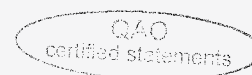
The accompanying notes form part of the financial statements.



**Queensland All Codes Racing Industry Board**  
**Trading As Racing Queensland**  
 ABN 80 730 390 733  
 Consolidated Statement of Changes in Equity  
 For the year ended 30 June 2014

	Contributed Equity	Accumulated Surplus	Asset Revaluation Surplus (Note 22)	Total	Non- Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 May 2013</b>	-	-	-	-	-	-
Operating result from continuing operations	-	(7,783)	-	(7,783)	(43)	(7,827)
<i>Other Comprehensive Income</i>	-	-	-	-	-	-
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
<b>Net Transactions with Owners as Owners</b>	<b>122,183</b>	<b>-</b>	<b>-</b>	<b>122,183</b>	<b>7,702</b>	<b>129,885</b>
<b>Balance at 30 June 2013</b>	<b>122,183</b>	<b>(7,783)</b>	<b>-</b>	<b>114,400</b>	<b>7,659</b>	<b>122,059</b>
<b>Balance at 1 July 2013</b>	<b>122,183</b>	<b>(7,783)</b>	<b>-</b>	<b>114,400</b>	<b>7,659</b>	<b>122,059</b>
Operating result from continuing operations	-	(5,106)	-	(5,106)	(356)	(5,462)
<i>Other Comprehensive Income</i>	-	-	881	881	199	1,080
Total Comprehensive Income for the year	-	(5,106)	881	(4,225)	(157)	(4,382)
<i>Transactions with Owners as Owners:</i>						
- Contributions to sinking fund	-	-	-	-	45	45
<b>Net Transactions with Owners as Owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>45</b>
<b>Balance at 30 June 2014</b>	<b>122,183</b>	<b>(12,889)</b>	<b>881</b>	<b>110,175</b>	<b>7,547</b>	<b>117,722</b>

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 Cash Flows  
 For the year ended 30 June 2014

	Note	12 months ended 30 June 2014 \$'000	2 months ended 30 June 2013 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Receipts from customers		209,579	26,437
Grants and other contributions		4,235	1,463
GST collected from customers		17,259	2,444
Interest received		313	70
<i>Outflows:</i>			
Employee expenses		(11,927)	(2,110)
Supplies and services		(215,048)	(35,672)
GST paid to suppliers		(9,549)	(1,646)
GST remitted to ATO		(7,710)	(798)
<b>Net cash provided by (used in) operating activities</b>		<b>(12,848)</b>	<b>(9,812)</b>
<b>Cash flows from investing activities</b>			
<i>Outflows:</i>			
Purchase of Property, Plant and Equipment		(1,079)	(253)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,079)</b>	<b>(253)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Transferred from Racing Queensland Limited on 1 May 2013		-	36,544
Repayment by related party		40	-
<b>Net cash provided by (used in) financing activities</b>		<b>40</b>	<b>36,544</b>
Net increase (decrease) in cash and cash equivalents		(13,887)	26,479
Cash and cash equivalents at the beginning of the period		26,479	-
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>12,592</b>	<b>26,479</b>

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 2013 – 14

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Statement of Compliance

The financial statements of Queensland All Codes Racing Industry Board trading as Racing Queensland (Racing Queensland) 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 Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, Racing Queensland has applied those requirements applicable to not-for-profit entities, as Racing Queensland 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 Racing Queensland 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 Racing Queensland, being the parent entity, and its controlled entities being Queensland Race Product Co Limited, Sunshine Coast Racing Pty Ltd as trustee for Sunshine Coast Racing Unit Trust, and Rockhampton Racing Pty Ltd ("the consolidated entity").

A list of controlled entities is contained in Note 20 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

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

##### (d) Grants and Other Contributions

Grants that are non-reciprocal in nature are recognised as revenue when Racing Queensland 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.

Contributions of assets are received from the government and other parties. These assets are recognised at fair value on the date of acquisition on the Statement of Financial Position, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

##### (e) 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 and that are subject to a low risk of changes in 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 2013 – 14

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) 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.

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.

**(g) 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, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland public sector entity (usually via an involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration other than from an involuntary transfer from another Queensland government agency, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

**(h) 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 and Tracks	\$2,000
Plant and Equipment	\$2,000

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





## Queensland All Codes Racing Industry Board

### Trading As Racing Queensland

ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (i) Revaluations of Non-Current Physical Assets

Land and buildings and tracks are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by Racing Queensland 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.

Land and buildings and tracks measured at fair value (refer above) 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 based on independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Where indices are used in the revaluation process, Racing Queensland 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 Racing Queensland'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.

##### (j) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by Racing Queensland include, but are not limited to, published sales data for land and general office buildings.

**Queensland All Codes Racing Industry Board**  
**Trading As Racing Queensland**  
 ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Fair Value Measurement (continued)**

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by Racing Queensland include subjective adjustments made to observable data to take account of the characteristics of Racing Queensland's assets/liabilities, internal record of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

**(k) Intangibles**

Racing Queensland currently holds no intangible assets.

**(l) 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.

The estimation of the useful lives of assets is based on historical experience with similar assets as well as considerations such as manufacturers' warranties and data published by the Australian Tax Office. Reassessments of useful lives are undertaken annually by Racing Queensland. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

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%-30%
Plant and Equipment	5%-25%

**(m) Impairment of Non-Current Assets**

All non-current physical assets are assessed for indicators of impairment at reporting date. If an indicator of possible impairment exists, Racing Queensland determines the asset's recoverable amount. Any amount by which the asset's carrying value exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Consolidated 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.



**Queensland All Codes Racing Industry Board**  
**Trading As Racing Queensland**  
 ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Impairment of Non-Current Assets (continued)**

Where 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 no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is treated as a revaluation increment. Refer also Note 1(i)

**(n) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**(o) Financial Instruments**

*Recognition and Initial Measurement*

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when Racing Queensland becomes party to the contractual provisions of the financial instrument.

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost
- Financial assets – held at fair value through profit and loss

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

Racing Queensland does not enter into, or trade with, such instruments for speculative purposes, nor for hedging.

**(p) 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 rates. As Racing Queensland expects such liabilities to be wholly settled within 12 months of reporting date, the 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.

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

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Notes to and Forming Part of the Financial Statements 2013 – 14

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(p) Employee Benefits (continued)***Annual and Long Service Leave*

Annual leave and long service leave liabilities are accounted for as short term employee benefits if Racing Queensland expects to wholly settle all such liabilities within the 12 months following reporting date. Otherwise, annual leave and long service leave liabilities are accounted for as 'other long-term employee benefits' in accordance with AASB 119 and split between current and non-current components.

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 Queensland Treasury Corporation's AUD Benchmark as of 30 June 2014, 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*

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

*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 9 for the disclosures on key management personnel and remuneration.

*Board Remuneration*

Remuneration disclosures to Board Members during the year are included in Note 9.

**(q) Provisions**

Provisions are recorded when Racing Queensland has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

**(r) Insurance**

Racing Queensland insures its buildings and tracks and plant and equipment for loss and damage, and also insures for public liability risks. Such insurance cover is held with AON Risk Services Australia Limited.

Racing Queensland pays insurance premiums to WorkCover Queensland in respect of its obligations for employee compensation.





## Queensland All Codes Racing Industry Board

### Trading As Racing Queensland

ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (s) Taxation

Racing Queensland is exempt from income tax under the provisions of subdivision A of the *Income Tax Assessment Act 1936* 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.

Income tax is provided in Sunshine Coast Racing Pty Ltd as trustee for 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 1936*. No income tax is payable by the trust in accordance with the trust deed, taxable income is fully distributed to the beneficiaries.

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

##### (t) Apprentice Jockeys' Trust Fund

Racing Queensland 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.

As Racing Queensland only has a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in Note 26.

##### (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.

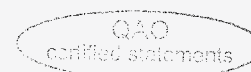
Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.



## Queensland All Codes Racing Industry Board

### Trading As Racing Queensland

ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (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 14 – Property, Plant and Equipment.

##### (y) Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular Notes 2, 3 and 5 refer to revenue that was previously incorrectly classified as expenses, rather than revenue. Accordingly, the comparatives have been restated. Refer to Note 27.

##### (z) New and Revised Accounting Standards

Racing Queensland did not voluntarily change any of its accounting policies during 2013-14. Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on Racing Queensland's financial statements are described below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of Racing Queensland's assets and liabilities (excluding leases) that are measured at fair value or another measurement based on fair value. The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures based in respect of such assets and liabilities.

Racing Queensland has reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the previous methodologies were not in compliance with AASB 13, valuation methodologies were revised accordingly to be in line with AASB 13. The revised valuation methodologies have not resulted in material differences from the previous methodologies.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. The most significant implication for Racing Queensland is that the revised accounting standard includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. As a result, any class of employee benefit not expected to be wholly settled within 12 months after the reporting date is to be accounted for as 'other long-term employee benefits'. The recognition and measurement of Racing Queensland's obligations for 'other long term employee benefits' follows most of the requirements for defined benefit plans. This affects Racing Queensland's annual leave and long service leave liabilities. Therefore, the measurement of those liabilities, and the measurement and presentation of changes in those liabilities, now reflect defined benefit plan accounting (refer to note 1(p) for more information).

Other potential implications arising from the revised AASB 119 were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If any termination benefit obligations meet the AASB 119 timeframe for 'short-term employee benefits', they will be measured according to the requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the requirements for 'other long-term employee benefits'.



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

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Notes to and Forming Part of the Financial Statements 2013 – 14

	12 months ended 30 June 2014 \$'000	2 months ended 30 June 2013 \$'000
<b>2. WAGERING REVENUE</b>		
Product and Program Fee	131,030	20,173
Race Information Fee	43,778	9,419
<b>Total</b>	<b>174,808</b>	<b>29,592</b>
<b>3. GRANTS AND OTHER CONTRIBUTIONS</b>		
Queensland Government - Infrastructure	1,714	1,462
Queensland Government – Queensland Thoroughbred Incentive Scheme	2,500	433
Queensland Government – Country Racing	1,000	275
Third party contributions to prizemoney	5,262	358
Grants - Other	3,314	-
<b>Total</b>	<b>13,790</b>	<b>2,528</b>
<b>4. SUPPLIES AND SERVICES</b>		
Prizemoney and other distributions	126,632	29,734
Racing expenses	9,438	1,848
Race day expenses	2,956	436
Local breeders incentive schemes	6,719	1,100
Industry insurances	3,434	483
RISA expenses	423	58
Vet expenses	541	72
Venue expenses	103	495
Greyhound Adoption Program	2,486	8
Capital works expenses	731	826
Administration expenses	6,949	557
Operating lease expenses	324	53
Marketing expenses	918	217
Auditor's remuneration	253	91
Board expenses	331	55
Motor vehicle and travel expenses	765	158
Bad debts	172	(1)
<b>Total</b>	<b>163,175</b>	<b>36,190</b>
<b>5. WAGERING EXPENSES</b>		
Race Information Deductions	25,537	3,582
<b>Total</b>	<b>25,537</b>	<b>3,582</b>



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

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Notes to and Forming Part of the Financial Statements 2013 – 14

	12 months ended 30 June 2014 \$'000	2 months ended 30 June 2013 \$'000
<b>6. GRANTS AND SUBSIDIES</b>		
Club sustainability	490	186
Country racing	96	185
Industry infrastructure scheme	54	374
Other	182	117
<b>Total</b>	<b>822</b>	<b>862</b>
<b>7. DEPRECIATION</b>		
Buildings and tracks	2,592	465
Plant and equipment	412	66
<b>Total</b>	<b>3,004</b>	<b>531</b>
<b>8. EMPLOYEE EXPENSES</b>		
<b>Employee Benefits</b>		
Wages and salaries	10,313	1,713
Annual leave expense	741	141
Superannuation contribution	961	148
Long service leave expense	231	29
<b>Employee Related Expenses</b>		
Payroll tax	571	93
Workcover	123	19
Redundancy costs	117	-
Other employee related expenses	556	97
<b>Total</b>	<b>13,613</b>	<b>2,239</b>

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

	2014	2013
Number of full time equivalents	126	120



**Queensland All Codes Racing Industry Board**  
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Notes to and Forming Part of the Financial Statements 2013 – 14

**9. 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 Racing Queensland during 2014.

Position	Responsibilities	Contract appointment authority	Date appointed to position
Chairperson	Decide the objectives, strategies and policies to be followed by Racing Queensland 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 Racing Queensland and ensure it performs its functions in a proper, effective and efficient way.	Appointed by the Governor in Council	1 May 2013
Chief Executive Officer	The Chief Executive Officer 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 and Governor in Council	1 August 2013
General Manager, Operations	The General Manager, Operations, provides leadership and strategically manages the performance and services delivered through facilities development and maintenance and racing program management	Appointed by the board / Chief Executive	1 May 2013
Acting Chief Executive Officer 1 Jul 13 - 31 Jul 13 Chief Financial Officer 1 Aug 13 – 30 Jun 14	The Chief Financial Officer is responsible for strategic leadership and direction over efficient, effective and economic financial administration of Racing Queensland.	Appointed by the board / Chief Executive	1 May 2013
Chairman of Stewards	Chairman of Stewards responsible for the effective delivery of licensing, 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 / Chief Executive	1 May 2013
Legal Counsel	The Legal Counsel provides advice on legal issues involving Racing Queensland and the racing industry. The Legal Department also provides secretarial support to the various boards and manages racing appeals.	Appointed by the board / Chief Executive	18 November 2013

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

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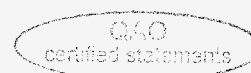
**Notes to and Forming Part of the Financial Statements 2013 – 14**

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The remuneration policy for the Members and Chief Executive Officer of Racing Queensland 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 Members and 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 Member or employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income
  - 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.



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

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Notes to and Forming Part of the Financial Statements 2013 – 14

**9. KEY MANAGEMENT PERSONNEL (continued)**

1 July 2013 – 30 June 2014

Position	Short Term Employee Benefits \$	Long Term Employee Benefits \$	Post- Employment Benefits \$	Total \$
Chairperson (QACRIB & QTRB)	58,685	5,428	-	64,113
Deputy Chairperson (QACRIB)	44,034	4,073	-	48,107
Deputy Chairperson (QTRB)	12,243	1,132	-	13,375
Member (QTRB)	12,243	1,132	-	13,375
Chairperson (QHRB) & Member (QACRIB)	36,027	3,333	-	39,360
Deputy Chairperson (QHRB)	12,243	1,132	-	13,375
Member (QHRB)	-	-	-	-
Chairperson (QGRB) & Member (QACRIB)	39,303	3,636	-	42,939
Deputy Chairperson (QGRB)	12,243	1,132	-	13,375
Member (QGRB)	12,312	1,132	-	13,444
Member (QACRIB)	39,303	3,636	-	42,939
Chief Executive Officer	252,452	22,666	20,405	295,523
General Manager Operations	183,330	16,958	20,401	220,689
Acting Chief Executive Officer /Chief Financial Officer	203,943	21,309	80,176	305,428
Chairman of Stewards	225,786	20,885	95,545	342,216
Legal Counsel	98,985	9,156	6,774	114,915
<b>Total Remuneration</b>	<b>1,243,132</b>	<b>116,740</b>	<b>223,301</b>	<b>1,583,173</b>

**KEY**

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





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

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Notes to and Forming Part of the Financial Statements 2013 – 14

**9. KEY MANAGEMENT PERSONNEL (continued)****1 May 2013 – 30 June 2013**

<b>Position</b>	<b>Short Term Employee Benefits \$</b>	<b>Long Term Employee Benefits \$</b>	<b>Post- Employment Benefits \$</b>	<b>Total \$</b>
Chairperson (QACRIB & QTRB)	9,781	880	-	10,661
Deputy Chairperson (QACRIB)	8,006	720	-	8,726
Deputy Chairperson (QTQRB)	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 Officer	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
<b>Total Remuneration</b>	<b>164,218</b>	<b>15,467</b>	<b>2,609</b>	<b>182,294</b>

**KEY**

QACRIB Queensland All Codes Racing Industry Board

QTRB Queensland Thoroughbred Racing Board

QHRB Queensland Harness Racing Board

QGRB Queensland Greyhound Racing Board



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

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Notes to and Forming Part of the Financial Statements 2013 – 14

	2014 \$'000	2013 \$'000
<b>10. CASH AND CASH EQUIVALENTS</b>		
<b>Cash Assets</b>		
Cash at bank and on hand	3,391	3,297
Short term deposits	6,092	7,174
Cash held for infrastructure projects	3,109	16,007
	<b>12,592</b>	<b>26,479</b>

The value of cash available for use by Racing Queensland consolidated entity for the period ended 30 June 2014 is \$10,217,000 (2013: \$8,618,000)

**11. RECEIVABLES****Current**

Trade debtors	4,367	6,244
Less: Allowance for impairment loss	(261)	(243)
	4,106	6,001
Product and program fee receivables	10,746	9,180
Race information fees receivable	4,513	564
Accrued interest	4	2
Sundry receivables	(132)	1,130
	<b>19,237</b>	<b>16,877</b>

**Movements in the allowance for impairment loss for trade receivables**

Balance at the beginning of the period	(243)	-
Provision transferred to QACRIB from Racing Queensland Limited on 1 May 2013	-	(244)
Amounts written off during the year	161	-
Amounts collected during the year	82	-
Increase/(decrease) in allowance recognised in the operating result	(261)	1
Balance at the end of the period	<b>(261)</b>	<b>(243)</b>



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

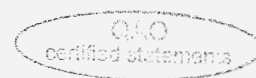
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Notes to and Forming Part of the Financial Statements 2013 – 14

	2014 \$'000	2013 \$'000
<b>12. OTHER CURRENT ASSETS</b>		
Prepayments	429	1,254
	<b>429</b>	<b>1,254</b>
<b>13. OTHER FINANCIAL ASSETS</b>		
Unlisted Securities		
- Equity Securities	2,086	2,086
	<b>2,086</b>	<b>2,086</b>
Unlisted securities comprise an 18% interest in the capital of Racing Information Services Australia Pty Ltd. This investment is not traded on an active market, and therefore fair value cannot be reliably measured.		
<b>14. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
At fair value	51,925	49,760
	51,925	49,760
<b>Buildings and Tracks</b>		
At fair value	51,917	53,406
Accumulated depreciation	-	(465)
	51,917	52,941
<b>Plant and Equipment</b>		
At cost	3,288	2,337
Accumulated depreciation	(412)	(66)
	2,876	2,271
<b>Work In Progress</b>		
At cost	843	474
	<b>107,561</b>	<b>105,447</b>

Independent valuations of all land and buildings and tracks were undertaken by AON Valuation Services using 'fair value principles' on 30 June 2014. The fair value of land was based on values of comparably zoned land in surrounding areas making due allowance for the size, character of location and other constraints.

The fair value of the buildings and tracks has been determined by using a depreciated replacement cost method. This is calculated as the estimated cost to replace with an equivalent new asset less depreciation for their physical, functional and economic obsolescence. Depreciation has been considered based on physical deterioration. The specialised nature of the improvements and their adaptability to other uses has also been considered.



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

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Notes to and Forming Part of the Financial Statements 2013 – 14

**14. 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 1 July 2013	49,760	52,941	2,271	474	105,446
Additions	2,100	-	310	1,628	4,038
Disposals	-	-	(33)	(250)	(283)
Net revaluation increments	65	1,299	-	-	1,364
Transfers	-	269	740	(1,009)	-
Depreciation	-	(2,592)	(412)	-	(3,004)
Carrying amount as at 30 June 2014	<b>51,925</b>	<b>51,917</b>	<b>2,876</b>	<b>843</b>	<b>107,561</b>

**15. OTHER NON-CURRENT ASSETS**

	2014 \$'000	2013 \$'000
Funding Loan	211	211
	<b>211</b>	<b>211</b>

**16. PAYABLES****Current**

Trade creditors	1,673	1,908
Trade creditors attributable to Industry infrastructure plan	61	267
Sundry payables and accrued expenses	17,798	9,735
	<b>19,532</b>	<b>11,910</b>

**Non-Current**

Loan – Equity in RISA Investment	18	18
	<b>18</b>	<b>18</b>

**17. ACCRUED EMPLOYEE BENEFITS****Current**

Salaries and wages	29	-
Annual leave - current	643	945
Annual leave – non-current	302	-
Redundancy	82	-
Long service leave	471	439
	<b>1,527</b>	<b>1,384</b>

**Non-Current**

Long service leave	634	546
	<b>634</b>	<b>546</b>

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

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Notes to and Forming Part of the Financial Statements 2013 – 14

	2014 \$'000	2013 \$'000
<b>18. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred revenue - Fees in advance	1,933	2,824
Industry infrastructure funds received in advance	352	13,208
	<b>2,285</b>	<b>16,032</b>

Industry infrastructure funds have either been expended on projects (Clifford Park Racecourse Toowoomba, and Bundall Racecourse Gold Coast) and / or returned to the Industry infrastructure funds held by Government.

**Non-Current**

Deferred grants	-	287
	<b>-</b>	<b>287</b>

**19. DEFERRED TAX LIABILITIES**

Deferred tax liabilities comprise temporary differences attributable to:

**Amounts recognised in other comprehensive income**

Revaluation of property, plant and equipment	398	119
	<b>398</b>	<b>119</b>

**Movements in deferred tax liabilities**

	Opening Balance at 01/06/2013 \$'000	Charged to Other Comprehensive Income \$'000	Closing balance at 30/06/2014 \$'000
<b>Amounts recognised in other comprehensive income</b>			
Revaluation of property, plant and equipment	119	279	398
	<b>119</b>	<b>279</b>	<b>398</b>





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Notes to and Forming Part of the Financial Statements 2013 – 14

**20. CONTROLLED ENTITIES**2014  
%**Particulars in relation to controlled entities:**

Queensland All Codes Racing Industry Board trading as Racing Queensland

**Controlled entities:**

Queensland Race Product Co Ltd	100.0
Sunshine Coast Racing Unit Trust	84.6
Rockhampton Racing Pty Ltd	63.8

**21. 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 Racing Queensland that these units are in the nature of equity and not a financial liability.

Non-controlling interests are reconciled as follows:

	2014	2013
	\$'000	\$'000
Retained Earnings/(Losses)	(399)	(43)
Capital Contributions	7,695	7,695
Asset Revaluation Reserve	199	-
Sinking Fund Reserve	52	7
<b>Total Non-Controlling Interest</b>	<b>7,547</b>	<b>7,659</b>

**22. ASSET REVALUATION SURPLUS BY CLASS**

	Land	Buildings	Total
	\$'000	\$'000	\$'000
Balance 1 July 2013	-	-	-
Revaluation increments	65	1,299	1,364
Revaluation decrements	-	(5)	(5)
Deferred tax recognised on revaluation increment	-	(279)	(279)
<b>Total Asset Revaluation Surplus</b>	<b>65</b>	<b>1,015</b>	<b>1,080</b>
Asset Revaluation Surplus attributable to Racing Queensland	47	834	881
Asset Revaluation Surplus attributable to Minority Interests	18	181	199
	<b>65</b>	<b>1,015</b>	<b>1,080</b>



## Queensland All Codes Racing Industry Board

### Trading As Racing Queensland

ABN 80 730 390 733

Notes to and Forming Part of the Financial Statements 2013 – 14

#### 23. PARENT ENTITY INFORMATION

Parent entity financial statements have not been disclosed. Instead the following limited disclosure in regards to the parent entity, Racing Queensland.

The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policies described in Note 1.

	2014	2013
	\$'000	\$'000
Current Assets	24,730	41,845
Non-Current Assets	101,650	98,925
<b>Total Assets</b>	<b>126,380</b>	<b>140,770</b>
Current Liabilities	17,848	28,460
Non-Current Liabilities	651	851
<b>Total Liabilities</b>	<b>18,499</b>	<b>29,311</b>
<b>Net Assets</b>	<b>107,881</b>	<b>111,461</b>
Contributed Equity	119,191	119,192
Retained Earnings	(11,632)	(7,731)
Asset Revaluation Surplus	322	-
<b>Total Equity</b>	<b>107,881</b>	<b>111,461</b>
Profit/(Loss) for the period	<b>(3,901)</b>	<b>(7,731)</b>
Total Comprehensive Income for the period	<b>(3,579)</b>	<b>(7,731)</b>

#### Guarantees

Racing Queensland has guaranteed any costs related to transfer duty payable on the initial set up and future wind up of Rockhampton Racing Pty Ltd. The transfer duty liability on the initial set up of Rockhampton Racing Pty Ltd is \$747,000, with interest compounding, totalling \$4,000 as at the 30 June 2014. An application for ex-gratia relief has been lodged with the Office of State Revenue. No response has been received on the application as at the date of signing these financial statements.

#### Capital Expenditure Commitments

Capital expenditure projects – property, plant and equipment

<b>Total</b>	-	-
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#### Contingent Liabilities

The parent entity has no contingent liabilities.



**Queensland All Codes Racing Industry Board**  
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Notes to and Forming Part of the Financial Statements 2013 – 14

**24. 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 Racing Queensland.

	2014 \$'000	2013 \$'000
<b>a) Operating Lease Expense</b>		
Car Leasing	163	26
Computer Equipment	128	22
Office Equipment	32	5
<b>Total Leasing Expenses</b>	<b>323</b>	<b>53</b>
<b>b) Lease Commitments (Non-Cancellable Operating Leases–Future Minimum Lease Payments)</b>		
Payable Within 1 Year	246	338
Payable 1 – 5 Years	114	142
<b>Total Lease Commitments</b>	<b>360</b>	<b>480</b>
<b>c) Capital Commitments</b>		
Capital expenditure projects – property, plant and equipment	940	232
<b>Total Capital Commitments</b>	<b>940</b>	<b>232</b>

**25. POST BALANCE DATE EVENTS**

A 30 year wagering agreement was struck between the State Government, Queensland All Codes Racing Industry Board trading as Racing Queensland and Tatts Group on 27 June 2014. The wagering agreement will be with the Queensland All Codes Racing Industry Board trading as Racing Queensland from 1 July 2014 and not Queensland Race Product Co Ltd.

The 30-year deal guarantees the industry's sustainability in Queensland and provides the industry's 30,000 participants with confidence in their future.

This deal sees Tatts Group contribute an additional \$850 million to the racing industry, including a share of fixed-price sports betting revenue, which will deliver increased returns to participants.

The new framework seeks to level the playing field, through a reduction in wagering tax. Specifically the new Queensland regime will see the tax rate on pari-mutuel betting reduce from 20% to 14% of commissions, whilst the rate applicable to fixed-price betting will decrease from 20% to 10% of gross revenue.

Existing product fee arrangements with the racing industry will be maintained with the continuation of the current variable product fee at 39% of gross wagering revenue.

A new \$15 million (indexed to 80% of CPI) annual fixed product fee will be paid to the racing industry, together with a 2.5% share of fixed-price sports betting revenue generated from retail outlets (capped at a maximum of \$5 million p.a. indexed).

Tatts will pay the State \$150 million as a license fee, to be paid in four equal instalments on 1 July 2014, 1 July 2016, 1 July 2020 and 1 July 2023 of which RQ will receive \$97.4 million to fund infrastructure expansions and the balance of \$52.6 million will be returned to the Government to offset the impact of the reduction in wagering tax rates.

In addition RQ and Tatts have agreed to form joint ventures on a number of initiatives that will generate potential additional revenue for the racing industry.

## Queensland All Codes Racing Industry Board

### Trading As Racing Queensland

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Notes to and Forming Part of the Financial Statements 2013 – 14

#### 26. TRUST TRANSACTIONS AND BALANCES

Racing Queensland 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.

As Racing Queensland only has a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

No fees are received by Racing Queensland for providing these services.

##### Trust Assets and Liabilities

###### Current Assets

Cash	136	33
<b>Total</b>	<b>136</b>	<b>33</b>

#### 27. AMENDMENT TO PRIOR YEAR COMPARATIVES

In the prior financial period Product and Program fee revenue was offset by Race Information deductions. This had the effect of understating revenue by \$3,582,000 and understating expenses by \$3,282,000 for the principal period ended 30 June 2013.

Racing Queensland also identified that prizemoney contributions had been offset against prizemoney expenses. This had the effect of understating revenue by \$358,000 and understating expenses by \$358,000.

The abovementioned amended amounts have been corrected by restating each impacted financial statement line item for the comparatives.



**Queensland All Codes Racing Industry Board**  
**Trading As Racing Queensland**  
 ABN 80 730 390 733  
 Certificate of Queensland All Codes Racing Industry Board  
 For the year ended 30 June 2014

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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 trading as Racing Queensland for the period 1 July 2013 to 30 June 2014 and of the financial position of Racing Queensland as at the end of that year.
- c) These assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

  
**Darren Condon**  
 CHIEF EXECUTIVE OFFICER

  
**Kevin Dixon**  
 CHAIRPERSON

DATE 29 August 2014

29 August 2014 DATE





## 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 the Queensland All Codes Racing Industry Board, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificate given by the Chairperson and the Chief Executive Officer of 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 – Reduced Disclosure Requirements. 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
- (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
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland All Codes Racing Industry Board and the consolidated entity for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year
  - (iii) complying with Australian Accounting Standards – Reduced Disclosure Requirements

### **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.



R W HODSON CPA  
as Delegate of the Auditor-General of Queensland

Queensland Audit Office  
Brisbane





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