

# ***Queensland Harness Racing Board***



## ***Annual Report***

**2004-05**





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## *Queensland Harness Racing Board*

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Photos:

Front cover: Theartofillusion, 3yo fillies QBred Breeders Classic, Gold Coast, 8 April 2005

Section title pages: Sir Galvinator, Caduceus Club Cup, Moonee Valley, 12 February 2005

Header: Slipnslide, Chariots of Fire, Harold Park, 28 January 2005



# Reports



# Chairman's report

The Hon Robert Swarten MP  
Minister for Public Works, Housing and Racing  
GPO Box 2457  
BRISBANE QLD 4001

Dear Minister

I am pleased to submit the Annual Report of the Queensland Harness Racing Board (the Board) for the 2004-05 financial year. As you are aware, the present Board was appointed on 5 October 2004, so this document incorporates reporting from the terms of both the present and previous Boards.

The Board has recorded an operating loss of \$47,568 for the year ended 30 June 2005, (before consolidation of the Albion Park Raceway Joint Venture), against a budgeted loss of \$224,491. I am pleased to report that the Auditor-General has provided an unqualified report on the year's financial statements.

Harness racing in Queensland experienced a wagering decline during the year, with on-course turnover decreasing by 0.6% and off-course turnover by 0.7%, for a combined decrease of \$412,825 (0.7%). Queensland harness racing received \$16.8 million in commissions from UNiTAB through Product Co, an increase of \$999,272 (6.32%) over the previous year.

Total harness racing prize money for 2004-05 was just over \$12 million, an increase of \$323,466 (2.74%) over the previous year.

## ***Harness racing clubs***

Queensland harness racing clubs received \$1.7 million in administration and marketing grants and capital payments during 2004-05, an increase of \$63,342 (3.88%) on the previous year.

During the year, the Board implemented its new club licensing policy. Under the new policy, all clubs are required to sign performance agreements with the Board, and comply with performance criteria that include:

- the desirability of conducting harness racing meetings in a particular location
- the ability to meet performance criteria set by the QHRB in the performance agreement with the club
- the ability to meet the financial and regulatory obligations necessary.

All clubs were assessed against these criteria before being issued with a temporary licence to 31 August 2005. As at 30 June, all existing clubs had received a temporary licence.

## ***Board initiatives***

The Board introduced a number of initiatives during the year to increase the return to licensees, maximise safety and integrity, and help ensure the long-term viability of the industry. These included:

- introducing a new scheme whereby all drivers fees at TAB clubs are paid by the Board
- announcing a 100 per cent increase in QBred bonus payments for 2yos, effective from 1 September 2005, and a full-scale review of the QBred scheme as a whole
- removing the 1 per cent pay-up on feature races, to guarantee free racing across the board
- commencing a full risk assessment of all race day operations at all racing venues, to be completed in 2005-06





- assuming operational and financial responsibility for all integrity-related services at all race tracks, including vets, clerks of the course, camera and timing services
- appointing a Product Development Manager to work with clubs to maximise wagering growth and enhance the public profile of harness racing in Queensland.

The Albion Park Raceway Management Committee, of which I am a member, engaged a consulting team to develop a range of options for the redevelopment of the raceway. A working party of key stakeholders was formed to manage this process. The key focus of this project is to maximise non-racing revenue streams from any proposed redevelopment. Consultation was undertaken with Urban Renewal Brisbane, in keeping with the draft Albion Master Plan being prepared by Brisbane City Council.

## **Acknowledgments**

The Board wishes to acknowledge and thank all stakeholders who contributed to the harness racing industry throughout the year. We extend particular thanks to the CEO and staff of UNITAB, our business partner, for their support and assistance during the year.

I would also thank our Chief Executive Officer, Brett Schimming, and all Board staff for their ongoing commitment.

Finally, I would like to thank you, your staff, your Director-General and the staff of the Racing Division for their assistance throughout the year.

WR Lenehan  
Chairman



*Queensland Harness Racing Board (from left): Bill Lenehan (Chairman), Warren Cummins (Deputy Chairman), Kaylene Moore and Margaret Reynolds*



# Racing

The harness racing industry depends on UNiTAB distribution for its funding. Therefore, maintaining the confidence of the wagering public in the integrity of participants is paramount.

Accordingly, the Board is responsible for ensuring participants fully comply with the provisions of the *Racing Act 2002* and the *Australian Harness Racing Rules*.

### **Stewards**

QHRB stewards continued to vigilantly police the rules of harness racing, with \$40,200 in fines imposed for 479 offences, including incorrect whip action and use, inappropriate behaviour at inquiries, careless driving, and insecure or faulty gear. To ensure animal welfare, 149 reprimands/cautions, 55 fines and one suspension were issued to drivers for incorrect whip action and use, and these rules will continue to be vigorously enforced.

180 licensees had their licences suspended for offences including unacceptable drives, incorrect whip action and use, careless driving and being under the influence of alcohol or a drug. A total of 513 weeks in suspensions was handed down during the year.

Nine offences resulted in licensees being disqualified, for a total of 58 months. These offences included not allowing a horse to race on its merits and failing to present a horse free of prohibited substances.

### **Appeals**

26 licensees appealed to the Racing Appeals Tribunal against decisions by stewards with 13 appeals dismissed, 4 upheld and in 9 matters the appeal against conviction was dismissed but the penalty was varied.

### **Swabbing**

Stewards continued their strong stance on drug-free racing with over 4000 swab samples taken from horses. Apart from samples being taken post-race from all horses winning TAB races, other samples were taken pre-race, as well as samples from horses displaying abnormal or poor performances and horses claimed from claiming races.

### **Policy matters**

Section 81 of the Racing Act requires the Board to develop policies for a range of matters relating to the good management of the code of harness racing. As at 30 June 2005, the following policies required under the Act had been approved and implemented:

- *Policy Development Policy*
- *Drug and Alcohol Policy*
- *Interim Animal Welfare Policy*
- *Fees Policy*
- *Web Site Policy*
- *Forms Policy*
- *Awareness of Duties Policy*
- *Education and Training Policy*
- *Licensing Policy for Clubs*
- *Policy for the Formation and Management of Clubs*
- *Public Interest Policy*
- *Policy on Race day Allocation and Provision of Funding*
- *Policy on Spending by Non-proprietary Clubs*
- *Policy on Disposal of Assets by Non-proprietary Clubs*
- *Policy on Standards Required for Licensed Venues*
- *Policy on the Way in Which Races are to be Held*
- *Policy on Employment of Officials and Other Staff*
- *Recordkeeping Policy*





Additionally, the Board's draft *Licensing Policy for Individuals* and *Policy on Trialling and Training of Licensed Animals* had been released for consultation as at 30 June 2005. Under the requirements of s.81, that leaves only three policies to be finalised in 2005-06.

## Racing

### *Australasian Young Drivers Championships*



*Andrew McCarthy receives his Queensland colours from Board member Margaret Reynolds*

Andrew McCarthy represented Queensland at the Australasian Young Drivers Championship in New Zealand during the Inter Dominion Carnival.

Andrew finished seventh in the championship behind Tasmanian James Rattray, who won on a count back from Aaron Skalecki from Western Australia.

### *World Amateur Driving Championships*

The Board wishes to congratulate Australian representative Denis Smith from Purga in Queensland, who finished fourth in the World Amateur Driving Championships in Austria in June.

Smith flew the Australian flag proudly when he landed a winner on the second day of the championships.

At the conclusion of the nine-race series at three venues, Smith was placed fourth on 61 points behind the winner, Italian Maurizio Biasurri on 75 points. Fred Handelaar of Holland was second with 74 points, and Joachim Kaiser of Germany third on 67 points.

### *Queensland record – Home of Jack*

Fake Left gelding Home of Jack, driven by John Cremin, set a Queensland record in rating a slick 1:53.3 mile rate for the 1660 metres at Albion Park on 30 April.

This time is also the second fastest in the history of harness racing in Australia. Congratulations to the connections of this impressive 5yo, who is going to make his presence felt at the Grand Circuit level.

### *Interstate success – Chariots of Fire*

Dual Queensland Horse of the Year Slipnslide, a 4yo QBred gelding by Perfect Art, trained and driven by Luke McCarthy, was successful in the elite Chariots of Fire (G1) at Harold Park in Sydney on 28 January.

Previous Chariots of Fire winners Elsu and Smooth Satin continued on to Inter Dominion glory, and it is hoped that Slipnslide can emulate these feats in coming seasons.



*Cobbity Classic winning the Queensland Pacing Championship at Albion Park on 23 October 2004*



# Product development

The vision of the Board has been to grow the wagering turnover in Queensland on the local harness racing product in an endeavour to ensure that the industry is sustainable into the future.

The challenge is to ensure that the industry achieves its market-share to preserve its distribution in accordance with the Product Co agreement.

During the year, progress was made in this area. However, there is still significant work to be undertaken, through fine-tuning the racing product to ensure that the optimum result is achieved for the industry.

At its June 2005 meeting, the Board reviewed its organisational structure to include a department of Product Development.

Effective from July 2005, Product Development will take responsibility for the racing product, wagering, communications and industry-based marketing.

This department will encompass the current areas of handicapping and registration that relate directly to the racing product.

From an industry perspective it is important to note that Product Development will be responsible for the compilation of all race fields for race meetings in the state.

This will include the number of races, minimum number of starters, schedule of times, positioning of races in a particular program, allocation of the exotic bet types, adherence to the prize money budget and other related matters.

Product Development will also be communicating regularly with Product Co, UNiTAB, SKY Channel, Radio TAB and the print media in its endeavours to achieve its objective.

A centralised unit such as Product Development will go a long way to assuring that the industry's prospects into the future are maximised, and in turn protect the industry's principal revenue stream.



*October Original winning the 4yo QBred Mares Breeders Classic at the Gold Coast on 11 March 2005*



# Clubs

## **Albion Park**

The APHRC has made a healthy operating profit for the financial year 2004-05 which has been ploughed back into much needed capital works projects including:

- a new totalisator betting system
- a new automated fluctuations system
- refurbishment of obsolete television and tote monitors
- introduction of new televisions and big screens in Silks restaurant
- the purchase of a grader
- the replacement of the in-house administrative computing system.

Popular committeeman Kevin Seymour took over the reigns from outgoing Chairman Bob Lette. Bob served for the maximum period of 6 years as chairman, and remains as a valued committeeman. Eugene Gallardo was appointed to the position of club accountant and Blair Odgers was appointed as our Events Coordinator.

Albion Park has launched a series of new sponsorship packages and will continue to grow and expand sponsorship options in the next 12 months. During 2004-05, we welcomed the following new sponsors:

- Crime Stoppers
- Flexiglass Challenge
- Conrad Treasury
- Southern Queensland Plumbing
- Cetnaj
- Abt Sharp
- Qld Breast Cancer Foundation
- Medallist Developments.

To all our existing sponsors we thank them for their continued support.

The Albion Park club would like to congratulate and thank the new Board, headed by Chairman Bill Lenehan, for its assistance and positive outlook.

The decisions made by the Lenehan Board have advanced the Queensland harness racing industry and allowed the APHRC to promote and foster racing at headquarters.

## **Gold Coast**

The Gold Coast Harness Racing Club had another successful year, both in terms of increased trading and numbers attending the track.

Friday night racing is proving very popular, with social groups and local businesses discovering the benefits of the excellent facilities and opportunities for functions and race sponsorship.

While operating costs continue to rise, substantial savings were made in administration costs, and in the area of race books, with the club now producing and printing its own books.

Len Hunter resigned his presidency of the club in November 2004, and in June 2005 resigned from his position on the committee to return to Melbourne with his wife Joy. The club would like to recognise the enormous contribution made by Len over some five years at the helm. Former Honorary Treasurer, Alan Boyd took over the role of President, with John Brand becoming Treasurer and Norm Jenkin, Vice President.

New sponsors for the year included:

- Cumminscorp Limited
- Berwicks Canon
- H Harvey & Co
- L A Gear
- Digital Sign Solutions
- Emerald Lakes.

We thank all our sponsors for their continued commitment to our club.



## *Queensland Harness Racing Board*

Major events included the Gold Coast Bulletin Cup in October, won by Sissies Double driven by Peter Munsie, and the Southport Workers Community Club Premiers Cup in June, won by Kaka Point Cracker driven by Shane Graham.

The club's image has been given a lift with a bright new logo in keeping with the modern Gold Coast style. New club colours will echo the theme on the track.

The club would like to thank the Queensland Harness Racing Board for their continued support of the Gold Coast club.

### **Redcliffe**

During 2004-05, Redcliffe was set the task of making the unpopular Wednesday night fixture work for both the club's sake and for the entire harness racing industry. Towards the end of the fiscal year, inroads had been made with turnover both on- and off-course showing a small but encouraging increase.

Our very enthusiastic committee, with a little help from 'our friends', continues to work hard to ensure that every opportunity to increase ongoing patronage is taken.

Once again August was the pinnacle of harness racing on the peninsula. Redcliffe City Council was again our major sponsor on Cup night, with Global Airconditioning, a first time sponsor, picking up the tab for the Star Wars series.



*Racing at Redcliffe*

The Christmas Cup for 2004 was again a great fun night, not only for the kids but also the 'big kids'. Santa Claus arrived in a more conventional manner this year, but still had a sack full of goodies to treat the young ones.

Membership during the year increased by 38 per cent, with most members attending every race meeting.

Our track staff is to be congratulated on the manner in which the racing surface is produced each and every week. All trainers are appreciative of the cushion maintained on the track which is no doubt a role model for the industry. As a further testimony to the racing surface, the longstanding track record was broken twice during the year.

Redcliffe now looks forward to better times financially, with income boosted by our loyal sponsors, together with a new generation of sponsors who have jumped on board.

The club runs around a well-oiled team made up of staff, members and volunteers, all with an undying passion for the harness racing industry and a love for the icon of the peninsula - the Redcliffe Paceway.

### **Mackay**

Mackay conducted 41 race meetings during 2004-05, with the highlight being the Douglas, Gibb & Lewis Mackay Cup on 13 June. Saint Louie took out the Cup for Brian Manzelmann Jnr, ahead of No Cash Left and General Jack NZ.

Brian also took the honours in the 2003-04 Mackay Trainer of the Year, awarded in late 2004, with 280 starts, for 42 wins and 111 places.

Ross Manzelmann achieved the Mackay Driver of the Year, with 166 starts for 23 wins and 77 places.

The Mackay Horse of the Year went to Star Emperor, ahead of BG Export NZ and Struth.

# ***Annual Report 2004-2005***



## ***Rockhampton***

Rockhampton conducted 43 race meetings during the year. In November 2004, the Patlaw Securities Rockhampton Pacing Cup was won by Leagueoferown for Paul Zimmerlie, competing against a quality field. This came on the back of the filly taking out the 2003-04 North Queensland and Rockhampton Horse of the Year titles.

The other major highlight of the year was the annual Dennis Sawyer Memorial, run in May 2005. Barry Brazier was the successful trainer in this event with Little Johnny, ahead of Azzura Miss and Kaimatta Hardball NZ.

Lola Kunde was awarded the 2003-04 Rockhampton Driver of the Year, with 63 starts, for 35 wins and 20 places.

Lola's sister Julie Weidemann won Rockhampton Trainer of the Year, with 137 starts for 52 wins and 57 places.

## ***Rocklea***

2003-04 was a difficult year for Rocklea, where it had to survive on its own funds and donations from sponsors. The decision of the incoming Board to reinstate funding to the club in October 2004 allowed Rocklea to continue to provide grass roots harness racing for its supporters and an entry point for new licensees.

Racing every Saturday, and on Melbourne Cup Day, the Rocklea club has worked hard to generate new sponsors and maintain facilities for members and public alike. The club recognises that this industry must give more to receive more from patrons and sponsors, and is proud of its achievements over the last 12 months. The club is self-sufficient administratively, receiving only prize money funding from the Board.

The Rocklea Horse of the Year Award for the 2003-04 season was shared by Bonneville and Aka Daka.

Norm Annetts was Rocklea Trainer of the Year, while Gary Whitaker won Driver of the Year, as well as taking out the QHRB Chairman's International Study Scholarship.

## ***Townsville***

Townsville conducted 32 race meetings during 2004-05. One of the highlights was the Christmas race meeting, including the running of the Garrards Christmas Cup and the Idano Horse Transport Christmas Gift.

John Manzelmann was able to avoid a spill to take out the Cup on Grumpy Possum, while the Keith Wanless trained and driven lamnotwhouthinkiam led all the way to win the Gift.

Keith won the Townsville Trainer of the Year for the 2003-04 season, with 143 starts for 33 wins and 64 places. He was piped by Darryl Gross for the Driver of the Year award, with Darryl having 142 starts for 27 wins and 66 places.

The Townsville Horse of the Year went to Kelly Rochelle, ahead of Samson Scooter and Declared Broke.

## ***Marburg***

Although Marburg is chiefly a trialling venue, the club again hosted its annual Easter Magic race day on 27 March 2005.

The main race of the day was the City of Ipswich Cup, which was taken out by Melton Baxter, trained by Michael Donovan.

Other feature races included the Memories of Ipswich 2100m standing start and the Marburg Trotters Marathon.

The Marburg club extends its thanks to the many volunteers who enable the club to operate successfully, not just on special days such as the Easter Magic, but all year round.



*Racing at Marburg*





# QBred

QBred is the breeding incentive scheme for Queensland's harness racing industry.

In 2004-05, \$758,000 was paid out in feature prize money for the Triad finals conducted at Albion Park and the Breeders Classic finals at the Gold Coast.

Race winning bonuses for QBred eligible horses reached an all-time high of \$1,187,750.

QBred fees remained at \$300 for Scheme One (race win bonuses) and \$400 for Scheme Two (race win bonuses and feature race eligibility). This pay-up fee has not increased for four years.

A total of 1026 horses were paid up for QBred racing in the 2004-05 season. This was an increase of over 25% from the previous season, which points to a vote of confidence in the industry from breeders and owners.

Queensland bred horses continue to race with distinction across the globe.

As at July 2005, two Queensland bred harness horses, Masterson and Pleasing Package, were the two fastest Australian bred horses of all time. Both raced in the United States with success, and their time of 1:50.4 for a mile makes them Australia's fastest ever male and female horse respectively.

Additionally, 4yo QBred Triad winner Romeos Legend flew the Queensland flag overseas, running a gallant second in the Group 1 Noel Taylor Mile in New Zealand.

Slipnslide continued his great form from last season, when he won Australia's most prestigious race for 4yos, the Chariots of Fire, at Harold Park in Sydney.

Other honourable mentions to Queensland bred horses that won or placed at group level in Australia include Sir Galvinator, Mister Martini, Sparkling Melody, I Am Sam, Rollon Bigred and Theartofillusion.

In February 2005, the Board announced that from next season, all Queensland bred 2yo horses that win a race within Queensland will receive double the current bonus. Dependent on track and race conditions, these bonuses can now pay up to \$3000. There is no cap on the number of bonuses a 2-4yo can win. The Board also commenced a thorough review of the QBred scheme to find ways to further enhance the opportunities for Queensland bred horses.

## *QBred Triads 2004-05*

2yo filly	Shes a Lefty
2yo colt/gelding	Tisaknockout
3yo filly	Theartofillusion
3yo colt/gelding	Sir Galvinator
4yo mare	Trend Setter
4yo horse/gelding	Romeos Legend

## *QBred Breeders Classics 2004-05*

2yo filly	Shes a Lefty
2yo colt/gelding	Tip Your Hat
3yo filly	Theartofillusion
3yo colt/gelding	Secretagent Cullen
4yo mare	October Original
4yo horse/gelding	Slipnslide





# Honour roll 2003-04

*(awarded during 2004-05)*

As the racing season (September-August) overlaps the financial year, awards for any given season cannot be reported on until the next financial year. The following harness racing industry participants were honoured for the 2003-04 season at the QHRB Awards Dinner on 31 October 2004.

## *Queensland Harness Racing Hall of Fame*

Kevin Thomas was inducted into the  
Queensland Harness Racing Hall of Fame

## *QHRB Awards*

Queensland Horse of the Year – Slipnslide

NQ Horse of the Year – Leagueofherown

Trainer of the Year – Bill Dixon

Driver of the Year – Grant Dixon

Achiever of the Year – Margaret Reynolds

Chairman's International Study Scholarship –  
Gary Whitaker

## *Albion Park*

Horse of the Year – Farfromperfect

Trainers Premiership – John McCarthy

Drivers Premiership – Luke McCarthy

## *Gold Coast*

Horse of the Year – French Heiress

Trainer of the Year – Bill Dixon

Driver of the Year – Grant Dixon

## *Redcliffe*

Horse of the Year – Brigadier Jujon

Trainer of the Year – Bill Dixon

Driver of the Year – Grant Dixon

## *Rocklea*

Horse of the Year – Bonneville & Aka Daka

Trainer of the Year – Norm Annetts

Driver of the Year – Gary Whitaker

## *Rockhampton*

Horse of the Year – Leagueoferown

Trainer of the Year – Julie Weidemann

Driver of the Year – Lola Kunde

## *Mackay*

Horse of the Year – Star Emperor

Trainer of the Year – Brian Manzelmann Jnr

Driver of the Year – Ross Manzelmann

## *Townsville*

Horse of the Year – Kelly Rochelle

Trainer of the Year – Keith Wanless

Driver of the Year – Darryl Gross



# Statement of affairs

This Statement of Affairs has been published in compliance with Section 18 of the *Freedom of Information Act 1992*.

Information included in the Statement of Affairs or elsewhere in the Annual Report:

- consultation arrangements for public participation in the Board's policy-making activities
- bodies established to advise the Board and whose meetings and minutes are open to the public
- types of documents held by the Board
- how to access Board documents under Freedom of Information
- publications available from the Board.

## ***Consultation arrangements for public participation in the Board's policy-making activities***

The Board recognises that extensive consultation is necessary whenever major policy initiatives are being developed.

During 2003-04, the Board implemented its Policy Development Policy, as required under section 81(a) of the *Racing Act 2002*. This policy requires all draft policies to be published in the *Queensland Harness Racing* magazine and on the Board's web site for 28 days, inviting submissions from stakeholders and other interested parties about the policies.

The Board also employs a range of other methods, including working parties, surveys, and direct consultation with industry participants.

Members of the public are invited to write to the Chief Executive Officer concerning the Board's policies and functions.

## ***Bodies established to advise the Board***

Although there are several bodies set up to advise the Board on various matters, none of the meetings of these bodies are open to the public, and the minutes of those meetings are not made available to the public.

## ***Types of documents held by the Board***

The Board holds a broad range of materials and records relating to internal operations, the regulation of the Queensland harness racing industry and the sport overall.

## ***How to access Board documents under Freedom of Information***

The Freedom of Information Act gives community members a legally enforceable right to access documents held by public authorities.

Although the overall spirit of the Freedom of Information Act encourages the release of documents, some documents may be restricted to protect essential public interests or the private or business affairs of members of the community where disclosure would be contrary to the public interest. Other documents are available to review and download directly through the Board's web site at [www.harness.org.au/qld](http://www.harness.org.au/qld).



## *How do I obtain documents?*

1. Ask if the documents you require are publicly available.
2. Identify the documents you require and the type of access sought (e.g. inspection or copy).
3. Make a formal application under the Freedom of Information Act, either by way of application form or letter. The application must:
  - be in writing
  - state an address to which a notification of the decision may be sent
  - if the application does not relate to personal information about you (which is available free of charge), be accompanied by a \$34.40 application fee
  - be addressed to the Freedom of Information Officer.

4. Post or deliver the application to:

Freedom of Information Officer  
Queensland Harness Racing Board  
PO Box 252  
ALBION QLD 4010

3 Amy Street  
Breakfast Creek Qld 4010

Telephone (07) 3624 8900  
Facsimile (07) 3262 7363

If the documents you require relate to your personal affairs, you must apply in person and provide identification.

## *Consultation*

While processing an FOI application, it may be necessary to consult with a third party where disclosure of the matter contained in the document may reasonably be expected to be of substantial concern to the third party. While the third party's views will be taken into consideration, the final decision on whether to permit access rests with the Board.

## *Time frames for decisions*

Strict time limits apply for making decisions on FOI applications.

The time frames commence from the receipt of the application, except in the case of applications for access to non-personal affairs documents, when the time frames commence from receipt of both the application and the application fee.

FOI applications are acknowledged by the FOI officer within 14 days of receipt.

For requests to access personal affairs documents, decisions are made within:

- 45 days where no consultation is required
- 60 days where consultation is required.

For requests to access non-personal affairs documents, decisions are made within:

- 45 days for documents created after 1987 where no consultation is required
- 60 days for documents created after 1987 where consultation is required
- 60 days for documents created prior to 1987 where no consultation is required
- 75 days for documents created prior to 1987 where consultation is required.



## *Queensland Harness Racing Board*

### ***Types of access***

You may nominate to have copies sent to you at a charge or you may inspect documents at a suitable location, usually the Board's main office.

### ***Internal review***

If you are dissatisfied with the FOI Officer's decision about your FOI application, you may apply for an internal review of the decision. Your application must be made in writing within 28 days of receiving written notice of the decision.

A senior officer of the Board will review the decision within 14 days of receipt of your application. There is no right of internal review of a decision made by the Board Chairman or the Chief Executive Officer of the Board.

### ***External review***

The Information Commissioner is an independent body responsible for reviewing decisions under the Freedom of Information Act.

The Information Commissioner has the power to change, amend or confirm the decision of an agency, or to mediate a settlement among the parties.

You may seek an external review of the decision from the Information Commissioner if:

- you are dissatisfied with the internal review decision
- the Board fails to make a decision within the internal review time limits
- the Board Chairman or Chief Executive Officer made the decision.

Applications for external review must be made within 60 days of the receipt of the decision, or by a third party within 28 days of receipt of the decision. An application for external review must be in writing, specify your address, and give details of the decision for review.

Requests should be forwarded to:

The Office of the Information Commissioner  
Level 25  
288 Edward Street  
Brisbane Qld 4000

Or mailed to:

GPO Box 3314  
Brisbane Qld 4001

### ***Enquiries***

Enquiries about FOI may be made between 8.30 a.m. and 4.30 p.m. Monday to Friday by telephoning the Freedom of Information Officer on (07) 3624 8900.

One application was made to the Board under the Freedom of Information Act during 2004-05, but it was later withdrawn.

### ***Publications***

The QHRB produces a monthly magazine that is available by way of subscription or on the QHRB web site.

A full list of QHRB publications is available on page 22.

### ***Public interest disclosure***

There were no whistleblowers during 2004-05.

A grayscale photograph of two horses pulling a sulky on a racetrack. The horses are in motion, with their legs extended. The sulky is a small, open carriage with large spoked wheels. The background is blurred, showing the structure of the racetrack. The text "Our organisation" is overlaid in a large, bold, black font on the right side of the image.

# **Our organisation**



# Constitution and function

The Queensland Harness Racing Board is constituted under the *Racing Act 2002*.

The Board consists of four members appointed by the Governor in Council on the nomination of the Minister.

Board members hold office for a term not exceeding three years, and the Governor in Council determines whether they are, if otherwise qualified, eligible for re-appointment.

The Board is responsible for the control and general supervision of harness racing throughout Queensland.

## *Function*

The function of the Board is to manage the code of harness racing in Queensland.

## *Membership*

On 5 October 2004, a new Board was appointed by the Minister. The table below shows the members of the outgoing and incoming Boards, together with their attendance records for meetings.

Name	Position	General meetings	Special meetings	Special assignments
Bill Lenehan	Chairman from 5.10.04	9	3	91
Warren Cummins	Deputy Chair from 5.10.04	9	3	6
Kaylene Moore	Member from 5.10.04	9	3	5
Margaret Reynolds	Member from 5.10.04	9	3	4
Keith Hamburger	Chairman to 4.10.04	3	2	3
Helen Boyd	Deputy Chair to 4.10.04	3	1	-
Andrea Sage	Member to 4.10.04	3	1	1
Ian Millard	Member to 4.10.04	2	2	1





# Our vision and goals

## **Vision**

Working constructively with harness racing stakeholders to ensure that the sport is conducted with integrity, and that it provides exciting racing and increased wagering, while achieving an increasing share of the entertainment market, resulting in greater industry profitability.

## **Purpose**

To ensure a viable and commercially sound Queensland harness racing industry that presents racing of the highest integrity.

## **Values**

### *Professional and ethical*

We will at all times conduct ourselves in a professional and ethical manner among our stakeholders and ourselves.

### *Results-orientated*

We will ensure that our day-to-day activities are consistent with and contribute to achieving the overall business 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.

### *Customer service*

We strive to serve our customers with excellence.

### *Balance*

We recognise that people are our main asset, so achieving a balance between professional and personal time will improve company value.

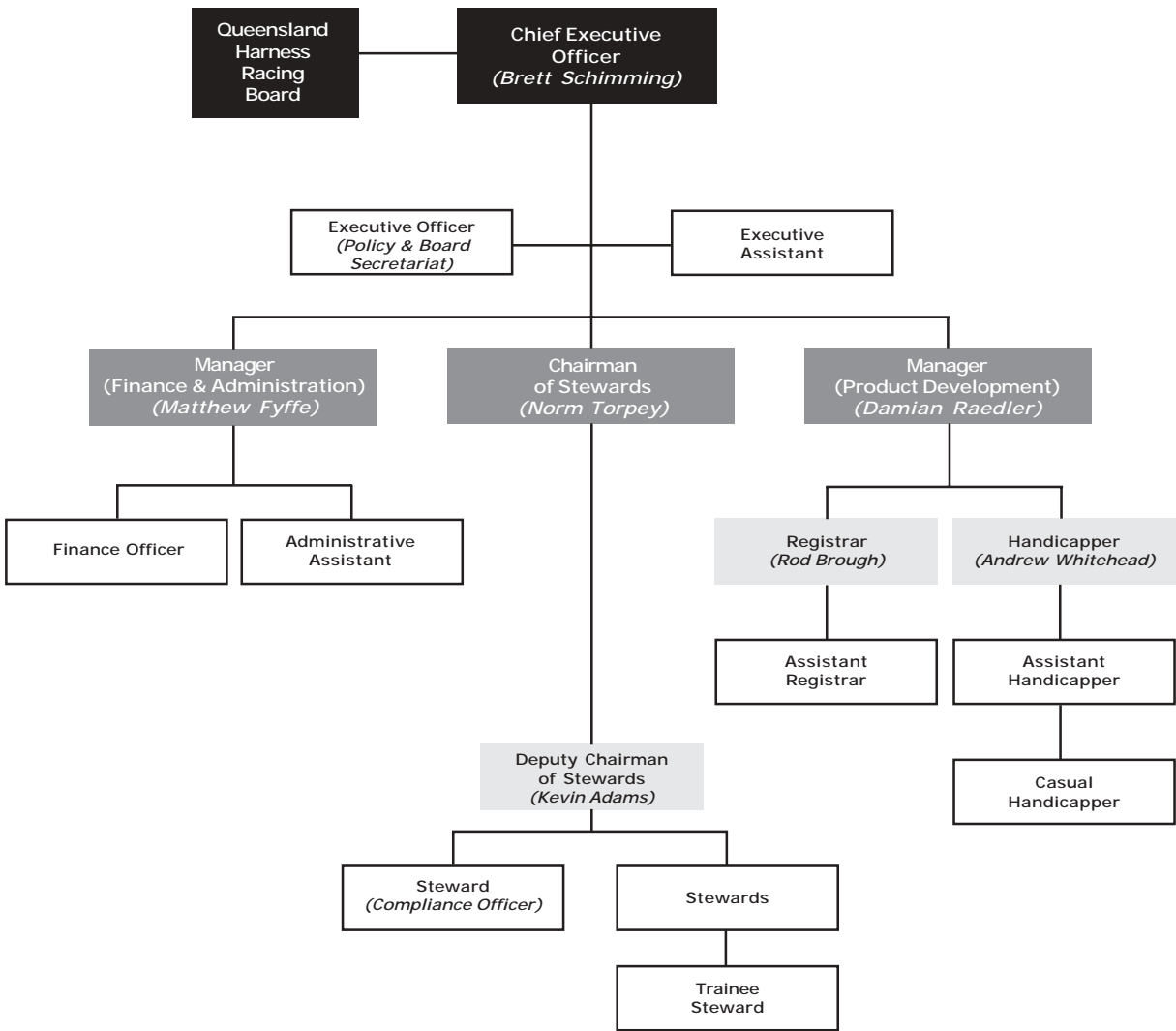
## **Goals**

1. An optimal environment for the development and long-term growth of the harness racing industry.
2. A high performing control body, using sound management practices and delivering cost-effective and quality services.
3. A high level of industry and public confidence in race safety and integrity.



# Organisational chart

The Board had a total of 20 full-time equivalent employees during 2004-05.



## External associates

Solicitors  
Freehills Lawyers  
Brisbane

Auditors  
Auditor-General  
Queensland

Bankers  
Westpac Banking  
Corporation Hamilton



## Our people

### **Chief Executive Officer**

Brett Schimming  
Ph: 3624 8901

### **Finance & Administration**

Manager - Matthew Fyffe  
Ph: 3624 8903

Finance Officer - Gina Varga  
Ph: 3624 8907

### **Stewards**

Chairman of Stewards - Norm Torpey  
Ph: 3624 8905

Compliance Officer - Michael Castillo  
Ph: 3624 8908

### **Product Development**

Manager - Damian Raedler  
Ph: 3624 8915

Registrar - Rod Brough  
Ph: 3624 8912

Assistant Registrar - Susan Morley  
Ph: 3624 8913

Handicapper - Andrew Whitehead  
Assistant Handicapper - Anthony Pearce  
Casual Handicapper - Lisa Maher  
Ph: 3262 7977

### **Office hours**

Monday-Friday: 8.30 a.m. - 4.30 p.m.

### **Contact details**

Ph 3624 8900  
Fax 3262 7363

Internet: [www.harness.org.au/qld](http://www.harness.org.au/qld)  
E-mail: [jshortell@qld.harness.org.au](mailto:jshortell@qld.harness.org.au)

### **Site address**

Albion Park Raceway  
Amy Street  
Breakfast Creek Qld 4010

### **Postal address**

PO Box 252  
Albion Qld 4010



# Publications

The QHRB produces a range of material which is available for inspection by members of the public free of charge. Many of the publications can be downloaded from the web. Prices shown apply to hard copies, and are inclusive of GST, where applicable. Phone (07) 3624 8900 to obtain copies of any publications, or visit our web site at [www.harness.org.au/qld](http://www.harness.org.au/qld).

Item	Hard copy	Web site	Cost
<i>Queensland Harness Racing magazine</i>	✓	✓	\$39.60 p.a.
QBred information booklet	✓	✓	Free
<i>QHRB Annual Report 2004-05</i>	✓	✓	Free
Forms under <i>Australian Harness Racing Rules</i>	✓	✓	Free
Policies			
- Policy Development Policy	✓	✓	Free
- Drug and Alcohol Policy	✓	✓	Free
- Interim Animal Welfare Policy	✓	✓	Free
- Fees Policy	✓	✓	Free
- Web Site Policy	✓	✓	Free
- Forms Policy	✓	✓	Free
- Awareness of Duties Policy	✓	✓	Free
- Education and Training Policy	✓	✓	Free
- Licensing Policy for Clubs	✓	✓	Free
- Policy for the Formation and Management of Clubs	✓	✓	Free
- Public Interest Policy	✓	✓	Free
- Policy on Race Day Allocation and Provision of Funding	✓	✓	Free
- Policy on Spending by Non-proprietary Clubs	✓	✓	Free
- Policy on Disposal of Assets by Non-proprietary Clubs	✓	✓	Free
- Policy on Standards Required for Licensed Venues	✓	✓	Free
- Policy on the Way in Which Races are to be Held	✓	✓	Free
- Policy on the Employment of Officials and Other Staff	✓	✓	Free
- Recordkeeping Policy	✓	✓	Free
- Licensing Policy for Individuals	✓	✓	Free
- Policy on Trialling and Training of Licensed Animals	✓	✓	Free
- Privacy Policy and Plan	✓	✓	Free
- Complaints Policy	✓	✓	Free

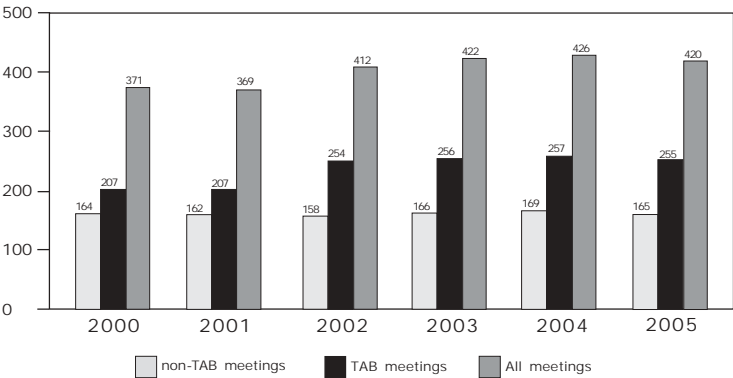
A grayscale photograph of a horse-drawn carriage, likely a stagecoach or a similar historical vehicle. The image is heavily faded and has a low-contrast, almost ethereal quality. Two horses are visible in the foreground, harnessed to the carriage. The carriage has large, spoked wheels and a complex system of straps and harnesses. The background is blurred, suggesting an outdoor setting with some structures in the distance. The word "Statistics" is overlaid in the center of the image in a bold, black, sans-serif font.

# Statistics

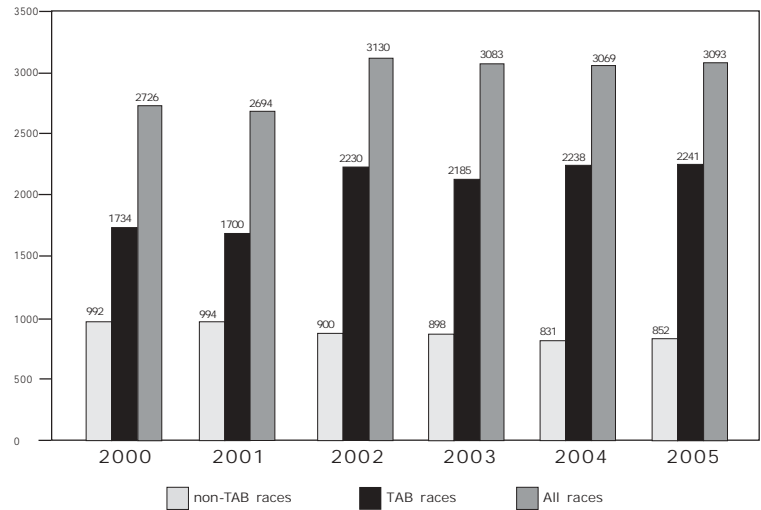


# Race meetings

Number of meetings conducted



Number of races

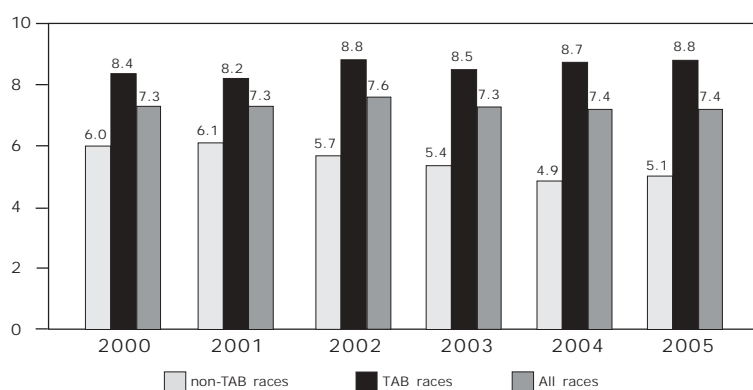




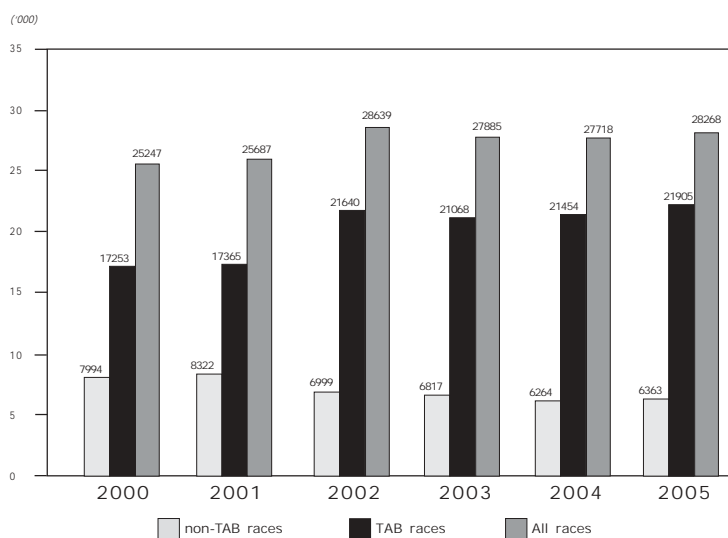
# Annual Report 2004-2005



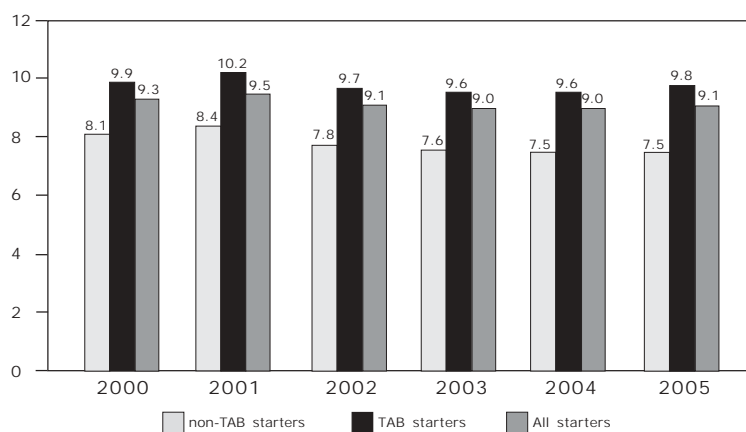
*Average number of races per meeting*



*Number of starters*



*Average starters per race*





# Offences

*2004-05*

Rule	Offence	Cautions	Reprimands	Fines	Susp.	Disq.
41	Fail to be on course by appointed time	-	1	1	-	-
43	Fail to notify no driver	-	1	4	-	-
43A(1)	Leave course within 30 minutes after race	-	3	1	-	-
44(1)	Fail to notify tactic change	-	-	2	-	-
52	Fail to report to check-in steward	-	3	1	-	-
62	Fail to notify arrival on course	-	2	-	-	-
88	Unacceptable reason for scratching	-	1	5	-	-
91	Unlicensed bookmakers clerk	-	-	1	-	-
135	Fail to be in parade ring or on track on time	-	8	-	-	-
147	Fail to race horse on merits	-	-	-	-	2
149(1)	Fail to take reasonable and permissible measures	-	-	-	11	-
149(2)	Unacceptable drive	-	-	1	9	-
152	Fail to comply with driving requirements	-	-	1	-	-
154-5	Fail to restrain galloping horse	-	1	3	1	-
156	Incorrect or excessive use of whip	49	100	55	1	-
158	Fail to meet driving requirements	-	-	1	-	-
159	Fail to wear protective vest	-	-	2	-	-
160	Do preliminary in wrong direction	-	1	-	-	-
162	Offences at start or during race	33	98	113	2	-
163	Interference, crossing or jostling	21	78	180	73	-
167	Sprint lane offences	1	1	1	4	-
168	Careless driving	39	159	77	75	-
170	Fail to keep feet/body correctly in sulky	2	5	19	-	-
173	Driver enter betting area	-	-	1	-	-
180	Frivolous protest	-	-	1	-	-



Rule	Offence	Cautions	Reprimands	Fines	Susp.	Disq.
187	Offences at stewards inquiries	-	-	2	-	-
190	Positive swab	-	-	1	1	7
204	Unlicensed person	-	2	10	-	-
209	Furnish false/misleading information	-	-	1	-	-
210	Late notification of driver	-	-	59	-	-
223	Fail to wear adequate footwear, clothing etc	-	4	-	-	-
226	Allow unlicensed person to handle horses	-	1	7	-	-
231	Abuse of person/official	-	-	3	-	-
238	Fail to comply with steward directive	-	-	-	1	-
240	Improper action or behaviour	-	-	2	-	-
241	Fraudulent act	-	-	1	-	-
243	Behaviour detrimental to industry	1	1	2	-	-
247	Improper behaviour at inquiry	-	1	3	-	-
250-2	Under influence of alcohol or drugs	-	-	-	1	-
268-70	Fail to wear approved gear	-	-	2	-	-
273	Insecure, faulty or unregistered gear	-	1	15	-	-
273(7)	Present wrong horse to race	-	-	1	-	-
QLR1-5	Bookmaker offences	-	4	-	-	-



# Licences and registrations

Licence/registration	2004-05	2003-04	2002-03	2001-02
Trainers	474	472	495	562
Drivers	380	378	384	493
Stablehands	200	142	182	181
Bookmakers	10	12	13	11
Bookmakers clerks	34	27	37	51
Sire registration	37	36	37	43
Foalings	503	508	569	495
Services	539	538	738	860
Horses named	463	328	382	418
NZ imports	68	56	65	64
USA exports	2	25	47	35
Syndicates <i>(new registrations only)</i>	6	5	4	3
Leases	138	116	154	125
Transfers	759	796	790	739
Clubs	8	8	8	8

A grayscale photograph of two horses pulling a carriage, serving as a background for the document. The horses are in motion, and the carriage is partially visible. The text is overlaid on the right side of the image.

# Financial statements

*(year ended 30 June 2005)*



# Purpose and scope

The Queensland Harness Racing Board is constituted under the provisions of the *Racing Act 2002* and is a statutory body within the meaning given in the *Financial Administration and Audit Act 1977*.

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

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

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

The Albion Park Joint Venture (joint venture) was established under a joint venture agreement effective from 1 July 2003. The Board's 50% interest in the joint venture has been incorporated in the Financial Statements.





# Statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2005	Notes	2005	2004
		\$	\$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
Fees and Charges	2	813,815	810,774
Racing Levy Income		116,152	109,976
Interest on Investments		195,913	181,335
Profit on Disposal of Non-Current Assets	15(a)	-	11,463
Other Income	3	107,450	148,565
Grants		-	11,858
Prize money Sponsorship		6,130	87,176
Distribution from Queensland Race Product Co Ltd		16,805,650	15,806,378
Joint Venture		434,621	445,737
<b>Total revenue from ordinary activities</b>		<b>18,479,731</b>	<b>17,613,262</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
Computer Operations		196,829	213,781
Depreciation	4	66,415	65,646
Depreciation – Joint Venture		532,493	531,006
Insurance		363,352	440,170
Salaries, Wages and Associated Costs	5	1,425,100	1,383,362
Racing Levy Expenses	6	310,444	252,743
Prize Money	7	12,090,525	11,767,059
Tote Incentive Payments to Clubs	8	842,343	737,213
Loss on Disposal of Non-Current Assets	15(a)	1,303	-
Clubs Administration and Capital Payments/Meeting Fees	9	1,418,418	1,289,248
Grants to Clubs and Associated Entities	10	273,863	339,691
Other Expenses	11	1,104,087	739,830
Joint Venture		550,950	490,972
<b>Total Expenses from Ordinary Activities</b>		<b>19,176,120</b>	<b>18,250,721</b>
<b>Net Operating Result for the Reporting Period</b>		<b>(696,389)</b>	<b>(637,460)</b>
<b>Non – Owner Transaction Changes in Equity</b>			
Net increase/(decrease) in asset revaluation reserve	15(c)	8,686,670	405,358
<b>Total Changes in Equity other than those resulting from transactions with owners as owners</b>		<b>7,990,281</b>	<b>(232,102)</b>

The accompanying notes form part of these financial statements.



# Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2005

Notes

2005

2004

			\$	\$
<b>CURRENT ASSETS</b>				
Cash Assets	12	31,766		242,286
Receivables	14	1,463,129		1,712,797
Other Financial Assets	13	3,663,501		3,550,428
Prepayments		181,912		79,969
<b>TOTAL CURRENT ASSETS</b>		<b>5,340,308</b>		<b>5,585,480</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	15 (b,c)	19,346,606		11,121,795
Receivables	14	-		59,420
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,346,606</b>		<b>11,181,215</b>
<b>TOTAL ASSETS</b>		<b>24,686,914</b>		<b>16,766,696</b>
<b>CURRENT LIABILITIES</b>				
Payables	16	754,055		839,026
Provisions	17(a)	152,814		123,472
<b>TOTAL CURRENT LIABILITIES</b>		<b>906,869</b>		<b>962,498</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	17(b)	153,447		167,881
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>153,447</b>		<b>167,881</b>
<b>TOTAL LIABILITIES</b>		<b>1,060,316</b>		<b>1,130,379</b>
<b>NET ASSETS</b>		<b>23,626,598</b>		<b>15,636,316</b>
<b>EQUITY</b>				
Retained Profits	18 (a)	7,406,777		8,103,164
Reserves	18 (b)	16,219,821		7,533,152
<b>TOTAL EQUITY</b>		<b>23,626,598</b>		<b>15,636,316</b>

The accompanying notes form part of these financial statements.



# Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2005	Notes	2005	2004
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from Operations		19,511,060	17,859,938
Interest		225,800	181,335
GST Input Tax Credits		857,688	769,376
		<u>20,594,548</u>	<u>18,810,649</u>
<b>Payments</b>			
Payments to Clubs, Suppliers and Employees		(18,790,069)	(17,607,983)
GST Remitted to the ATO		(1,756,346)	(1,623,385)
		<u>(20,546,415)</u>	<u>(19,231,368)</u>
<b>Net Cash Provided by (Used In) Operating Activities</b>	19(a)	<u>48,133</u>	<u>(420,719)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Plant and Equipment		33,955	124,273
Repayment of Loans from Associated Entities		-	-
Payments for Purchase of Plant and Equipment		(179,536)	(235,239)
		<u>(145,581)</u>	<u>(110,966)</u>
<b>Net Cash Provided by (Used In) Investing Activities</b>		<u>(145,581)</u>	<u>(110,966)</u>
<b>Net (Decrease) Increase in Cash Held</b>		<u>(97,448)</u>	<u>(531,685)</u>
Cash at the Beginning of the Financial Year		3,792,714	4,324,400
Cash at the End of the Financial Year	19(b)	<u>3,695,266</u>	<u>3,792,714</u>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

(for year ended 30 June 2005)

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

**(a) Basis of Preparation of the Accounts**

*General*

These financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997*, applicable Australian Accounting Standards, Urgent Issues Group Abstracts and Statements of Accounting Concepts.

This financial report has been prepared on an accrual and going concern basis.

The financial report has been prepared under the historical cost convention.

*Accounting Policies*

Unless otherwise stated, all accounting policies adopted are consistent with those of the prior year.

*Classification between current and non current*

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be paid or realised. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Board's operational cycle.

**(b) Revenue Recognition**

*Fees and Charges*

Revenue is recognised in the Statement of Financial Performance when received.

*Product and Program Fees*

Distribution from Queensland Race Product Co Ltd - Revenue is recognised in the Statement of Financial Performance when due.

*Sale of Assets*

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non current assets, gross proceeds from the sales are included as other revenue and the written down value of the assets sold is disclosed as an operating expense.

**(c) Recognition and measurement of property, plant and equipment**

*Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the asset.

Actual cost is used for the initial recording of all acquisitions of assets controlled and administered by the Board.

*Revaluations*

Land and buildings are measured at fair value. All other assets are measured at cost. This is in accordance with the Queensland Treasury's Non Current Asset Accounting guidelines for the Queensland Public Sector. Independent revaluations are conducted every 5 years with interim revaluations conducted on an annual basis for assets recorded at amounts above the revaluation threshold.

*Repairs and Maintenance*

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated.



## *Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred.

## *Recoverable Amounts*

The carrying amounts of non current assets recorded at cost are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of the asset exceeds the recoverable amount, the asset is written down to the lower amount with the write down expensed through the Statement of Financial Performance.

### **(d) Depreciation and Amortisation of property, plant and equipment**

Depreciation on buildings, equipment and motor vehicles is calculated by either the straight line method or the diminishing value method so as to write off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

The Depreciation rates used for each class of depreciable assets are:

<u>Class</u>	<u>Depreciation Rate</u>
Broadcast Equipment	25.00%
Computer Hardware	33.33% - 40.00%
Plant & Equipment	4.00% - 33.33%
Motor Vehicles	22.50%
Freeze Branding Equipment	5.00%
Joint Venture - Buildings	3.00%-25.00%
Joint Venture - Plant and Equipment	10% - 20.00%

### **e) Cash Assets and other Financial Assets**

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

### **(f) Receivables**

Receivables are recognised at the amount due at the time of the sale or service provision. The collectibility of receivables is assessed at balance date with adequate provision made for doubtful debts and all known bad debts written-off. Receivables include loans and advances, which are recognised at their face value.

### **(g) Payables**

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

### **(h) Employees' Entitlements**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Board also contributes to various accumulating Employee Superannuation Plans.



## Notes (cont'd)

**(i) Comparative Figures**

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

**(j) Segment Reporting**

The Board operates predominantly in one industry, being that of Harness Racing in Queensland.

**(k) Taxation**

The activities of the Board are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods & Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

**(l) Adoption of International Financial Reporting Standards**

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

All pending Australian Equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedure, systems and financial impacts resulting from such changes. The dollar values of any changes cannot be reliably estimated at the date of this report.

**(m) Albion Park Raceway Joint Venture**

In June 2002, State Cabinet resolved that the Albion Park Raceway asset was to be transferred from ownership by the State of Queensland, to the Queensland Harness Racing Board and the Greyhound Racing Authority as tenants in common in half share. This took effect on 1st July 2003. An agreement was entered into by the parties confirming the establishment of a joint venture relationship. Accordingly, 50% of the Statement of Financial Performance and Statement of Financial Position has been incorporated into these accounts. The Joint Venture commenced on the 1st July 2003.

Excluding the Joint Venture transactions, the Queensland Harness Racing Board net operating deficit is \$47,568 for the year ended 30 June 2005..

The Joint Venture audited financial statements disclosed a net operating loss of \$1,297,642 for the 2004 - 05 year. The Board's share of the net operating loss from the Joint Venture for the 2004 - 05 year was \$648,820.



# Financial Statements 2004-2005



	2005 \$	2004 \$
<b>2. Fees and Charges</b>		
Licence Fees	229,833	228,843
Clearance and Transfer Fees	61,360	35,495
Registration Fees	78,086	129,611
Fines and Late Fees	40,701	41,080
Foal Notification and Service Certificates	43,735	44,145
Qbred Nomination Fees	360,100	331,600
	813,815	810,774
<b>3. Other Income</b>		
Promotional Income - Broadcast Van	52,512	66,380
Publications Income	-	6,569
Sundry	54,938	75,616
	107,450	148,565
<b>4. Depreciation of Non-Current Assets</b>		
Broadcast Equipment	7,082	6,599
Computer Hardware	13,885	14,972
Office Furniture and Equipment	8,749	8,425
Motor Vehicles	36,528	35,480
Freeze Branding Equipment	171	171
	66,415	65,646
<b>5. Salaries, Wages and Associated Costs</b>		
Salaries, Wages and Associated Costs	1,220,899	1,183,227
Superannuation Contributions	104,744	98,121
Board Members Remuneration	49,105	54,974
Payroll and Fringe Benefits Tax	50,352	47,040
	1,425,100	1,383,362
<b>6. Racing Levy Expenses</b>		
Australian Harness Racing Council Levies	114,347	95,754
Photo Finish Clubs	141,607	121,509
Sulky Claims	54,490	35,480
	310,444	252,743
<b>7. Prize money</b>		
General Cash Prize money	10,106,850	9,789,309
Qbred Triad/Classic Prize money	728,825	748,000
Qbred Bonus Payments	1,185,150	1,183,150
Qbred Mares Incentive Scheme	54,100	44,500
Qbred Breeders Certificate	15,600	2,100
	12,090,525	11,767,059
<b>8. Tote Incentive Payments to Clubs</b>		
Albion Park Harness Racing Club	345,394	366,217
Darling Downs Harness Racing Club	-	4,245
Gold Coast Harness Racing Club	244,247	218,315
Mackay Harness Racing Club	14,319	18,598
Metropolitan Harness Racing Club	140,466	27,451
North Queensland Harness Racing Club	5,543	4,325
Redcliffe Peninsula Harness Racing and Sporting Club	76,008	80,959
Rockhampton Harness Racing Club	15,701	12,889
Net Tote Communication Costs	665	4,214
	842,343	737,213

## Notes (cont'd)

	2005 \$	2004 \$
<b>9. Clubs Administration and Capital Payments/Meeting Fees</b>		
Albion Park Harness Racing Club	400,000	368,105
Darling Downs Harness Racing Club	10,292	13,695
Gold Coast Harness Racing Club	400,000	365,975
Mackay Harness Racing Club	82,167	82,167
Metropolitan Harness Racing Club	61,625	12,667
North Queensland Harness Racing Club	82,167	83,639
Redcliffe Peninsula Harness Racing and Sporting Club	300,000	280,833
Rockhampton Harness Racing Club	82,167	82,167
	<b>1,418,418</b>	<b>1,289,248</b>
<b>10. Grants</b>		
Albion Park Harness Racing Club	153,645	254,000
Gold Coast Harness Racing Club	47,676	5,000
Mackay Harness Racing Club	-	5,000
Metropolitan Harness Racing Club	9,500	28,820
North Queensland Harness Racing Club	-	5,000
Redcliffe Peninsula Harness Racing and Sporting Club	58,042	36,871
Rockhampton Harness Racing Club	5,000	5,000
	<b>273,863</b>	<b>339,691</b>
<b>11. Other Expenses</b>		
Audit Fees	15,900	15,000
Bad and Doubtful Debts	-	1,546
Broadcast Expense	67,038	54,361
Consultancy Fees	24,638	24,242
Freeze Branding and DNA Expense	1,093	21,687
Legal Fees	131,869	102,517
Postage, Printing and Stationery	92,284	83,083
Promotion Expenses	30,354	54,261
Rent, Cleaning and Office Expenses	49,192	55,853
Service Fees	105,022	124,606
Sundry Expenses	467,953	107,020
Telephone and Facsimile	45,462	42,375
Travel, Accommodation and Motor Vehicle Expenses	73,282	53,279
	<b>1,104,087</b>	<b>739,830</b>
<b>12. Cash Assets</b>		
Cash on Hand	550	350
Cash at Bank	13,337	229,439
Joint Venture	17,879	12,497
	<b>31,766</b>	<b>242,286</b>
<b>13. Other Financial Assets</b>		
Investments	3,389,824	3,136,383
Joint Venture	273,677	414,045
	<b>3,663,501</b>	<b>3,550,428</b>
<b>14. Receivables</b>		
<i>Current</i>		
Debtors	61,107	401,533
Less Provision for Doubtful Debts	(7,346)	(66,766)
	<b>53,761</b>	<b>334,767</b>
Accrued Income	1,381,326	1,347,361
Joint Venture	28,042	30,669
	<b>1,463,129</b>	<b>1,712,797</b>
<i>Non-Current</i>		
Loans and Advances	-	59,420

# Financial Statements 2004-2005



	2005 \$	2004 \$
<b>15 (a) Profit/(Loss) on Disposal of Assets</b>		
Proceeds from Disposal of Assets	33,955	124,273
Less Carrying Value of Assets Disposed	(35,258)	(112,810)
<b>Profit/(Loss) on Disposal of Assets</b>	<b>(1,303)</b>	<b>11,463</b>
<b>15(b) Property, Plant and Equipment – Board</b>		
<b>Broadcast Equipment</b>		
At Cost	156,609	156,609
Accumulated Depreciation	(147,354)	(140,272)
	9,255	16,337
<b>Computer Hardware</b>		
At Cost	75,414	57,232
Accumulated Depreciation	(56,297)	(42,412)
	19,117	14,820
<b>Plant and Equipment</b>		
At Cost	222,923	199,994
Accumulated Depreciation	(195,449)	(186,701)
	27,473	13,293
<b>Motor Vehicles</b>		
At Cost	220,309	160,243
Accumulated Depreciation	(32,436)	(10,006)
	187,873	150,237
<b>Freeze Branding Equipment</b>		
At Cost	2,610	2,610
Accumulated Depreciation	(2,043)	(1,872)
	567	738
<b>Total Property, Plant and Equipment</b>		
Total at Cost	677,864	576,688
Accumulated Depreciation	(433,579)	(381,263)
<b>Total Written Down Amount</b>	<b>244,285</b>	<b>195,425</b>

## Reconciliations

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2005 Net Book Value	2004 Net Book Value
Broadcast Equipment	16,338	-	-	(7,082)	9,255	16,338
Plant and Equipment	13,294	22,928	-	(8,749)	27,473	13,294
Motors Vehicles	150,237	109,421	(35,258)	(36,528)	187,873	150,237
Computer Equipment	14,820	18,182	-	(13,885)	19,117	14,820
Freeze Branding Equipment	738	-	-	(171)	567	738
<b>Total</b>	<b>195,427</b>	<b>150,531</b>	<b>(35,258)</b>	<b>(66,415)</b>	<b>244,285</b>	<b>195,427</b>



## Notes (cont'd)

	2005 \$	2004 \$
<b>15 (c). Property, Plant and Equipment - Joint Venture</b>		
<b>Land</b>		
At fair value	12,640,000	5,617,500
	12,640,000	5,617,500
<b>Buildings</b>		
At fair value	17,283,592	6,224,250
Accumulated Depreciation	(10,940,180)	(1,016,194)
	6,343,413	5,208,056
<b>Plant and Equipment</b>		
At fair value	202,986	260,926
Accumulated Depreciation	(84,079)	(160,113)
	118,907	100,813
<b>Total Property, Plant and Equipment</b>		
Total at fair value	30,126,578	12,102,676
Accumulated Depreciation	(11,024,259)	(1,176,307)
<b>Total Written Down Amount</b>	19,102,321	10,926,370

### Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipments at the beginning and end of the current financial year is as below:

### Reconciliations

Asset Name	Opening Amount	Additions	Disposals	Revaluations	Depreciation Amount	2005 Net Book Value	2004 Net Book Value
Land	5,617,500	-	-	7,022,500	-	12,640,000	5,617,500
Buildings	5,208,056	6,255	-	1,647,533	(518,431)	6,343,413	5,208,056
Plant & Equipment	100,814	22,750	(7,232)	16,637	(14,062)	118,908	100,814
Total	10,926,370	29,005	(7,232)	8,686,670	(532,493)	19,102,321	10,926,370

Land values are based on current market values. All other assets have been adjusted to comply with Queensland Treasury "Non-current Asset Accounting Guidelines for the Queensland Public Sector" using the depreciated current replacement cost method. This resulted in an adjustment to the base gross value and associated accumulated depreciation for each asset.

A comprehensive independent valuation of the Joint venture's assets was undertaken as at 30 June 2005 by Auto Group Commercial (QLD) Pty Ltd using 'fair value' principles.

# Financial Statements 2004-2005



	2005 \$	2004 \$
<b>16. Payables</b>		
Creditors and Accrued Expenses	666,009	770,024
Joint Venture	88,046	69,002
	<u>754,055</u>	<u>839,026</u>
<b>17. Provisions</b>		
<b>(a) Current</b>		
<b>Employee Entitlements</b>		
- Annual Leave		
Balance 1 July	123,472	90,162
Add Provision for year	22,806	113,713
Joint Venture	6,536	20,622
	<u>152,814</u>	<u>224,497</u>
Less Payments for year	-	(101,025)
Balance 30 June	<u>152,814</u>	<u>123,472</u>
<b>Unspent Prize Money</b>		
Balance 1 July	-	17,000
Add Provision for year	-	-
	<u>-</u>	<u>17,000</u>
Less Payments for year	-	(17,000)
Balance 30 June	<u>-</u>	<u>-</u>
<b>Total Current Provisions</b>	<u>152,814</u>	<u>123,472</u>
<b>(b) Non-Current</b>		
<b>Employee Entitlements</b>		
- Long Service Leave		
Balance 1 July	167,881	98,060
Add Change in Provision for year	(10,928)	49,377
Joint Venture	(3,506)	20,444
Balance 30 June	<u>153,447</u>	<u>167,881</u>
<b>18. Equity</b>		
<b>(a) Retained Profits</b>		
Retained Profits / (Losses) at the beginning of the year	3,962,375	4,023,592
Joint Venture	4,140,790	4,717,030
Net result for the reporting period - Board	(47,568)	(61,217)
Net result for the reporting period - Joint Venture	(648,820)	(576,241)
	<u>7,406,777</u>	<u>8,103,164</u>
<b>(b) Reserves</b>		
General Reserves	375,000	375,000
Asset Revaluation Reserve	25,430	25,430
Asset Revaluation Reserve - Joint Venture	15,819,391	7,132,722
	<u>16,219,821</u>	<u>7,533,152</u>

## Notes (cont'd)

	2005	2004
	\$	\$
<b>19. Statement of Cash Flows</b>		
<b>(a) Reconciliation of Operating Result to Net Cash used in Operating Activities</b>		
Net Surplus (Deficit)	(696,389)	(637,460)
Depreciation	66,415	65,646
Depreciation –Joint Venture	532,493	531,006
(Profit)/Loss on Sale of Plant and Equipment	1,303	(11,463)
Profit/(Loss) on Sale of Plant and Equipment –Joint Venture	199	
Unrealised Receipt from Asset Sale –Joint Venture	7,032	
<i>Changes in Assets and Liabilities -</i>		
- Decrease (Increase) in Debtors and Accrued Income	309,088	(439,474)
- Decrease (Increase) in Prepaid Expense	(101,944)	20,690
- Increase (Decrease) in Creditors and Accrued Expense	(84,970)	(35,795)
- Increase (Decrease) in Revenue in Advance	-	-
- Increase (Decrease) in Provisions	14,908	86,131
Net Cash Provided by (Used In) Operating Activities	48,133	(420,719)
<b>(b) Reconciliation of Cash</b>		
Cash at Bank and Cash on Hand	13,887	229,789
Cash on Hand –Joint Venture	17,879	12,497
Other Financial Assets	3,389,824	3,136,383
Other Financial Assets –Joint Venture	273,676	414,045
	3,695,266	3,792,714
<b>20. Lease expenditure commitments</b>		
<i>Operating leases (non-cancellable)</i>		
Minimum lease payments		
- not later than one year	-	58,347
- GST not later than one year	-	5,835
- later than one year and not later than five years	-	-
- GST later than one year and not later than five years	-	-
	-	64,182
<b>21. Contingent Liabilities</b>		
Estimated Costs attributed to ongoing litigation	-	100,000
	-	100,000



## 22 . Financial Instruments Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
<b>Financial Assets</b> Receivables	14	<b>Recognition</b> - upon delivery of goods, notification of interest received or provision of services to customers. <b>Measurement</b> – recorded at nominal amounts due less any provision for doubtful debts. Provision for doubtful debts is recognised when collection of the full amount is no longer probable.	Sales Invoices are on 30 day terms. Other receivables are normally settled within agreed terms for payment.
Investments	13	<b>Recognition</b> - upon deposit of funds transferred from the bank to the financial institution. <b>Measurement</b> – recorded at carrying amounts transferred by the QHRB.	Bank Bills & Certificates of Deposit are sold at a yield discounted to face value according to dictated market yields at the time of investment. Cash Management Accounts - Interest is calculated daily and based on relevant market yields.
<b>Financial Liabilities</b> Payables	16	<b>Recognition</b> – upon receipt of goods or services received. <b>Measurement</b> - Trade creditors are recorded at amounts based on agreed purchase/contract costs.	The amounts are unsecured and normally settled within agreed terms of payment.

### Interest Rate Risk

The Board is exposed to interest rate risk through its investments in Bank Bills, Certificates of Deposits and Cash Management Accounts. The effective weighted average interest rates on financial assets and financial liabilities during the year were as follows:

Financial Instruments	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing In:						Non Interest Bearing		Carrying Amount as per Statement of Financial Position	
					<=1yr		<=1yr		1-5yrs		>5yrs			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial Assets</b>														
Cash	3.4	3.2	32	242	-	-	-	-	-	-	-	-	32	242
Receivables	-	-	-	-	-	-	-	-	-	-	1,463	1,792	1,463	1,792
Bank Bills & Certificates of Deposit	5.65	5.05	2,000	2,000	-	-	-	-	-	-	-	-	2,000	2,000
Cash Management Accounts	5.48	4.55	1,663	1,550	-	-	-	-	-	-	-	-	1,663	1,550
<b>Financial Liabilities</b>														
Payables	-	-	-	-	-	-	-	-	-	-	757	839	757	839





## Notes (cont'd)

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### 22. Financial Instruments (continued)

#### Credit Risk

The exposure to credit risk from investments in Bank bills and Certificates of Deposits is minimal, due to the short periods of time invested (30-90 days). These investments are bearer securities whereby the issuing bank undertakes to pay the bearer the face value of the security on maturity. At balance date the Board held investments with financial institutions that have a short term rating range of AAmminus to A2.

The maximum exposure to credit risk at balance date in respect of receivables, excluding the value of any collateral or other security is the carrying amount, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position.

#### Net Fair Value

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

### 23. Board Member Fees

Board Members are paid at the category level of C1 of the *Fees for Part-Time Chairs and Members of Government Boards*, administered by the Department of Industrial Relations.

Plus reimbursement of expenses - the amounts paid to Board Members is disclosed in Note 5

New Board Members appointed 5 October 2004 were:

Mr William Lenehan (Chairman)  
Mr Warren Cummins (Deputy Chairman)  
Mrs Margaret Reynolds  
Mrs Kayleen Moore

The number of Board Members are shown below in the following income bands:

	2005	2004
\$0 - \$9,999	3	2
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	1	-

### 24. Employee Numbers

Employee Number at 30 June (full time equivalents)	18.1	18.1
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### 25. Subsequent Events

The board decided on 1 August 2005 not to grant a licence to North Queensland Harness Racing Club for the coming season starting 1 September. This will mean that no authorised racing can be conducted at the club and that the board will not be providing funding for their activities.



## Certificate of the Queensland Harness Racing Board

This general purpose financial report has been prepared pursuant to section 46F(1) of the Financial Administration and Audit Act 1977 and other prescribed requirements. In accordance with section 46 F(3) of the Act:

We certify that in our opinion:-

- (a) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (b) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Board for the financial year ended 30 June 2005 and of the financial position as at the end of that year.

W R LENEHAN  
Chairman

B C SCHIMMING  
Chief Executive Officer

30. 9. 05

Date

# Independent audit report

## To the Board of the Queensland Harness Racing Board

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

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

## Scope

### *The Financial Report*

The financial report of the Queensland Harness Racing Board consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report and certificates given by the Board and officer responsible for the financial administration of the Queensland Harness Racing Board, for the year ended 30 June 2005.

### *The Board's Responsibility*

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

### *Audit Approach*

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

### *Audit procedures included –*

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



## Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

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

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

## Audit Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Queensland Harness Racing Board for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.



K THOMAS CPA  
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane



***Queensland Harness Racing Board***

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