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Queensland Harness Racing Board

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Chief Executive Officer
Queensland Harness Racing Board
PO Box 252
Albion QLD 4010

Queensland Harness Racing Board



Be Good Johnny – Owner: N. McCarthy Trainer/Driver: J. McCarthy

Queensland Harness Racing Board



Bob Lette, Chairman, is a partner of the law firm Mullins Lawyers. Since admission to the Supreme Court of Queensland in 1966 he has specialised in commercial property, corporate, hospitality, construction and industrial law. He is currently a director of the ASX listed companies Watpac Limited, Viking Industries Limited and Trinity Group Limited. He is also a director of Queensland Airports Limited, Trinity Funds Management Limited and of several private companies. Bob has been a board member of TABQ and a Director and Chairman of Australian Pacing Gold.



Warren Cummins, Deputy Chairman, a former mounted policeman, detective and businessman, has served as a Member of the Board on two occasions. His association with the equine industry includes Junior Vice President of the Royal National Association, as former President of the National Appaloosa Association and as a Committee Member of the Albion Park Harness Racing Club during the previous grandstand redevelopment. Warren has held both a harness racing and thoroughbred racing trainers licence throughout his career. Warren now enjoys retirement.



Kaylene Moore has 23 years experience in State Government and has held a number of senior positions over the last 15 years. She has extensive experience in and knowledge of corporate governance, financial management, change management, human resource management, strategic planning and Executive Government including Parliamentary, Cabinet and Executive Council processes. Kaylene has a Postgraduate Certificate in Management. In addition, she has extensive industry knowledge as her immediate and extended family has been involved in the industry for over 50 years. Kaylene is also a former licensee and owner.



Janice Dawson was appointed to the Queensland Harness Racing Board in June 2006 and has lived and worked in Brisbane all of her adult life. At the age of 23 she commenced the first meal delivery service in Brisbane called "Phone a Meal" and conducted this business for 5 years before commencing accounting studies. Janice has a background of some 30 years in accounting and at present runs her own practice as a public accountant & registered tax agent in Brisbane. Janice is part of the team dedicated to making harness racing the number one sport in Queensland.

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 nominations 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 reappointment.

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

The table below lists the members of the Board together with their attendance records for meetings.

Name	Position	General Meetings	Special Meetings	Special Assignments
Bill Lenehan	Chairperson	11	71	10
Warren Cummins	Deputy Chairperson	11	11	10
Kaylene Moore	Member	11	10	20
Margaret Reynolds	Member	10	12	10

Chairman's Report

The Hon Andrew Fraser MP
Minister for Local Government,
Planning & Sport
PO Box 15031 City East
BRISBANE QLD 4002

Dear Minister

I am pleased to submit the Annual Report of the Queensland Harness Racing Board (the Board) for the 2005-06 financial year.

As my appointment as Chairman was made after the reporting period, this report has been prepared by the outgoing Board and the present administration.

The Board has recorded an operating shortfall of \$933,022 for the year ended 30 June 2006, (before consolidation of the Albion Park Joint Venture).

The Board took a number of decisions that has resulted in this operational shortfall to invest in the future of the industry in the 2005-06 financial year. In taking these initiatives the Board had the utmost confidence that the industry would return a positive result on these investments by way of increased wagering growth and improved market share in the ensuing years.

One of the prime initiatives taken was in regard to the implementation of a double bonus for QBred eligible two, three and four year olds that resulted in an investment of some \$175,000 in the first year of this enhanced scheme.

Another positive initiative was the payment of driver's fees that added an additional expense of \$400,000 for the period under review. It is worth noting that the

Board took the decision to ease the financial burden on the owners and to pay the driver's fees from the distribution instead of this fee being paid by the owners.

Add to these expense items an internal review of the organisation resulting in an extraordinary one-off payment that will return a long-term gain to the industry by way of a more cost effective administration of harness racing.

The Board has continued to focus on these and other tasks during the period to enhance the return to the fraternity, ensure safety and integrity and address the sustainability of the industry into the future.

I am pleased to report that the Auditor-General has provided an unqualified report on the year's financial statements.

The harness racing industry in Queensland recorded positive wagering growth during the period, with the total wagering turnover on TAB Queensland on the local harness racing product increasing by 4.98% or \$2.69 million on the previous year.

Queensland harness racing received total commission from UNiTAB through Product Co of \$16,949,479, an increase of \$143,829, (0.9%) over the previous year. The marginal increase in totalisator commission from UNiTAB was disappointing. It did not realise the expectations of the Board and can be solely attributed to

the impasse between the racing telecasters in Sky Channel and TVN.

Total harness racing prizemoney for the 2005-06 year was \$12,411,979, an increase of \$321,454, (2.7%) over the previous year.

The harness racing clubs in Queensland received \$738,503 in grants, administration and capital payments during 2005-06; this was over and above the totalisator incentive payments to the clubs during the period.

It is fundamental to acknowledge that the wagering commissions paid by UNiTAB in accordance with the Product Co Agreement as the industry's principal source of income is the lifeblood of the sport and must be protected.

This significant revenue stream is paramount to the sustainability of the business of harness racing and it is essential that all associated with harness racing are focused on presenting a high quality-racing product to maximise the wagering opportunities on TAB Queensland.

The Albion Park Raceway Management Committee continues to pursue the redevelopment of the site. It is of the utmost importance that the vision to redevelop the Albion Park Raceway is realised as this proposed 'state of the art' venue and the other income streams that go with it will go a long way to ensuring that the industry is sustainable well into the future.

The Board wishes to acknowledge all industry stakeholders who have contributed to the success of the local harness racing industry, including the owners, breeders, licensees, club committees, venue management, catering and beverage providers, race day staff and the myriad of sub-contractors and suppliers associated with the business of harness racing.

The media support in particular through Sky Channel, RadioTAB, Queensland Newspapers, the QHR magazine and the industry weekly's in National Trotguide and Harness Racing Weekly is greatly appreciated.

The Board extends particular gratitude to the management of our joint business partners in UNiTAB, and Sky Channel for their support throughout the year.

I wish to acknowledge the contribution to the sport of the previous Board, chaired by Bill Lenehan capably supported by Board Members, Warren Cummins, Kaylene Moore and Margaret Reynolds.

I also wish to recognize the efforts of the Board's executive management team and the staff that have responded to the call to make that extra effort in sterling fashion.

It would be remiss of me not to mention the unwavering support the racing industry received from the previous Racing Minister the Hon Robert Swarten MP that was greatly appreciated by the Board and the industry.

In conclusion, welcome on behalf of the industry to the Racing portfolio and to thank your staff, the Director-General and the staff of the Office of Racing for their support and assistance to the Board during the year.



RJ Lette
Chairman

Organisation



Blacks A Fake – Owner: C. Rasmussen, T. Titcomb, C. Pointer Trainer/Driver: N. Rasmussen.

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 maximised 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 quality.

VALUES

Professional and ethical

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

Results-Oriented

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 value in the organisation.

GOALS

An optimal environment for the development and long-term growth of the harness racing industry.

A high performing control body, using sound management practices and delivering cost-effective and quality services.

A high level of industry and public confidence in race safety and integrity.

Our People

Chief Executive Officer	Andrew Kelly	3624 8914
Finance and Administration		
Manager Finance and Administration	Tracey Harris	3624 8903
Executive Assistant	Stephanie Mayne	3624 8914
Finance Officer	Rebecca Nolan	3624 8907
Prizemoney Officer	Leanne Lorena	3624 8913
Integrity		
Chairman of Stewards	Martin Knibbs	3624 8914
Steward - Compliance Officer	Michael Castillo	3624 8906
Racing		
Manager Product Development	Damian Raedler	3624 8914
Registrar	Rod Brough	3624 8912
Assistant Registrar	Susan Morley	3624 8950
Handicapper	Andrew Whitehead	3624 8909
Assistant Handicapper	Lisa Maher	3624 8911
3 Amy Street Albion QLD 4010	PO Box 252 Albion QLD 4010	Monday to Friday 8.30am to 4.30pm
T: 3624 8900	F: 3262 7363	
E: smayne@qld.harness.org.au	W: www.harness.org.au/qld	

External Associates

Freehills Lawyers

Level 38
Central Plaza One
345 Queen St
Brisbane QLD 4000
T: (07) 3528 6666

Auditor-General Queensland

Level 11
Central Plaza One
345 Queen St
Brisbane QLD 4000
T: 3405 1100

Westpac Banking Corporation

81-85 Racecourse Rd
Hamilton
Brisbane QLD 4007
T: 13 2032

Publications

QLD Harness Racing is the official publication of the Queensland Harness Racing Board and is published monthly by:

Australian Standardbred Consultancy Pty Ltd
PO Box 12
BRISBANE MARKET QLD 4106

T: (07) 3875 1333

E: ausbred@bigpond.net.au

A twelve-issue subscription is available for \$39.60 (inclusive of GST).

The Queensland Harness Racing Board also produces a range of publications and policies, which are freely available to members of the public by contacting the Albion Par office or by visiting www.harness.org.au/qld.

- Queensland Harness Racing Board Annual Report
- QBred Information booklet
- Forms under the *Australian Harness Racing Rules*
- Policies

Awareness of Duties Policy
Barrier Redraw Policy
Betting Policy
Complaints Policy
Drug and Alcohol Policy
Education and Training Policy
Fees Policy
Forms Policy
Gifts and Benefits Policy
Handicapping Policy
Interim Animal Welfare Policy
Licensing Policy for Clubs
Licensing Policy for Individuals
Policy Development Policy
Policy for Race Day Allocation and Provision of Funding
Policy for the Formation and Management of Clubs
Policy on Disposal of Assets by Non-proprietary Clubs
Policy on Spending by Non-proprietary Clubs
Policy on Standards Required for Licensed Venues
Policy on the Employment of Officials and other Staff
Policy on the Way in Which Races are to be Held
Policy on Trialling and Training of Licensed Animals
Privacy Policy
Public Interest Policy
Recordkeeping Policy
Web site Policy

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 includes:

- consultation arrangements for public participation in the Board's policy-making activities
- bodies established to advise the Board 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 website 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 the 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 website at: www.harness.org.au/qld

How do I obtain documents?

- Ask if the documents you require are publicly available.
- Identify the documents you require and the type of access sought (eg. Inspection or copy).
- Make a formal application under the Freedom of Information Act, either by way of application form or letter.

The application must:

- be addressed to the Freedom of Information Officer.
- be in writing
- 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
- state an address to which a notification of the decision may be sent

Post or deliver the application to

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

3 Amy Street
ALBION QLD 4010

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.

The FOI Officer acknowledges FOI applications within 14 days of receipt.

For requests of access to 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, decision 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
- 45 days for documents created prior to 1987 where no consultation is required
- 60 days for documents created prior to 1987 where consultation is required.

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 Office of 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 decisions
- 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 4, 300 Adelaide Street
Brisbane QLD 4000

or mailed to:

PO Box 10143
Adelaide Street
Brisbane QLD 4000

Enquiries

Enquiries about FOI may be made between 8.30am and 4.30pm, Monday to Friday by telephoning the Freedom of Information Officer of 07 3624 8900.

There were no applications made during 2005-06.

Publications

The Queensland Harness Racing Board produces a monthly magazine that is available by way of subscription by way of subscription or on the Queensland Harness Racing Board web site.

A full list of Queensland Harness Racing Board publications is available in this report.

Public Interest disclosure

There were no whistleblowers during 2005-06.

Racing



Slipnslide - Owner: J.McCarthy Trainer/Driver: L.McCarthy

Integrity



Martin Knibbs Chairman of Stewards

During the course of the year the Integrity department underwent a significant number of changes following the Board's decision to implement all responsibilities and services relating to integrity matters under the control of the Queensland Harness Racing Board rather than the respective Race Clubs.

In February 2006, Mr Martin Knibbs was appointed Chairman of Stewards and commenced his duties in May, upon returning to Australia from the Hong Kong Jockey Club. This followed an extremely arduous period for the Stewards panel following the departure of senior colleagues in late 2005.

Throughout the year the Integrity department continued to police the industry, rigourously perform all duties in a professional manner. A table of offences for the season is contained in this report.

Since the arrival of the Chairman of Stewards a number of policies have

been addressed with a view to standardising procedures at all Queensland harness meetings in an attempt to seek a uniform and consistent approach to decisions by Stewards whenever possible. It is envisaged that through identification of major issues within the industry that the future of Integrity Services within the Queensland harness racing industry will continue to enhance transparency.

Representation at meetings of the Square Trotters Association and BOTRA have endeavoured to open the channels for effective communication between industry groups and the Integrity department so that any concerns or issues raised can be openly discussed in order to assist the industry in moving forward.

Swabbing procedures and samples collected have been reviewed with a view to increasing the number of samples taken both pre- and post-race at all TAB meetings. This exhibits the Board's committed policy to drug-free racing.

Offences

RULE	OFFENCE	CAUTION	REPRIMAND	FINES	SUSPENSIONS	DISQUALIFICATION
25 (a)(2)	Fail to lodge stable return			1		
41	Late arrival on course		1	1		
43 (1)	Failing to report attendance		1	1		
43 (2)	Fail to notify non-arrival of driver		1			
44 (1)	Tactic change - fail to notify		1	4		
88	Late scratching - unacceptable reason			2		
135 (1)	Late in parade ring	6	30	7		
135 (2)	Late arrival on course		1	1		
149 (1)	Reasonable and permissible measures				8	
149 (2)	Unacceptable drive				4	
152 (2)	Shall drive horse that he owns			1		
154 (1)	Fail to bring horse back to correct gait			2		
156 (2)(b)	Unapproved whip use	10	51	31		
159 (1)	Untidy presentation - dress standard		1			
159 (a)(2)	Helmet unfastened	2				
159 (a)(7)	Failing to wear approved body protector			1		
162 (1)(b)	Disobey starters direction		1			
162 (1)(c)	Talking and/or communicating on track		7	33		
162 (1)(e)	Come to mobile barrier out of position	1				
162 (1)(f)	Crossing over before reaching start	1		5		
162 (1)(g)	Start from incorrect barrier		1			
162 (1)(h)	Fail to come up into position	1	26	15		
162 (1)(l)	Out of position at the candy pole	1	11	15		
162 (1)(j)	Fail to maintain position until start	4	20	13		
162 (1)(n)	Take or attempt to take unfair advantage				2	
162 (1)(q)	Lost mudguard			1		
162 (1)(u)	Abruptly reduce race speed		4	6		
162(1)(v)	Whip with reins			2		
162 (1)(ww)	Shifting ground when not improving position	1	2			
162 (1)(x)	Set an excessively slow pace		1	43		
162 (1)(z)	Lack of vigour in driving horse to finish	1				

Offences

RULE	OFFENCE	<i>CAUTION</i>	<i>REPRIMAND</i>	<i>FINES</i>	<i>SUSPENSIONS</i>	<i>DISQUALIFICATION</i>
163 (3)	Half carting	6	18	8		
163 (1)(a)	Jostling - Interference - Crossing	1	1	22	71	
163 (1)(b)	Force another runner to cover more ground		2	9	25	
163 (1)(c)	Contacting marker posts	10	54	45	1	
163 (1)(d)	Force another runner to contact markers		4	15		
165 (1)(a)	30 cm rule		1			
167 (2)	Fail to remove horse from sprint lane			3		
168 (1)	Tightening, shifting ground, careless driving	28	108	83	30	
170 (1)	Drop foot from sulky foot rest		5	23		
170 (2)	Body outside sulky confines		2			
173 (2)	Betting area		1			
183 (b)	Leave a stewards inquiry before its completion				1	
187 (3)	Fail to comply to Stewards directive (splash sheet)		11			
187 (5)	Abuse and deliberately obstruct stewards inquiry			1		
190 (1)	Prohibited substance - fail to present horse			4	5	7
204	Handle horses when unlicensed			4		
210	Late driver notification			1	35	
211	Leave horse unattended			3		
213 (b)	Possess gear which can cause suffering			1		
219	Fail to pull pins, resulting in inconsistent running			1		
223	Inadequate safe clothing - shoes etc	2	6			
226	Unlicensed stablehand		1	1		
231 (1)	Abusive behaviour			1		
231 (2)	Misconduct					1
238	Fail to comply with Stewards directive		1	3		
242	Lodging stable return with fictitious person			1		
243	Detrimental behaviour to harness racing industry			4		
247	Improper behaviour during steward inquiry			3		
269	Incorrect gear			2		
273 (2)	Insecure/Faulty/Inferior/Poor gear		1	13		
159 (a)(7)	Fail to wear protective vest			2		

Product Development



Damian Raedler

Manager Product Development

The goal of the Queensland Harness Racing Board since its appointment 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 cultivate the wagering turnover to ensure that the industry achieves its market-share in order to preserve its distribution in accordance with the current Product Co Agreement.

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

It is pleasing to report that as at 30 June 2006 a wagering turnover increase of 4.98% was achieved on the local harness racing product on TAB Queensland for the financial year 2005-06. The Board at its June 2005 meeting restructured its organisational chart to include a department of Product Development.

Effective from July 2005, Product Development assumed the responsibility for the racing product, wagering, communications and industry-based marketing. This department encompasses the areas of handicapping and registration that relate directly to the racing product.

From an industry perspective it is important to note that Product Development is responsible for the compilation of all race fields for race meetings in the state. This includes the number of races, minimum number of starters, schedule of times, positioning of races in a particular programme, allocation of the exotic bet types, adherence to the prizemoney budget and other related matters.

Product Development is also the conduit for regular communication with Product Co, UNiTAB, Sky Channel, RadioTAB and the print media in the Board's endeavours to achieve its objective.

A centralised unit such as Product Development is already making a significant contribution to assuring that the industry's prospects into the future are given every opportunity to be maximised and in turn protecting the industry's principal revenue stream.

QBred

The breeding incentive scheme for the Queensland

To be eligible for the rich bonuses attached to the annual series during the 2005-06 season a fee of \$300 was payable for Scheme One (race win bonuses) and \$400 for Scheme Two (race win bonuses and feature race eligibility). This was the fifth consecutive year the fee had remained unchanged.

During 2005-06 over \$750,000 was paid out in feature prize money for the Triad finals conducted at the Albion Park track and the Breeders Classic finals held at the Gold Coast track. Additionally, an all time high \$1,278,750 was paid out in race winning bonuses to connections of QBred eligible horses.

The season also saw the introduction of a double QBred bonus for the 2 Year Old leg of the series that dependant on the racetrack and conditions of the race, winning connections were paid a bonus of up to \$3,000. Thirty-six separate connections shared in the spoils in this exciting new component of the scheme.

Whilst the QBred scheme caters for all classes of horse, the cream rose to the top during the 2005-06 season with Queensland horses producing by far the best results obtained by horses that were born in and that were owned, trained and driven in Queensland.

Blacks A Fake is currently rated the southern hemispheres best pacer becoming Queensland's first owned-and-trained horse to win the Inter Dominion final.

Be Good Johnny became the first Queensland-bred, owned and trained pacer to win the prestigious title of Grand Circuit Champion. Wins included the inaugural Trans-Tasman held at the Albion Park track, the Miracle Mile held at Harold Park in Sydney and the time honoured Victoria Cup at the Moonee Valley circuit in Melbourne.

Never has the future of Queensland Harness Racing appeared brighter and the coming season looms large for QBred eligible horses to continue on their winning ways.

QBred Triad Honour Roll

2YO filly	Fleur De Lil
2YO colt/gelding	Arkamigo
3YO filly	Artificial
3YO colt/gelding	Tip Your Hat
4YO filly	Theartofillusion
4YO colt/gelding	Maximillion

QBred Breeders Classic Honour Roll

2YO filly	Fleur De Lil
2YO colt/gelding	Il Tenore
3YO filly	All Promises
3YO colt/gelding	Casino Ace
4YO filly	Theartofillusion
4YO colt/gelding	Secretagent Cullen

Honour Roll 2004-05

Awarded during 2005-06

As the racing season of 1 September 2004 to 31 August 2005 overlaps the financial year, awards for any given season are not reported on until the following financial year.

Queensland Harness Racing Board Awards

The following harness racing industry participants were honoured for the 2004-05 season at the Queensland Harness Racing Awards Dinner on 9 October 2005.

Queensland Horse Of The Year – *Flashing Red*

North Queensland Horse Of The Year – *Melton Gunna Max*

Trainer of the Year – John McCarthy

Driver of the Year – Grant Dixon

Achiever of the Year – Stuart Hunter

Chairman's International Study Scholarship – Jonathon Denning

Special Commendation Award – Denis Smith

Albion Park	Trainer of the Year John McCarthy	Horse of the Year <i>Myrniong Rager</i>	Driver of the Year Luke McCarthy
Gold Coast	Trainer of the Year Bill Dixon	Horse of the Year <i>Macleod</i>	Driver of the Year Grant Dixon
Redcliffe	Trainer of the Year Julie Weidemann	Horse of the Year <i>The Ultimate Axe</i>	Driver of the Year Grant Dixon
Rocklea	Trainer of the Year Julie Weidemann	Horse of the Year <i>Jedi Warrior</i>	Driver of the Year Lola Weidemann
Rockhampton	Trainer of the Year Barry Brazier	Horse of the Year <i>Demolition George</i>	Driver of the Year Paul Zimmerlie
Mackay	Trainer of the Year John Manzelmann	Horse of the Year <i>Saint Louie</i>	Driver of the Year Bronte Nugent
Townsville	Trainer of the Year Darryl Gross	Horse of the Year <i>Melton Gunna Max</i>	Driver of the Year Darryl Gross

Racing – Major Performances

Blacks a Fake

Fake Left – Colada Hanover

Blacks A Fake has made a meteoric rise through the grades from a C4 class pacer in October 2005 to being acclaimed as Australia's best pacer.

His season highlights were numerous and included 18 starts for 13 wins banking \$1,109,962. Three defeats were in standing starts, of which the horse is yet to master.

His highlight was obviously being the first Queensland owned, trained and driven horse to win the Inter Dominion, winning in dominant style. His other credits being the Terang Cup, two Inter Dominion Heats, the 4 & 5 Year Old Championship and the Winter Cup.

Be Good Johnny

Fake Left – Fleetwood Mandy

The first Queensland bred, owned and trained pacer to win the prestigious title of Grand Circuit Champion, *Be Good Johnny* had just ten starts, winning four and amassing \$688,028 in stake money. *Be Good Johnny* did his best work early in the season. Although he had less success in the Inter Dominion Final, he captured a heat of the prestigious series.

His credits include:

- 2nd in the \$75,000 Gold Coast Bulletin Cup won in track record time
- 3rd in the \$125,000 Queensland Pacing Championship
- Won the inaugural \$150,000 Trans Tasman

- Won the \$500,000 Miracle Mile racing in the death seat.
- Won the \$300,000 Victoria Cup
- Won a heat of the Inter Dominion

Slipnslide

Perfect Art – Vanturk NZ

In any other year in the history of the Queensland Harness Horse of the Year, this pacer would be a favourite to win. He had 12 starts winning four and \$496,510 in prizemoney. His season credits include:

- 4th in the \$75,000 Gold Coast Bulletin Cup
- Won the \$125,000 Queensland Pacing Championship
- 4th in the \$150,000 Trans Tasman
- 2nd in the \$500,000 Miracle Mile
- Won the \$110,000 Treuer Memorial
- 4th in the \$300,000 Victoria Cup
- 4th in the \$500,000 Hunter Cup, off a handicap.
- Two wins and a third in the Inter Dominion heats to be the top qualifier
- 3rd in the \$1,500,000 Inter Dominion Final, from a second row draw.

Tip Your Hat

Village Jasper USA –Glammalot

Queensland's top 3 Year Old colt completed a hat trick of victories by Queensland trained pacers in our Derby after a drought of nearly 20 years. With a total of 20 starts, *Tip Your Hat* raced to an incredible 16 wins and three placings, banking \$232,410.

His other credits include the \$75,000 QBred Triad Final, the Gold Coast Derby and the \$145,000 Australasian Breeders Crown final.

All Promises

Albert Albert USA - As Promised

This lightly-raced filly made her debut this season, amassing seven wins and two placings from just

eleven starts, collecting \$125,000 in prizemoney. *All Promises* annexed the Breeders Classic at the Gold Coast, finishing the season well with her last three starts producing victories in the Queensland, Australian and Redcliffe Oaks.

This horse was the only Australian filly to win more than one major Oaks in what was considered to be a competitive field of 3 Year Old fillies.



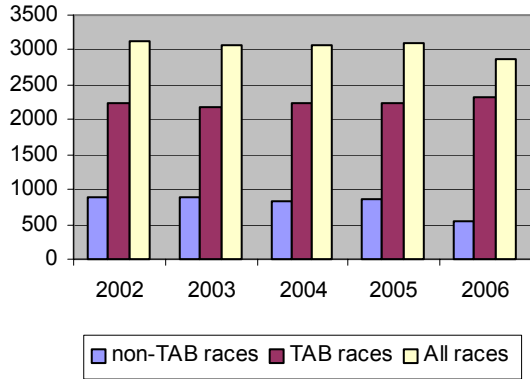
All Promises – Owner: T & K Price Trainer: S.Price Driver: L.Weidemann

Licences and Registrations

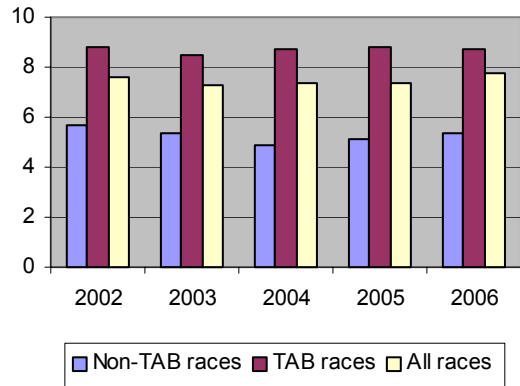
Licences and Registrations	2005/06	2004/05
Trainers	476	474
Drivers	360	380
Stablehands	240	200
Bookmakers	9	10
Bookmakers clerks	33	34
Sire registration	47	37
Foalings	520	503
Services	618	539
Horses named	478	463
NZ Imports	85	68
USA Exports	3	2
Syndicates (new registrations only)	3	6
Leases	123	138
Transfers	806	759
Clubs	7	8

Statistics

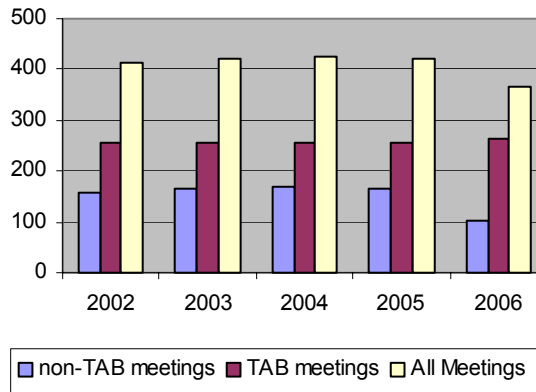
Number of races



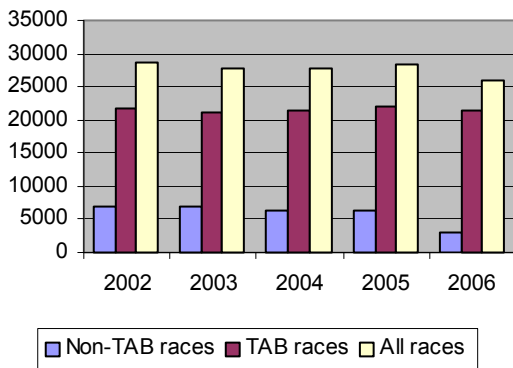
Average number of races per meeting



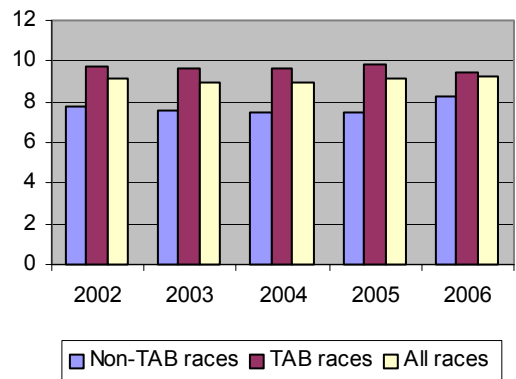
Number of meetings conducted



Number of starters



Average starters per race



Clubs

Albion Park

Under the Chairmanship of Kevin Seymour AM, the Committee of the Albion Park Harness Racing Club guided the principal club to its largest operating profit in its history. Prudent management and the introduction of new commercial revenue streams obtained this year's profit.

The Club continued much needed capital works projects including:

- A total rebuild of the mobile start car
- Replacement of 25 televisions throughout the concourse and stable areas.
- New digital camera for SKY Channel broadcasts.
- Replacement of track lighting

Committeeman Warwick Stansfield took up the role of Honorary Treasurer due to the departure of long serving Committeeman Darryl Brennan. The Committee will recommend to the AGM in September to honour Darryl Brennan for his services to the Club by offering him a life membership.

The Club received an Australian Harness Racing Council award of merit for the promotion of the Seymour Nursery Pace evening held in July 2005. Over 13,000 spectators enjoyed the event. This is the second consecutive year that the club has achieved this award having received it for "The Big Gig" in 2004. We thank Kevin & Kay Seymour for their continued support by sponsoring these high-profile events.

Chairman Kevin Seymour has indicated to the Club that he will be stepping down as Chairman at the upcoming AGM. Kevin has served the Club for 38 years and his contribution to the sport of harness racing and the Club are considerable. His sponsorship, financial support and

entrepreneurial endeavours have included the setting up of Australian Pacing Gold Ltd, the implementation of the Sire Stakes, that later became the QBred series, the Kevin and Kay Seymour Nursery Pace and events such as the 'Big Gig' charity weekend. Our sincere thanks and gratitude are extended to Kevin & Kay and the Club looks forward to their continued support.

The Club held the inaugural running of the \$150,000 Ariadne/Watpac Trans-Tasman (GI) in October, won by Grand Circuit Champion *Be Good Johnny*. The evening encouraged free family activity and attracted a large crowd.

The Club continued to increase sponsorship revenue. The sponsorship revenue generated by the Club is now amongst the largest of any harness racing club in Australasia and during 2005-06 the Club welcomed the following new sponsors:

- Ariadne
- Aussie Home Loans
- Brothers Rugby Club
- Burwood Stud
- Caravan Industry Australia
- Legacy Brisbane
- Wasp Diesel

The Club would like to extend a sincere thank you to all existing sponsors for their continued support.

We would like to congratulate Natalie Rasmussen and *Blacks A Fake* for winning the 2006 Inter Dominion Pacing Championship in Hobart. The win was not only a credit to Queensland harness racing but also to the professionalism of Natalie and the outstanding ability of *Blacks A Fake*.

The Club would also like to acknowledge the support of the Queensland Harness Racing Board during 2005-06. – Robert Pearson.

Clubs

Gold Coast

The Gold Coast Harness Racing Club is pleased to report a profitable year's trading for the year 2005 – 2006.

While rental and track maintenance costs for the year rose, income from Catering, Admissions and TAB Commissions increased with Administration costs being contained.

Friday night continues to be popular with social groups and fundraising functions as Parklands provides the perfect venue to showcase harness racing to the general public.

Sponsored functions also bring new faces to the track to enjoy the spectacle of harness racing under lights.

During the year Parklands enjoyed a face-lift with upgrades to restaurants, the Balcony Room and members area, making the complex a world-class facility. In addition, new wide-screen television monitors and new tote terminals have been installed with the assistance of the Parklands Trust and the Gold Coast Turf Club.

The Parklands Trust installed the latest rubber flooring in the race day stables. The flexitec flooring is used in top-class racing stables around the world and has been of great benefit to trainers, drivers and horses racing at Parklands.

Vice President, Norman Jenkin resigned from the Committee in February 2006 and Committeeman, Bill Ayling resigned in November 2005. Neil Moriarty was appointed to the Committee in December 2005.

Parklands Trustees Colin Meagher and Phil Hill retired and were replaced by Jim Callaghan and John Howe. Peter Crawford also retired and Richard Murphy has taken the reins as Chief Executive Officer. The Club looks forward to an excellent working

relationship with the new administration.

The Club welcomed new sponsors:

- Wilclean Cleaning Products
- Ranbuild
- Havenstone Pavers
- NBN Gold Coast Television
- Bryant's Equine Therapies

We sincerely thank all our sponsors for their wonderful contribution to our Club over the past year.

October 2005 saw the Gold Coast Bulletin Cup won by *Double Identity* and Harry Martin in a new track record of 1:53.5. *Atomic Arc*, Grant Dixon took out the Premier's Cup in June.

The Club would like to thank the Queensland Harness Racing Board for their continued support.

– Alan Boyd.

Redcliffe

The financial year 2005/2006 has proven to be the best for the Club since the demise of Friday night racing on the Peninsula several years ago.

A small cash profit was recorded for the year with this being achieved by increased sponsorship, greater turnover and effective cost control measures implemented by our administration team.

During this period the Queensland Harness Racing Board took control of all Integrity issues. The changeover was orchestrated smoothly and continues to operate successfully.

Chris Garrard accepted the Club's invitation to become Patron.

Major sponsors introduced to the Club during the year were;

- Choice Hotels Australasia

- Jewellery Auction House
- Garrard Group of Companies

The commercial arrangement between the sponsors and the Club has been well received by both parties.

The Club mini carnival throughout July and August, included the running of the Redcliffe City Gold Cup, Redcliffe Oaks, Stars Wars 4YO and the blue-ribbon Classic Redcliffe Derby, attracting large crowds, proving to be a financially successful event both on and off-course. In addition to racing, children were kept occupied by a variety of sideshow type rides while Queensland's award-winning performers, "The Excelsior Big Band", entertained parents.

Other major races included the Christmas Cup, Jewellery Auction Mares Bracelet and the Redcliffe Anniversary Cup, which celebrated 50 years of racing at our current venue. Attendees at the inaugural meeting in 1956 were invited guests of the Club; this ensured a fantastic social aspect for the night.

The Club was forced to purchase a new water truck towards the end of the financial year. This was an enormous drain on the Clubs cash resources. All members acknowledge the undying effort of committeeman Reg Weller, who not only organised the purchase of the truck but spent many hours on the end of a spanner transferring the water tank and spraying equipment to the new vehicle. This resulted in substantial cost savings to the Club.

The committee and all staff have worked extremely hard to ensure the success of the Club for the season. With Queensland Harness Racing Board revenue having been considerably reduced, a challenging season lies ahead to ensure Harness Racing continues on the Peninsula.

- Kerry Ebert.

Rocklea

Rocklea Harness Racing Club commenced the financial year with a series of challenges including the need to increase attendances, betting turnover and improvements needed to address catering services coupled with large maintenance requirements.

This task was achieved by programming extra races with prizemoney funded by an additional \$57,000 spent on this initiative that contributed to the Club's financial loss. The decision kick-started the Club with improved results and created a feeling of success again. The Club has transformed it's administrative operations and is now in a position to be able to achieve a profit with the intention of reducing the loss incurred in the 2005 – 2006 financial year.

The Club remains self-sufficient administratively although only receives prize money funding from the Queensland Harness Racing Board. The Club extends its appreciation to the Board for its continued support throughout the year.

Congratulations go out to Horse of the Year, *Freckles* "The Peoples Champion" and to Tim Gillespie who has been associated with *Freckles* over many years.

Congratulations are extended to Steven Doherty the Club's Junior Driver, Lola Weidemann – Driver, Julie Weidemann – Trainer, and *Dreamalong Jet* who was awarded the Mare of the Year.

The Rocklea Club plans to conduct its Annual Awards for the first time at a functions day at the track in October.

Special thanks to Trevor Perrin for his promotional and sponsorship strategies for the Club that are to be continued into the new season.

Rocklea endeavours to create closer ties with other Clubs and in doing so is working with the Marburg Pacing Association on a combined promotions

and sponsorship strategy. A shared arrangement with Albion Park Club regarding administration support that improves Rocklea's financial and administration efficiencies. Rocklea acknowledges and thanks the Redcliffe Club for their continued support and close working relationship throughout the year.

The Rocklea Club extend its special thanks to the Board, Kevin and Kay Seymour, Ron Wanless and the many sponsors and supporters during the 2004 – 2005 year which gave the Rocklea Club the foundation to build on in the 2005-2006 season.

- Paul Bolack

Mackay

Mackay conducted 23 race meetings in 2005-06, down on previous years after the decision was made by the Board to consolidate the number of non-TAB race meetings in the area.

The highlight of the year was the DGL Financial Solutions Mackay Pacing Cup held on 24th June 2006. Ross Manzelmann trained and drove *Hit The Heights* taking out the cup in fine style from *Im Harry* - Ron Sallis and *Little Johnny* - Barry Brazier.

The 2004-05 premierships were also awarded in late 2005 with John Manzelmann being awarded Mackay Trainer of the Year, substantiated by 49 wins and 65 places from 177 starts.

Bronte Schaper achieved the Mackay Driver of the Year with 159 starts for 39 wins and 41 places.

Mackay's Horse of the Year for the season was *Saint Louie* with 14 wins, 8 seconds and 2 thirds as Bronte Schaper as driver, leading him to all 14 wins.

The Mackay Harness Racing Club continues to be a successful club and is looking forward to a bright future.

- Marlene Manzelmann.

Rockhampton

The Rockhampton Harness Racing Club Inc has survived a very difficult racing season that saw its race meetings reduced to 20 meetings. Working with reduced resources has proven to be a challenge. It is reflected in the Profit and Loss Statement for the year as the Club still had all the normal costs associated with running race meetings. Whilst the Club made a small loss before depreciation it has addressed this and is reflected in the new budget for the forthcoming racing year.

The next year's racing will prove to be just as demanding as the one just experienced. The Club strongly believes in the value of non-TAB Clubs and, coupled with the future downturn in revenue from wagering caused by the Sky Channel/TVN impasse, this has effected the disbursement of prizemoney. The Club believes that there will be a further reduction in licensees and horse numbers.

The Club held the Pat Law Rockhampton Pacing Cup and the Denis Sawyer Pacing series, which were extremely successful race meetings. Rockhampton Racing has been very competitive at the Callaghan Park Complex and the combined race meetings with the greyhounds have proven to be so successful and well patronised that six combined meetings are scheduled for the next racing season.

The Rockhampton Harness Racing Club Inc. is very grateful for the participation of licensees who have travelled from the South East corner and Mackay to ensure that number of horses have been maintained, keeping the Club operating.

- Mel Slade.

Marburg

The Marburg Pacing Association Inc. has started the year of 2005/2006 in a strong position led by new club President Russell Lehmann. The MPA was in need of strong leadership, this has been provided by Russell. The new management team were acutely aware that some serious upgrades were needed to keep pace with an ever-changing Harness Industry. Various projects were undertaken during the year that included;

- Upgrade our current water truck
- Resurfacing the training track
- Machinery shed
- Upgrade Cadillac Café
- Awning Extension

With the assistance of Marburg Pacing Association Inc. volunteers and tradespeople the above listed items were all obtainable. The backbone of our association is our volunteers without whom we would not survive.

As a result of these improvements, more horses were trialling every Sunday, which lead us to consider whether AFS trials needed to be held every Sunday instead of our fortnightly situation. A survey was taken amongst trainers, drivers and owners and MPA management. This survey bought about our decision to increase AFS trials to weekly.

Our future looks bright and prosperous and we believe long term. The Queensland Harness Racing Board has once again granted sponsorship to the Marburg Pacing Association Inc. to hold our Annual Easter Festival of Harness. Also we have successfully obtained a grant from the Ipswich City Council. This extra money will then allow us to increase prize money for Easter 2007.

We would like to thank the Queensland Harness Racing Board for their continued support throughout the year. The Clubs thanks are also extended to all the trainers, owners, drivers, Marburg Pacing Association members and the general public who have supported us at every Sunday meeting.

- Russell Lehmann

Financial Statements



Tip Your Hat – Owner: C.Martin, I.Wylie Trainer: C.Martin Driver: L.McCarthy

QUEENSLAND HARNESS RACING BOARD

PURPOSE AND SCOPE

The Queensland Harness Racing Board is constituted under the provisions of the *Racing Act 2002* and is a statutory body with 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 statement 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 the that year.

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.

QUEENSLAND HARNESS RACING BOARD

Income Statement

YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
REVENUES			
Fees and Charges	2	895,168	813,815
Racing Levy Income		63,082	116,152
Interest on Investments		158,790	195,913
Other Income	3	81,625	107,450
Prizemoney Sponsorship		12,460	6,130
Distribution from Qld Race Product Co Ltd		16,949,479	16,805,650
Albion Park Joint Venture	12	447,945	434,621
Total revenue		18,608,549	18,479,731
EXPENSES			
Computer Operations		161,325	196,829
Depreciation	4	74,019	66,415
Depreciation - Albion Park Joint Venture	15(c)	506,115	532,493
Insurance		378,830	363,352
Salaries, Wages and Associated Costs	5	1,830,926	1,425,100
Racing Levy Expenses	6	249,125	310,444
Loss on Disposal of Non-Current Assets	15(a)	13,218	1,303
Prizemoney	7	12,411,979	12,090,525
Tote Incentive Payments to Clubs	8	868,211	842,343
Clubs Administration and Capital Payments/Meeting Fees	9	518,294	1,418,418
Grants to Clubs and Associated Entities	10	220,209	273,863
Other Expenses from Ordinary Activities	11	2,367,490	1,104,087
Albion Park Joint Venture	12	580,197	550,950
Total Expenses		20,179,938	19,176,120
Operating Deficit		(1,571,389)	(696,389)

The accompanying notes form part of these financial statements.

QUEENSLAND HARNESS RACING BOARD

Balance Sheet

YEAR ENDED 30 JUNE 2006	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and Cash Equivalents	13	2,766,082	3,695,267
Trade and Other Receivables	14	1,733,259	1,463,129
Prepayments		123,030	181,913
TOTAL CURRENT ASSETS		4,622,371	5,340,308
NON-CURRENT ASSETS			
Plant and Equipment	15 (a) (b)	18,849,853	19,346,606
TOTAL NON-CURRENT ASSETS		18,849,853	19,346,606
TOTAL ASSETS		23,472,224	24,686,914
CURRENT LIABILITIES			
Trade and Other Payables	16	1,185,675	754,055
Provisions	17(a)	99,571	152,814
TOTAL CURRENT LIABILITIES		1,285,246	906,869
NON-CURRENT LIABILITIES			
Provisions	17(b)	131,768	153,447
TOTAL NON-CURRENT LIABILITIES		131,768	153,447
TOTAL LIABILITIES		1,417,014	1,060,316
NET ASSETS		22,055,210	23,626,598
EQUITY			
Retained Profits		5,835,388	7,406,776
Asset revaluation reserve	22	15,844,822	15,844,822
General reserve		375,000	375,000
TOTAL EQUITY		22,055,210	23,626,598

The accompanying notes form part of these financial statements.

QUEENSLAND HARNESS RACING BOARD

Statement of Cash Flows

YEAR ENDED 30 JUNE 2006	Notes	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Operations		19,262,519	19,511,060
Interest		176,694	225,800
GST Input Tax Credits		896,018	857,688
		<u>20,335,231</u>	<u>20,594,548</u>
Payments			
Payments to Clubs, Suppliers and Employees		(19,213,567)	(18,790,069)
GST Remitted to the ATO		(1,954,249)	(1,756,346)
		<u>(21,167,816)</u>	<u>(20,546,415)</u>
Net Cash Provided by (Used In) Operating Activities	18(a)	<u>(832,585)</u>	<u>48,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment	15 (a)	117,089	33,955
Payments for Purchase of Plant and Equipment	15 (b) (c)	(213,688)	(179,536)
		<u>(96,599)</u>	<u>(145,582)</u>
Net Cash Provided by (Used In) Investing Activities		<u>(96,599)</u>	<u>(145,582)</u>
Net (Decrease) Increase in Cash Held		<u>(929,184)</u>	<u>(97,448)</u>
Cash at the Beginning of the Financial Year		3,695,266	3,792,714
Cash at the End of the Financial Year	18(b)	<u><u>2,766,082</u></u>	<u><u>3,695,266</u></u>

The accompanying notes form part of these financial statements.

QUEENSLAND HARNESS RACING BOARD

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2006

	Retained Surpluses		Asset Revaluation (Note 22)		General Reserve	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Balance 1 July	7,406,777	8,103,165	15,844,822	7,158,151	375,000	375,000
Operating Surplus/(Deficit)	(1,571,389)	(696,388)	-	-	-	-
Non-Owner changes in equity:						
- Increase/(Decrease) in Asset Revaluation Reserve	-	-	-	8,686,671	-	-
Balance 30 June	5,835,388	7,406,777	15,844,822	15,844,822	375,000	375,000

The accompanying notes form part of these financial statements.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

1. Statement of Significant Accounting Policies

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

(a) Basis of Preparation of the Accounts

General

These financial statements are a general purpose financial report and have been prepared in accordance with *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997* and Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. In particular, the financial statements comply with AAS 29 *Financial Reporting by Government Departments*, as well as the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2006, and other authoritative pronouncements

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

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

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) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the statutory body, an economic entity and joint venture interests controlled by the statutory body.

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 Income Statement and Balance Sheet has been incorporated into these accounts.

Excluding the Joint Venture transactions, the Queensland Harness Racing Board would have a net operating deficit of \$933,022 for the year ended 30 June 2006.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

(c) Revenue Recognition

Fees and Charges

Revenue from licence and nominations charges is recognised in the Income statement when received. Fines are recognised when due.

Product and Program Fees

Distribution from Qld Race Product Co Ltd - Revenue is recognised in the Income Statement 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.

(d) 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.

Assets are depreciated on either the diminishing value or straight line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$2,000 or more and an estimated useful life of more than one year are capitalised. Items under this value are charged as an expense in the year of purchase. In previous years assets with a value of \$500 or more were capitalised.

Revaluations

Land, buildings, infrastructure, major plant and equipment are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and with the Queensland Treasury's Non Current Asset Accounting guidelines for the Queensland Public Sector. All other assets including plant and equipment, other than major plant and equipment, are measured at cost.

Any revaluation increment arising on the revaluation of an asset is credit to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously 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 reserve relating to that class.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively revalued.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

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.

Revaluations are conducted every 5 years with interim revaluations using appropriate indices on an annual basis where there has been a material variation in the index. Assets for which no appropriate indices can be found are revalued every 3 years. A comprehensive independent valuation of the assets was last undertaken as at 30 June 2005 using 'fair value' principles.

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.

Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the management determines the asset's recoverable amount. Any amount by which the assets carrying amount 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 Income Statement, 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 reserve of the relevant class to the extent available.

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 recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

(e) Depreciation and Amortisation of property, plant and equipment

Depreciation on buildings, infrastructure and equipment and motor vehicles is calculated on 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.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

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

Class	Depreciation Rate
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%
Albion Park Joint Venture - Buildings and Improvements	3.00%-25.00%
Albion Park Joint Venture - Plant and Equipment	10% - 20.00%

(f) Cash and cash equivalents and other Financial Assets

For the purpose of the Balance Sheet, cash and cash equivalents 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.

(g) Trade and other receivables

Trade and other 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.

(h) Trade and other payables

Trade and other 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.

(i) Employees' Benefits

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.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

Executive Remuneration

The remuneration disclosed is all remuneration received or receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs of the entity, whether as an executive or otherwise. For this purpose, remuneration includes:

- * Wages and salaries;
- * Accrued leave (that is the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increase or the like);
- * Performance pay received or due and receivable in relation to the financial year, provided that a liability exists (namely a determination has been made prior to the financial statement being signed), and can be reliably measured even though the payment may not have been made during the financial year;
- * Accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June);
- * Costs of motor vehicles, such as fuel costs, registration/insurance, and repairs incurred by the statutory body, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the statutory body;
- * Allowances (which are included in remuneration agreements of executives, such as airfares or other travel costs paid to/for executives whose homes are situated in a location other than the location they are based);
- * Fringe benefits tax included in remuneration agreements.

(j) Comparative Figures

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

(k) Segment Reporting

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

(l) Taxation

The activities of Queensland Harness Racing 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.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
2. Fees and Charges		
Meeting and Supervision Fees		-
Licence Fees	247,762	229,833
Clearance and Transfer Fees	50,355	61,360
Registration Fees (inc DNA)	102,083	78,086
Fines and Late Fees	40,285	40,701
Foal Notification and Service Certificates	54,130	43,735
Qbred Nomination Fees	400,553	360,100
	<u>895,168</u>	<u>813,815</u>
3. Other Income		
Promotional Income - Broadcast Van	25,200	52,512
Promotional Income - Functions	17,086	-
Publications Income	346	-
Sundry	38,993	54,938
	<u>81,625</u>	<u>107,450</u>

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005			
4. Depreciation of Non-Current Assets					
Broadcast Equipment	9,311	7,082			
Computer Hardware	10,480	13,885			
Office Furniture and Equipment	10,057	8,749			
Motor Vehicles	44,000	36,528			
Freeze Branding Equipment	171	171			
	<u>74,019</u>	<u>66,415</u>			
5. Employment Costs					
Salaries, Wages and Associated Costs	1,569,998	1,220,899			
Superannuation Contributions	148,683	104,744			
Board Members Fees and Expenses	44,873	49,105			
Payroll and Fringe Benefits Tax	67,372	50,352			
	<u>1,830,926</u>	<u>1,425,100</u>			
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is :					
Number of employees	26.0	18.1			
<i>Key Management Personnel Compensation</i>					
	Short-term benefits		Long-term benefits		
	Salary & Fees	Superannuation	Non-Cash Benefits	Superannuation	Total
June 28, 1905					
Total Compensation	114,189	10,277	35,000	-	159,466
June 27, 1905					
Total Compensation	113,761	10,239	16,000	-	140,000
6. Racing Levy Expenses					
Australian Harness Racing Council Levies	112,548	114,347			
Photo Finish Clubs	62,694	141,607			
Sulky Claims	73,883	54,490			
	<u>249,125</u>	<u>310,444</u>			
7. Prize money					
General Cash Prize money	10,257,779	10,106,850			
Qbred Triad/Classic Prize money	807,250	728,825			
Qbred Bonus Payments	1,279,950	1,185,150			
Qbred Breeders Bonus Payments	-	-			
Qbred Mares Incentive Scheme	39,700	54,100			
Qbred Breeders Certificate	27,300	15,600			
	<u>12,411,979</u>	<u>12,090,525</u>			

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
8. Tote Incentive Payments to Clubs		
Albion Park Harness Racing Club	345,262	345,394
Gold Coast Harness Racing Club	237,123	244,248
Mackay Harness Racing Club	10,617	14,319
Metropolitan Harness Racing Club	183,524	140,466
North Queensland Harness Racing Club	6,076	5,543
Redcliffe Peninsula Harness Racing and Sporting Club	74,261	76,008
Rockhampton Harness Racing Club	11,571	15,701
Plus Net Tote Communication Costs	(223)	665
	868,211	842,343
9. Clubs Administration and Capital Payments/Meeting Fees		
Albion Park Harness Racing Club	131,919	400,000
Darling Downs Harness Racing Club	-	10,292
Gold Coast Harness Racing Club	170,496	400,000
Mackay Harness Racing Club	13,695	82,167
Metropolitan Harness Racing Club	-	61,625
North Queensland Harness Racing Club	13,000	82,167
Redcliffe Peninsula Harness Racing and Sporting Club	176,184	300,000
Rockhampton Harness Racing Club	13,000	82,167
	518,294	1,418,418
10. Grants		
Albion Park Harness Racing Club	204,209	153,645
Gold Coast Harness Racing Club	16,000	47,675
Metropolitan Harness Racing Club	-	9,500
Redcliffe Peninsula Harness Racing and Sporting Club	-	58,042
Rockhampton Harness Racing Club	-	5,000
	220,209	273,862
11. Other Expenses		
Audit Fees	19,750	15,900
Broadcast Expense	304,299	67,038
Consultancy Fees	124,729	24,638
Drivers Fees	605,625	165,355
Freeze branding and DNA Expense	-	1,093
Integrity Costs	486,900	121,271
Legal Fees	137,442	131,869
Postage, Printing and Stationery	46,713	92,284
Promotion Expenses	334,175	30,354
Rent, Cleaning and Office Expenses	64,153	49,192
Service Fees	54,796	105,022
Sundry Expenses	86,550	181,327
Telephone and Facsimile	54,069	45,462
Travel and Accommodation Expense	48,289	73,282
	2,367,490	1,104,087

Total external audit fees relating to the 2005-06 financial year are estimated to be \$19,750 (2005: \$15,900).

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
12. Albion Park Joint Venture		
<i>Revenues</i>		
Property Rentals	404,846	395,372
Advertising Rentals	12,639	8,052
Interest	8,963	20,296
Other Income	20,395	10,701
Profit/(Loss) on Disposal of Fixed Assets	1,102	200
	<u>447,945</u>	<u>434,621</u>
<i>Expenditure</i>		
Repairs and Maintenance	175,881	177,504
Salaries, Wages and Associated Costs	252,723	254,834
Administration	151,593	118,612
	<u>580,197</u>	<u>550,950</u>

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
13. Cash and cash equivalents		
Cash on hand	550	550
Cash at bank	218,648	13,337
Cash at bank - Albion Park Joint Venture	29,454	17,879
Cash on deposit	2,462,862	3,389,824
Cash on deposit - Albion Park Joint Venture	54,568	273,677
	2,766,082	3,695,267
14. Trade and other receivables		
<i>Current</i>		
Trade Debtors	110,379	61,107
Less Provision for Doubtful Debts	(7,346)	(7,346)
	103,033	53,761
Accrued Income	1,588,925	1,381,326
Albion Park Joint Venture	41,301	28,042
	1,733,259	1,463,129

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
15. Plant and Equipment - Queensland Harness Racing Board		
15(a) Profit/(Loss) on Disposal of Assets		
Proceeds from Disposal of Assets	117,089	33,955
Less Carrying Value of Assets Disposed	(130,307)	(35,258)
Profit/(Loss) on Disposal of Assets	(13,218)	(1,303)
15(b) Property, Plant and Equipment - Board		
Broadcast Equipment		
At Cost	178,836	156,609
Accumulated Depreciation	(156,665)	(147,354)
	22,171	9,255
Computer Hardware		
At Cost	93,447	75,414
Accumulated Depreciation	(66,776)	(56,297)
	26,671	19,117
Plant and Equipment		
At Cost	228,060	222,923
Accumulated Depreciation	(184,487)	(195,449)
	43,573	27,473
Motor Vehicles		
At Cost	134,683	220,309
Accumulated Depreciation	(21,578)	(32,436)
	113,105	187,873
Freeze Branding Equipment		
At Cost	2,610	2,610
Accumulated Depreciation	(2,214)	(2,043)
	396	567
Total Plant and Equipment		
Total at Cost	637,636	677,864
Accumulated Depreciation	(431,720)	(433,579)
Total Written Down Amount	205,916	244,285

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:

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2006 Net Book Value
Broadcast Equipment	9,255	22,227	-	(9,311)	22,171
Plant and Equipment	27,473	26,157	-	(10,057)	43,573
Motors Vehicles	187,873	99,539	(130,307)	(44,000)	113,105
Computer Equipment	19,117	18,034	-	(10,480)	26,671
Freeze Branding Equipment	567	-	-	(171)	396
	244,285	165,957	(130,307)	(74,019)	205,916

Independent valuations of land, buildings and major plant and equipment were performed at 30 June 2005 by Auto Group Commercial (Qld) Pty Ltd using 'fair value' principles. 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 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.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

2006 2005

15(c). Plant and Equipment - Albion Park Joint Venture

Land		
At fair value	12,640,000	12,640,000
	<u>12,640,000</u>	<u>12,640,000</u>
Buildings and Improvements		
At fair value	17,278,255	17,279,651
At Cost	5,181	3,943
Accumulated Depreciation	(11,420,694)	(10,940,180)
	<u>5,862,742</u>	<u>6,343,414</u>
Plant & Equipment		
At fair value	156,019	154,622
At Cost	94,854	48,364
Accumulated Depreciation	(109,678)	(84,079)
	<u>141,195</u>	<u>118,907</u>
Total Plant and Equipment		
Total at Cost	30,174,309	30,126,578
Accumulated Depreciation	(11,530,372)	(11,024,259)
Total Written Down Amount	<u>18,643,937</u>	<u>19,102,321</u>

Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipments at the beginning

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2006 Net Book Value
Land	12,640,000	-	-	-	12,640,000
Building & Improvements	6,343,414	1,240	-	(481,912)	5,862,742
Plant & Equipment	118,907	46,491	-	(24,203)	141,195
	<u>19,102,321</u>	<u>47,731</u>	-	<u>(506,115)</u>	<u>18,643,937</u>

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
16. Trade and other payables		
Trade Creditors and Accrued Expenses	1,112,018	666,009
Fees, Levies and Subscriptions in Advance	-	-
Albion Park Joint Venture	73,657	88,046
	1,185,675	754,055
17. Provisions		
(a) Current		
Employee Entitlements		
- <i>Annual Leave</i>		
Balance 1 July	152,814	102,850
Add Provision for year	(51,187)	22,806
Albion Park Joint Venture	(2,056)	27,158
	99,571	152,814
(b) Non-Current		
Employee Entitlements		
- <i>Long Service Leave</i>		
Balance 1 July	153,447	167,881
Add Provision for year	(26,666)	(10,928)
Albion Park Joint Venture	4,987	(3,507)
	131,768	153,447

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
18. Statement of Cash Flows		
(a) Reconciliation of Operating Result to Net Cash used in Operating Activities		
Net Surplus (Deficit)	(1,571,389)	(696,389)
Depreciation	74,019	66,415
Depreciation - Albion Park Joint Venture	506,115	532,493
(Profit) / Loss on Sale of Plant and Equipment	13,218	1,303
Profit/(Loss) on Sale of Plant and Equipment - Albion Park Joint Venture		199
Unrealised Receipt from Asset Sale - Albion Park Joint Venture		7,032
Changes in Assets and Liabilities -		
- Decrease (Increase) in Debtors and Accrued Income	(270,129)	309,088
- Decrease (Increase) in Prepaid Expense	58,883	(101,944)
- Increase (Decrease) in Creditors and Accrued Expense	431,620	(84,970)
- Increase (Decrease) in Provisions	(74,922)	14,908
Net Cash Provided by (Used In) Operating Activities	<u>(832,585)</u>	<u>48,133</u>
(b) Reconciliation of Cash		
Cash at bank	219,198	13,887
Cash at bank - Albion Park Joint Venture	29,454	17,879
Cash on deposit	2,462,862	3,389,824
Cash on deposit - Albion Park Joint Venture	54,568	273,676
	<u>2,766,082</u>	<u>3,695,266</u>

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

19. Financial Instruments

Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
Financial Assets Trade and other receivables	14	Recognition - upon delivery of goods, notification of interest received or provision of services to customers. Measurement – 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.
Cash on deposit	13 18	Recognition - upon deposit of funds transferred from the bank to the financial institution. Measurement – 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.
Financial Liabilities Trade and other payables	16	Recognition – upon receipt of goods or services received. Measurement - Trade creditors are recorded at amounts based on agreed purchase/contract costs.	The amounts are unsecured and normally settled within agreed terms of payment.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

19. Financial Instruments (continued)

Interest Rate Risk

The Queensland Harness Racing Board is exposed to interest rate risk through its investments in Term 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	
	2006 %	2005 %	2006 \$'000s	2005 \$'000s	<=1yr 2005 \$'000s	<=1yr 2003 \$'000s	1-5yrs 2005 \$'000s	1-5yrs 2003 \$'000s	>5yrs 2005 \$'000s	>5yrs 2003 \$'000s	2006 \$'000s	2005 \$'000s	2006 \$'000s	2005 \$'000s
Financial Assets														
Cash at bank	3.45	0.35	249	32	-	-	-	-	-	-	-	-	249	32
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	1,733	1,463	1,733	1,463
Term Deposit	5.84	5.65	1,500	2,000	-	-	-	-	-	-	-	-	1,500	2,000
Cash Management Accounts	5.65	5.48	1,017	1,663	-	-	-	-	-	-	-	-	1,017	1,663
Financial Liabilities														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	1,186	757	1,186	522

Credit Risk

The exposure to credit risk from investments in Term Deposits is minimal, due to the short periods of time invested (30-90 days). At balance date the Board held investments with financial institutions that have a short term rating range of AA minus 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 Balance Sheet.

Net Fair Value

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

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

20. 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*.

Board Members who held office during the financial year were:

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

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

	2006	2005
\$0 - \$9,999	2	2
\$10,000 - \$19,999	1	2
\$20,000 - \$29,999	1	-

21. Commitments

<i>Term contracts held :</i>	<i>Expires</i>	<i>Total Commitment</i>
Marketing consultant	31/12/2006	45,000
Industry publications	31/08/2008	181,167
Television coverage	31/08/2009	1,345,805

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

22. Asset Revaluation Reserve by Class

(a) Queensland Harness Racing Board

	LAND	BUILDINGS & IMPROVEMENTS	PLANT & EQUIPMENT	TOTAL
	\$	\$	\$	\$
Balance 1 July	-	-	25,430	25,430
Revaluation increments				-
Revaluation decrements				-
Impairment losses thought equity				-
Impairment reversals through equity				-
Balance 30 June	-	-	25,430	25,430

(b) Albion Park Joint Venture

	LAND	BUILDINGS & IMPROVEMENTS	PLANT & EQUIPMENT	TOTAL
	\$	\$	\$	\$
Balance 1 July	7,022,500	8,718,240	78,652	15,819,392
Revaluation increments				-
Revaluation decrements				-
Impairment losses thought equity				-
Impairment reversals through equity				-
Balance 30 June	7,022,500	8,718,240	78,652	15,819,392

(c) Total

	LAND	BUILDINGS & IMPROVEMENTS	PLANT & EQUIPMENT	TOTAL
	\$	\$	\$	\$
Balance 1 July	7,022,500	8,718,240	104,082	15,844,822
Revaluation increments				-
Revaluation decrements				-
Impairment losses thought equity				-
Impairment reversals through equity				-
Balance 30 June	7,022,500	8,718,240	104,082	15,844,822

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.

QUEENSLAND HARNESS RACING BOARD

Notes to the Financial Statements for the year ended 30 June 2006

	2006	2005
23. Joint Venture		
Queensland Harness Racing Board, has a 50% interest in the Albion Park Joint Venture. The Joint Venture operates to provide the facilities for harness racing and greyhound racing controlled by these bodies.		
The voting power held by Queensland Harness Racing Board is 50%		
a. Carrying amount of investment in joint venture entity:		
Balance at beginning of the financial year	19,311,362	11,273,513
- Share of joint venture's profit	(638,367)	(648,822)
- Share of Asset Revaluation Reserve Movement		8,686,670
<i>Balance at end of the financial year</i>	<u>18,672,995</u>	<u>19,311,361</u>
b. Share of joint venture entity's results and financial position:		
Current Assets	149,742	341,182
Non-current assets	18,643,937	19,102,321
<i>Total assets</i>	<u>18,793,679</u>	<u>19,443,503</u>
Current liabilities	101,327	115,203
Non-current liabilities	19,355	16,937
<i>Total liabilities</i>	<u>120,682</u>	<u>132,140</u>
Revenues	447,945	434,621
Expenses	1,086,312	1,083,443
Profit	<u>(638,367)</u>	<u>(648,822)</u>

QUEENSLAND HARNESS RACING BOARD

CERTIFICATE OF THE QUEENSLAND HARNESS RACING BOARD

These general purpose financial statements have been prepared pursuant to section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirement. In accordance with section 40(3) of the Act we certify that in our opinion:

(a)

the prescribed requirements for establishing and keeping the accounts have been complied within all material respects; and

(b)

the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Harness Racing Board for the financial year ended 30 June 2006 and of the financial position of the department at the end of that year.



.....
RJ Lette
Chairman

September 27, 2006



.....
TL Harris
Manager Finance and Administration

TO THE BOARD OF DIRECTORS OF QUEENSLAND HARNESS RACING BOARD

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial report of the Queensland Harness Racing Board for the financial year ended 30 June 2006 presented on the Queensland Harness Racing Board's web site (Harness Racing – Queensland) or on other electronic media including CD-Rom. The Board is responsible for the integrity of all electronic media on which the Queensland Harness Racing Board publishes the audited financial report. The audit report refers only to the financial statements identified below and does not include a review of the integrity of any electronic media or provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from the Queensland Harness Racing Board, to confirm the information included in the audited financial report presented on electronic media.

Scope

The Financial Report

The financial report of the Queensland Harness Racing Board consist of the income statement, balance sheet, statement of changes in equity, statement of cash flows, notes to the financial statements and the certificate given by the Board and officer responsible for the financial administration of the Queensland Harness Racing Board, for the year ended 30 June 2006.

The Board's responsibility

The Board is responsible for the preparation and true and fair presentation of the financial statements, 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 statements present 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 statements;
- 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 statements.

Independence

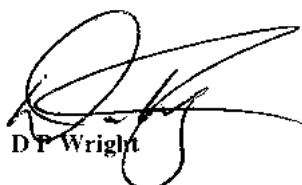
The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which 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 section 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 statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Queensland Harness Racing Board for the financial year 1 July 2005 to 30 June 2006 and of the financial position as at the end of that year.



D P Wright

(as Delegate of the Auditor-General of Queensland)

BDO Kendalls

Brisbane

27 September 2006