



QUEENSLAND  
RACING



QUEENSLAND RACING LIMITED

# ANNUAL REPORT 09



MISSION STATEMENT

“ To further enhance the quality and integrity of thoroughbred racing in Queensland



Chairman's Report 2  
Queensland Racing Limited Board of Directors 4  
Chief Operations Manager's Report 6  
Integrity 24  
Corporate Governance 26  
Financial Statements 28

---

**FRONT COVER IMAGE:**

Jason Holder salutes aboard Phelan Ready after winning the 2009 \$2 million Magic Millions 2YO Classic

---

**IMAGE THIS PAGE:**

Kerrin McEvoy rides Purple to victory in the Group 1 Queensland Oaks



BOB BENTLEY  
CHAIRMAN, QUEENSLAND RACING

Much has been written about the vital place racing occupies in Queensland's cultural and community life. The racing industry produces substantial employment and a significant contribution to GDP year in and year out and the size and importance of the industry to Queensland's economic well being needs to be recognised. It is a little known fact that more Queenslanders attend a race meeting annually than a game of rugby league.

This year, the three codes of racing received a report by an independent research company, IER Pty Ltd, into the size and scope of racing in Queensland. The report clearly illustrates the economic value of racing in Queensland, providing a detailed analysis of the expenditure generated by participants and customers, and in particular highlights the taxation revenues generated and employment impacts in Queensland. Some of the key results of this report are reproduced below. Based on the clear importance of racing to Queensland and Queenslanders, we are in discussions with the Queensland Government on a way forward to recognise and sustain the value contributed by the industry.

**QUEENSLAND ECONOMIC IMPACT**

- Full time jobs – 14,500 people
- Direct economic spend – \$855 million annually
- For every \$1 million of expenditure – 22 full time jobs are created
- Over 50% of owners have increased their investment in ownership compared to five years ago

However large and significant racing is, the industry faces many challenges and the road ahead will not be easy. The industry is coming to grips with one of its biggest challenges, that of poor facilities and tracks that have long passed their use by date. This issue is critical, both in terms of safety and integrity, and because the quality and presentation of our racetracks is crucial to the maintenance of our revenue streams.

Queensland Racing Limited (QRL) has been proactive in addressing urgent infrastructure shortcomings in a number of areas, but with the state's industry so geographically spread and the pressing need to keep prizemoney at competitive levels, we have only scratched the surface on renewing our infrastructure.

In the last two years the industry has seen the installation of new Cushion Tracks at Corbould Park, Caloundra and Clifford Park, Toowoomba. This has been made possible with the support

of the Bligh government with a grant of \$4 million per track towards total costs. New lighting installations at both Corbould Park and Clifford Park to service future twilight and night racing have positioned Queensland to be included in international broadcasts into the future. The approval of stable construction at Caloundra will deliver 256 stables which are due for completion in March next year, in time for the influx of horses from New Zealand and southern states.

The 2008/09 financial year has been a difficult one for our industry recovering from the effects of Equine Influenza (EI) and impacted by the global financial crisis. However, QRL continued to implement strategies to strengthen the industry to ensure a prosperous future.

The inaugural QTIS 600 sale was held in late March at the Gold Coast and proved to be an exceptional success. This initiative was introduced to assist the Queensland breeding industry to compete with southern breeders and to promote racehorse ownership. The sale was recognised as achieving the best outcome for a sale of its type in Australia averaging \$18,424 per horse sold with a clearance rate of 81%. This high clearance rate coupled with an unprecedented prizemoney bonus scheme of over \$16.754 million should translate into increased participation and profitability in the coming season.

After the disastrous effects of EI the Queensland Government contributed \$546,000 to assist the racing industry to entice people back to the track via a marketing campaign and so the 'it's actually more fun if you're actually there' campaign was born. The campaign succeeded with significant increases in attendance, bar sales, gate takings and on course wagering.

The reformatted Winter Carnival was heralded a success with two Super Saturdays' being run. Further testimony of the success was the interstate and New Zealand participation rates both up strongly over the previous year and of particular note the fact that all eight Winter Carnival Group 1 races were won by visiting trainers. Attendance figures were heartening particularly the two secondary status TAB meetings held at Rockhampton and Townsville with crowd numbers of 4,172 and 11,858 respectively, an outstanding result for the clubs.

The industry will face many challenges in the future, with one of the key ones being the future funding model. Developing technology and the rapid adoption and worldwide reach of the internet has led to a significant change in the wagering landscape and the traditional funding model is under stress and challenge. QRL has worked side by side with the Queensland



The racing industry produces real employment and a significant contribution to GDP year in and year out and the size and importance of the industry to Queensland's economic well being needs to be recognised.

Government to position the industry so as to not to be disadvantaged by these changes with the introduction of race information legislation. While similar legislation is being tested in the courts and the final outcome is yet to be known, QRL has commenced collecting fees from corporate bookmakers and betting exchanges. It is pleasing to note that at this point thoroughbred racing in Queensland will in fact experience a positive funding impact under this scenario due to our position as a net exporter of racing product for wagering.

2009 saw the merging of the Brisbane Turf Club (BTC) and Queensland Turf Club (QTC) into the new Brisbane Racing Club (BRC), a merger that took place over three years and that had been talked about for nearly half a century. This merger will have far reaching positive effects on metropolitan racing and the BRC's self funding development is an extremely exciting project.

With all these achievements firmly in mind I am pleased to present the Queensland Racing Limited annual report for 2009.

I would like to thank my fellow directors for their continued commitment and professional contribution to Queensland's thoroughbred racing industry and I acknowledge and look forward to the coming year's challenges. On behalf of the board I extend my thanks to Malcolm Tuttle, his management team, and every QRL staff member for another solid performance.

Robert Bentley



---

Face of the 2009 Magic Millions Carnival, gold medal Olympic triathlete Emma Snowsill



# PROFI

## **BOB BENTLEY**

CHAIRMAN

Mr Bentley offers Queensland Racing valuable experience and expertise with a comprehensive racing experience which spans administration, breeding and racing, being appointed chairman of the inaugural Queensland Thoroughbred Racing Board in April 2002. He is a non-executive director of UNiTAB, chairman/director of the Australian Racing Board, chairman/director of Sunshine Coast Racing Pty Ltd, and is also vice-president of the Asian Racing Federation. Mr Bentley was previously chairman of the Queensland Principal Club, the Three Codes Racing Industry Coordinating Committee, and the Ipswich Turf Club.

## **TONY HANMER**

Mr Hanmer has more than 27 years' leadership experience and a track record of company management, building professional organisations in the United Kingdom, Asia and Australia. He was senior vice-president of McCann-Erickson Worldwide and regional director of Asia South Pacific, working internationally with global companies. He holds a number of directorships in the public, private and not for profit sector. Mr Hanmer was appointed to the inaugural Queensland Racing Board in April 2002.

## **MICHAEL LAMBERT**

Mr Lambert is a consultant with RBS Australia, a global bank. He was former head of the NSW Treasury. His substantial involvement in the racing industry includes advising the Queensland Government on strategic options for TABQ and the Queensland racing industry and on the reform and sale of the TABQ. He is a director of Energy Australia, State Super, the Sax Institute and was Queensland Racing's representative on the board of Racing Information Services Australia (RISA). Mr Lambert also chairs the Audit Committee and was appointed to the inaugural Queensland Racing Board in April 2002.



# LLES

## BILL ANDREWS

Mr Andrews is a director of Trilby Misso Lawyers based in Brisbane. Mr Andrews brings extensive and valuable legal experience to the board. Mr Andrews owns and breeds thoroughbred horses and is an active member of both the Owners' and Breeders Associations. He is well respected in racing circles and has served on the First Level Appeals Committee for Queensland Racing. Mr Andrews was appointed to the Queensland Racing Board in December 2004.

## BILL LUDWIG

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

## QUEENSLAND RACING IS THE CONTROL BODY FOR THOROUGHBRED RACING IN QUEENSLAND.

It coordinates, manages, and regulates the industry by:

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



**MALCOLM TUTTLE**  
CHIEF OPERATIONS MANAGER

The chief operations manager is responsible for the operations of Queensland Racing within established policy and in accordance with the delegated authority of the board of directors.

In addition to leading the executive team, the chief operations manager is required to provide strategic advice to the Queensland Racing Board in relation to the business of thoroughbred horse racing.

**JAMIE ORCHARD**  
DIRECTOR INTEGRITY OPERATIONS

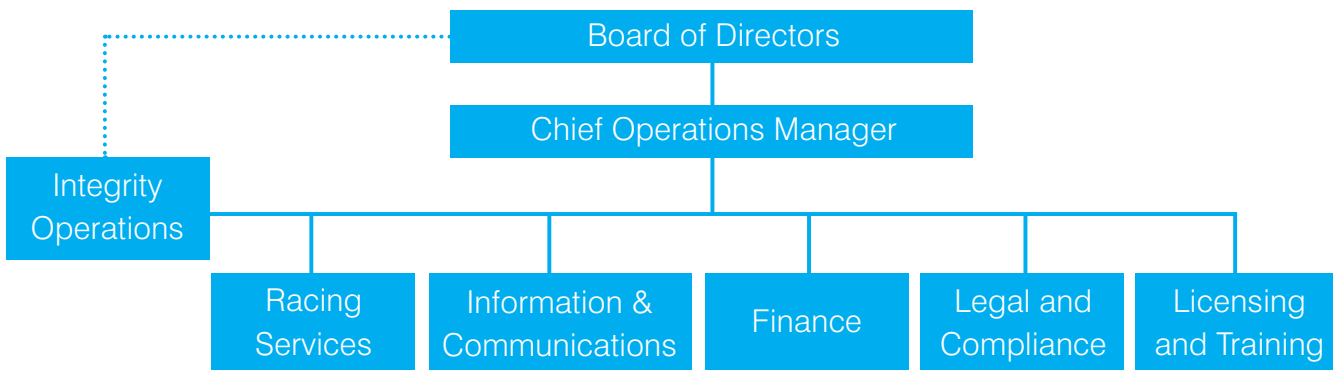
The integrity section ensures the effective delivery of integrity services and operational stewarding throughout the state and is responsible for policy, strategy and performance under these areas, management of the complaints system and investigations as required, and maintaining the interaction with various levels of government. Other responsibilities include the effective delivery of betting analysis and monitoring of all TAB Queensland races.

**PAUL BRENNAN**  
RACING SERVICES

The racing section works with clubs, the other codes of racing and UNiTAB to develop the most effective allocation of race dates, as well as scheduling prizemoney and developing state-wide racing programs and feature race schedules.

Other responsibilities include; management of the QTIS and QTIS 600 schemes, provision of representation on the Australian Pattern Committee and National Racing Committee, the interface with the RISA Service Centre, the provision of handicapping services to the state, the management of the Deagon training complex and Toowoomba Cushion Track, as well as supporting the industry with workplace health and safety issues and project management.

**ORGANISATION STRUCTURE**







**WADE BIRCH**

CHIEF STEWARD OF QUEENSLAND

Operational stewarding provides effective delivery of stewarding throughout the state, including management of the regional offices at Toowoomba, Rockhampton and Townsville. It monitors and ensures compliance with relevant Queensland Racing policies and procedures as well as ensuring compliance with the Rules of Racing. Other responsibilities include representing Queensland Racing at the National Chairman of Stewards Conference, emergency disease management and other stakeholder forums.

**PETER SMITH**

LICENSING AND TRAINING

The training section provides training, recruitment and assessment services to industry participants as a registered training organisation. It manages training contracts, registration and funding for traineeships and apprenticeships and conducts training programs at various race courses and school locations in Queensland. The licensing section administers all licensing applications, upgrades and renewals, registration and ownership services including colours, syndicates and promoters. It manages the business of the licensing committee as well as issuing race information authorities to wagering operators.



**DAVID ROWAN**

INFORMATION AND COMMUNICATIONS

The information section provides information technology and telecommunications services internally to Queensland Racing. The communications section provides information to stakeholders in the racing industry and the general public through the monthly Queensland Racing Magazine, Queensland Racing's website and media releases. The communications department also organises events such as the annual Queensland Racing Horse of the year and Industry Awards and works to promote the industry at all levels.

**SHARA MURRAY**

LEGAL AND COMPLIANCE

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

**ADAM CARTER**

FINANCE

The finance section provides financial services to the Queensland racing industry and financial, business development and other corporate services to Queensland Racing. It administers the centralised prizemoney system and provides accounting and business analyst services to Queensland Racing.



MALCOLM TUTTLE  
CHIEF OPERATIONS MANAGER

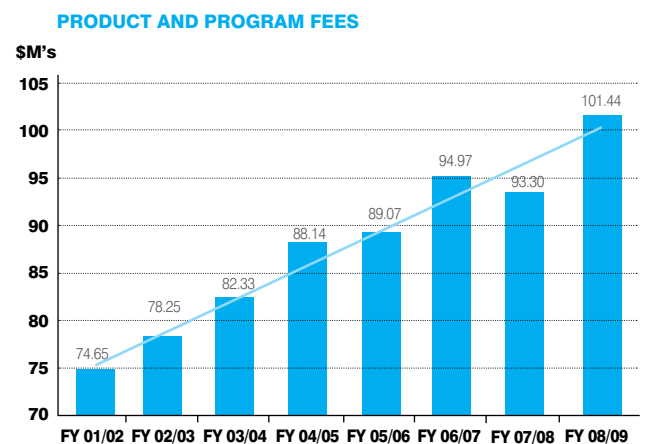
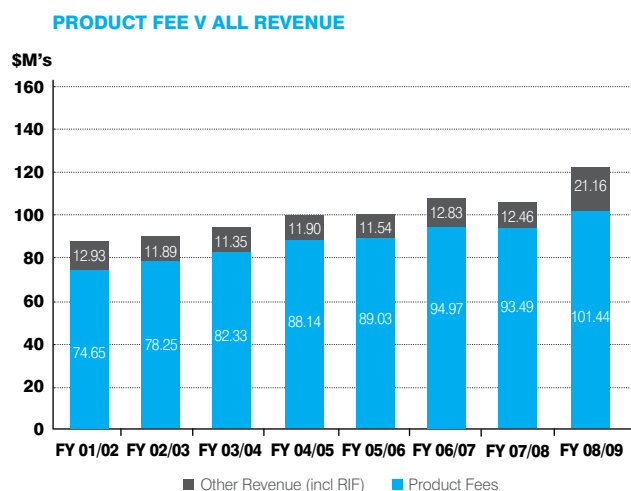
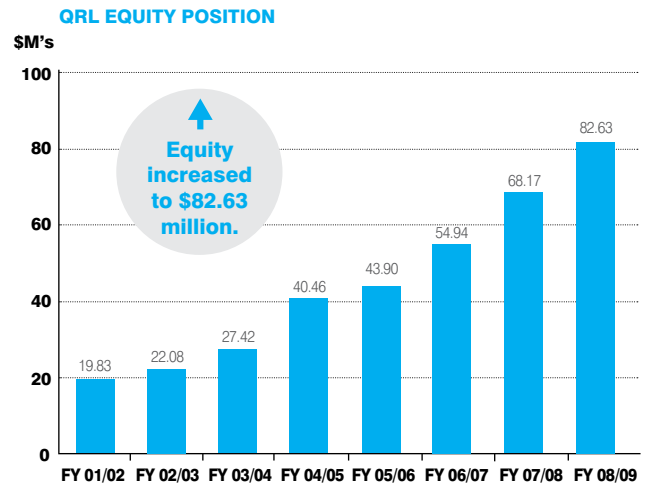
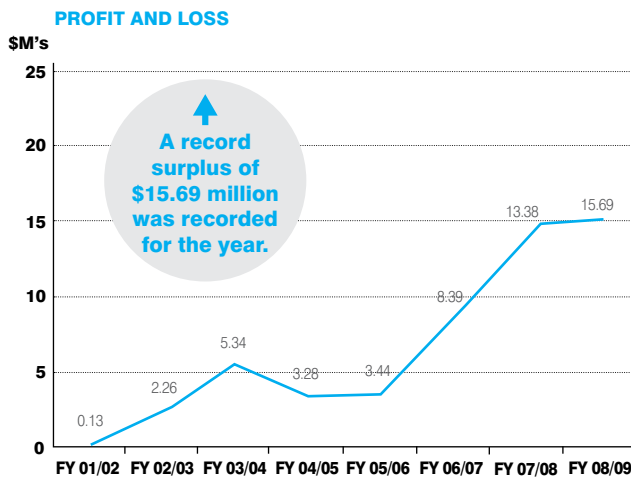
The 2008/09 financial year, the first subsequent to the incursion of Equine Influenza (EI), has proven to be a challenging year and may be seen in time to come as the year that signalled further increased competition for the disposable dollar.

During the year, Queensland Racing Limited (QRL) continued to focus on increased capital investment to improve TAB racing facilities throughout Queensland. Commentary in this report points to further investment at Corbould Park at Caloundra, Clifford Park at Toowoomba, and Callaghan Park at Rockhampton.

We have also experienced challenges in encouraging people to get back to the track following the incursion of EI and increased competition for the scarce wagering dollar. The continued entrance and exposure of corporate bookmakers in the wagering market, heightened interest in fixed-odds wagering as compared to tote-odds wagering and further growth in the area of sports betting will continue to make it difficult for the thoroughbred racing industry to report the significant levels of wagering growth and inturn revenue growth it has done in previous years. Nevertheless, you will find the following report of interest and hopefully you will recognise the significance of the outcomes achieved.

# KEY FINANCIAL OUTCOMES

Following are several key financial outcomes for FY08/09.



Total revenue for the year was \$122.6 million consisting of \$101.44 million in product fees and \$21.16 million in other revenue and fees, including race information fees.

A critical area of income is the fee derived from the industry agreement with UNITAB known as the "Product and Program" agreement. Income from this agreement reached an all time high in 2008/09. The challenge for the industry is to continue to grow this area of income as it represents 83% of all industry income. Product and Program Fee does not include Race Information fees charged to UNITAB by interstate Principal Racing Authorities.



Shane Scriven celebrates Group 1 victory aboard Scenic Shot in the Doomben Cup

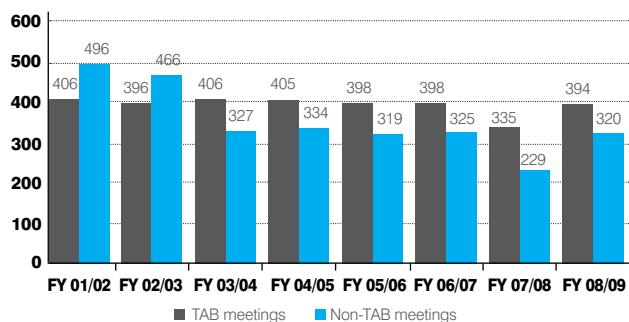
## CHIEF OPERATIONS MANAGER'S REPORT

### RACING AND PRIZEMONEY

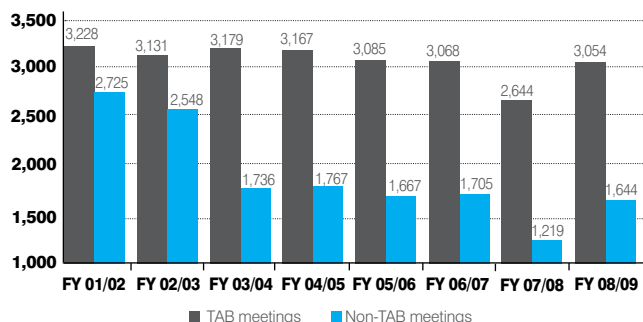
When reviewing the information contained in the following tables and graphs, readers should be mindful of the impact of the Equine Influenza incursion that occurred during the 2007/08 financial year.

Generally speaking, the number of TAB and non-TAB race meetings has remained reasonably consistent since the 2005/06 financial year.

#### NUMBER OF MEETINGS CONDUCTED – TAB AND NON-TAB

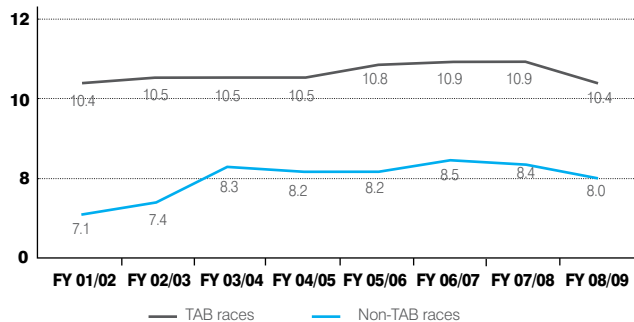


#### NUMBER OF RACES CONDUCTED – TAB AND NON-TAB



In terms of starters per race, a decline in the average number of starters in both TAB and non-TAB races was experienced.

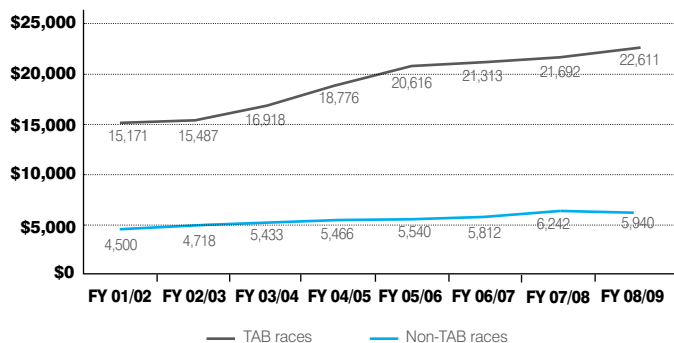
#### AVERAGE STARTERS PER RACE



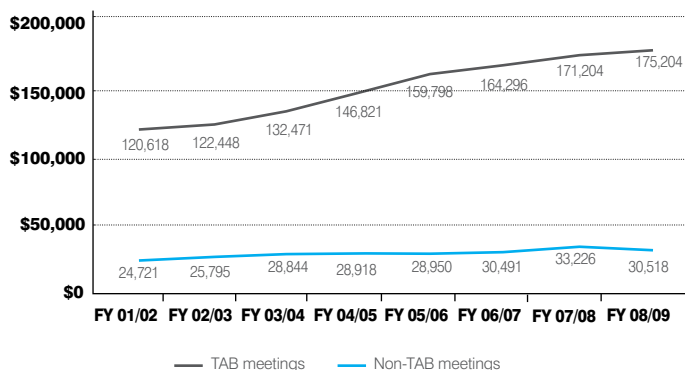
In relation to prizemoney, the following tables highlight the increase in average prizemoney per TAB race and per TAB race meeting.

It bears noting that although it had been budgeted to increase prizemoney levels to minimums of \$10,000 at provincial TAB meetings and \$45,000 at metropolitan TAB meetings on 1 July 2008, once Equine Influenza struck this decision was fast tracked and this increase became effective from 1 December 2007. This resulted in both average prizemoney per race and per meeting for TAB meetings increasing.

#### AVERAGE PRIZEMONEY PER RACE

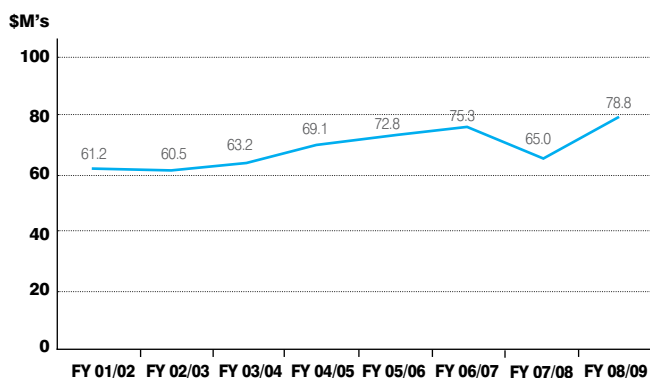


#### AVERAGE PRIZEMONEY PER MEETING



Prizemoney paid out, including QTIS added stakes, reached a record level of \$78.8 million in the 2008/09 financial year.

#### PRIZEMONEY PAID INCLUDING QTIS





Scenic Shot battles Sir Slick and Racing to Win in the Doomben Cup

## QUEENSLAND'S GROUP AND LISTED RACE SCHEDULE

The Australian Racing Board (ARB) endorsed recommendations of the Australian Pattern Committee (APC) to upgrade three existing Group and Listed (G&L) races and to include three non-Listed races into the Listings for Queensland.

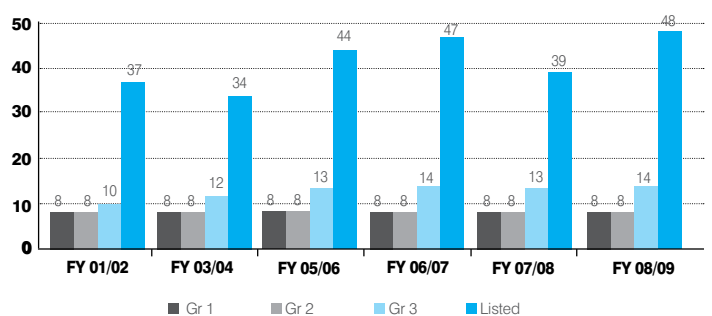
These upgrades became effective from 1 August, 2009, and QRL looks forward to hosting an increasingly prestigious Carnival next year with the following race upgrades:

- 5/12/09 \$100,000 Mode Quality 3YO Fillies 1200m – **included as Listed**
- 26/12/09 \$150,000 Vo Rogue Plate 3YO 1350m – **Group 3 from Listed**
- 22/06/10 \$150,000 Lady of the Turf Stakes F&M SWP 1350m – **Group 3 from Listed**
- 5/06/10 \$200,000 Dane Ripper Stakes F&M SWP 1400m – **Group 2 from Group 3**
- 14/06/10 \$100,000 Dalrello 2YO C&G Plate 1200m – **included as Listed**
- 10/07/10 \$150,000 Queensland Cup 3200m – **included as Listed**

This result is a great endorsement in the Queensland racing industry by the APC and the ARB, and this decision is undoubtedly due to the structured platform of feature races implemented by QRL prior to the commencement of the 2005/06 racing season.

QRL has made a number of strategic prizemoney and feature race allocations since the board's inception paving the way for Queensland's G&L allocation to increase from 62 races to 81 (the number to be run in 2009/10), a remarkable 30% in just five years.

### QUEENSLAND GROUP AND LISTED RACES

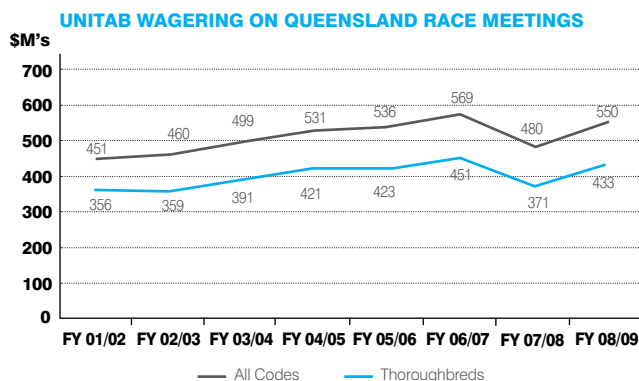


## CHIEF OPERATIONS MANAGER'S REPORT

The most pleasing aspect is that our investment into races specific to fillies and/or mares has now played a major hand in increasing the G&L allocation, with the number of races offered in these categories growing to 18. The decision to upgrade the Lady of the Turf Stakes and Dane Ripper Stakes will provide a robust platform leading into the state's pinnacle fillies and mare's race, the Group 1 Winter Stakes, whilst the inclusion of the Mode Quality will provide a great opportunity for three-year-old fillies to attract Black Type at an early stage of their racing careers.

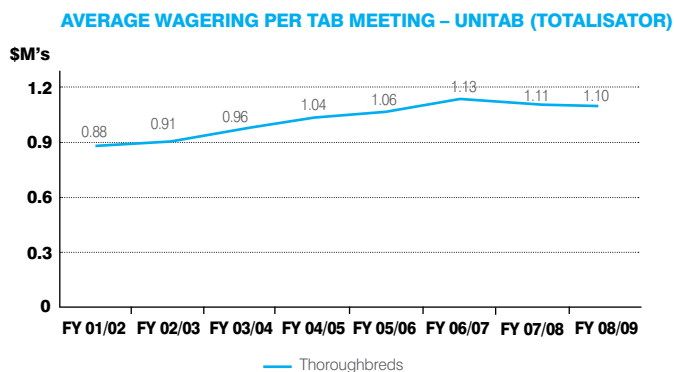
### WAGERING

Whilst thoroughbred wagering increased almost 17% on FY07/08 to \$433 million, it was, however, down 4% on FY06/07. The strong growth in 2008/09 was largely due to the return to more normal conditions after the depressed situation, caused by EI, in 2007/08.



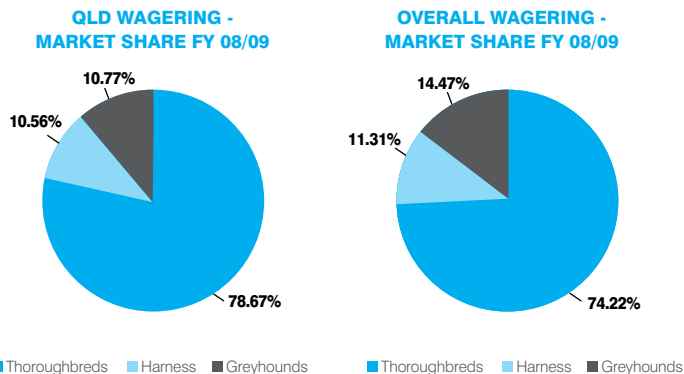
The downturn in wagering of 4% or \$18 million from FY06/07 to FY08/09 is, in part, due to the reduction in race meetings from one year to the next and weather conditions that were far less favourable as compared to the 2006/07 year resulting in a number of race meetings being conducted on rain affected tracks. For example, in 2006/07, 22.6% of all TAB meetings were conducted on tracks rated dead or worse and in 2008/09, 37.9% were conducted on tracks rated dead or worse.

Average wagering turnover per Queensland thoroughbred race meeting decreased to \$1.10 million down from \$1.11 million in FY07/08.



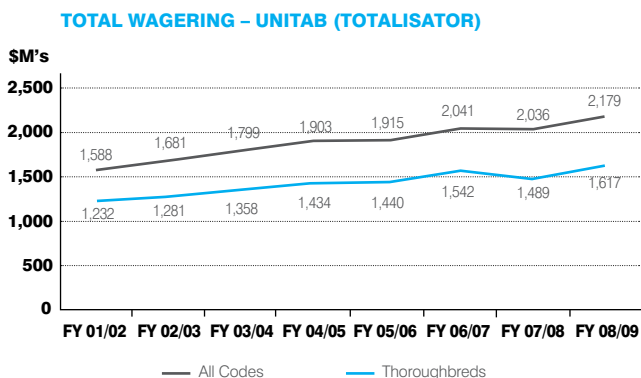
The Queensland Winter Racing Carnival was again a major contributor to wagering turnover with increased participation from interstate and New Zealand stimulating investment.

Wagering on thoroughbred racing continues to dominate both the Queensland and national scene with market shares over 78.7% and 74.2% respectively of the pari-mutuel market.

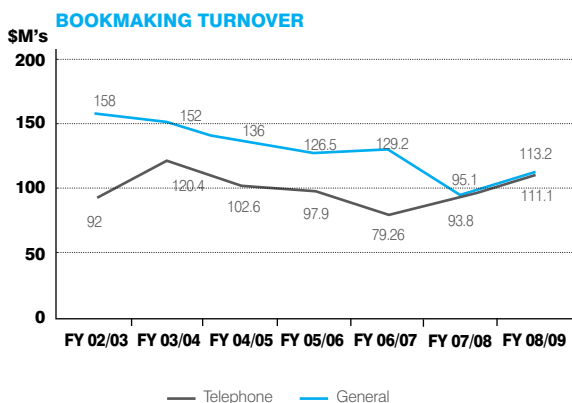


Pari-mutuel wagering turnover on national thoroughbred, harness and greyhound meetings, from which commissions are derived, increased by just over 7% year-on-year, finishing at over \$2.1 billion.

While this is a pleasing result in terms of overall wagering growth, early signs suggest that the achievement of similar overall growth will become increasingly challenging given migration away from pari-mutuel wagering and the current subdued economic conditions.



Face-to-face betting with oncourse bookmakers as well as telephone betting grew in the 2008/09 year, however, this largely reflected the recovery from the disrupted 2007/08 racing program's subdued racing.





Court Ruler took out this year's Group 1 BMW Queensland Derby

### RACE INFORMATION LEGISLATION

During December 2008, the Queensland Government passed and enacted legislation, which allowed QRL to charge wagering operators a fee for the use of wagering information. Other states of Australia have enacted similar (but not precisely the same) laws.

As there have been a number of legal challenges to the introduction of these charges throughout Australia with some critical cases yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Notwithstanding this, the introduction of Race Information Legislation (RIL), or similar legislation, by other states and territories throughout Australia, signals the demise of the 'gentlemen's agreement'. Previously, under the informal 'gentlemen's agreement', states and territories freely exchanged racing information for use by wagering operators for no fee. However, given the significant increase in the use of racing information by wagering operators and the increase in the number of wagering operators in the market, Governments throughout Australia have moved to enact legislation to allow Principal Racing Authorities (PRAs) to charge wagering operators for the use of each jurisdictions' racing information.

Varied views exist in respect of the fee and generally PRAs have adopted a fee based on either a percentage of turnover or a more substantial percentage of gross revenues. What flows from the introduction of this legislation throughout Australia is a heightened interest in key broadcast timeslots. Naturally, the vision of races is inclined to stimulate wagering activity and in the absence of being able to secure prime broadcast time slots, wagering on any states' content is likely to decline.

Another significant consideration that flows from the introduction of RIL, or similar, is the potential that the 'gentlemen's agreement' will breakdown completely over time. It will be important for the Queensland racing industry to retain its position as a net exporter of wagering to ensure solid revenue flows back into the industry. In simple terms, a net exporter of wagering is a state that has more wagering occurring on its product in other states in Australia, compared to the amount of wagering that occurs within that state on imported product. These are critical matters that will continually be monitored closely by QRL.

Further comments in relation to the introduction of RIL in Queensland and its impact on QRL's revenues are contained in the directors' report section of this annual report. The net position for the 2008/09 financial year was \$1.665 million and this excludes potential revenue from a number of wagering operators as QRL is currently reviewing several of its decisions.

### PUBLIC LIABILITY INSURANCE

Conscious of reducing costs to the industry, whilst ensuring sufficient insurance coverage for industry participants, QRL is currently working with other Principal Racing Authorities and its appointed Insurance Broker – Aon, to achieve improved insurance coverage for participants at more competitive rates.

All licensed race clubs with QRL have \$100 million public liability insurance cover up to 30 June 2010. This level of cover is provided to QRL, Queensland thoroughbred race clubs and various associations either affiliated or registered with QRL. The cover is not solely for race days but extends right throughout the year.

Mindful of the overall cost of the premium, QRL subsidises the cost by 40% with the remainder apportioned in line with a formula that takes into account the club's revenue, number of race meetings, starter numbers and attendance numbers based on the prior year.

QRL, through its appointed broker Aon, has also been working to reduce outstanding claims and to minimise potential claims. The insurance

market has its unique challenges and given the hardening of the market QRL and Aon presented to several potential public liability insurers for FY0910 and as a result negotiated a premium in line with the prior year.

### INTERNAL AUDIT

QRL continues to focus on key areas of risk and the internal audit program provides assurance to the Audit Committee and board of QRL in terms of compliance and financial reporting. Key internal areas reviewed during the year were payroll, HR policies and procedures, employee entitlements, business continuity and disaster recovery, procurement, document security, and records management. All areas identified and reviewed have added value to QRL in terms of business process improvement. In addition to the above areas of review, the race club financial management practices manual was also updated.

### TAB RACE CLUB WORKSHOP

A strategic financial management TAB Club workshop held on 24 November, 2008, proved both beneficial and informative for TAB clubs. The workshop was facilitated by QRL and gave TAB Clubs the opportunity to participate in an open communication forum, with the main focus being race club corporate governance and financial operations.

John Swete Kelly, from WHK Horwath – EIS presented the new Business Intelligence performance measure software QRL will be rolling out to all TAB clubs to assist clubs with reporting to committees and benchmarking of race club performance. QRL will work closely with the clubs in ensuring the project is successfully implemented.

Feedback from clubs so far has been overwhelmingly positive and QRL will continue to assist with compliance and best practice and share ideas in the best interests of the clubs and the broader industry.

### ADDITIONAL BENEFITS FOR RIDERS

During the financial year, QRL agreed to increase the standard riding fee from \$127 to \$140 per ride. In addition to this, riders will also benefit from a decision that was taken to contribute the equivalent of 1% of prizemoney to fund a national personal accident insurance scheme for all riders. This coverage is to be effective from 1 July 2009. The equivalent of 1% of prizemoney in Queensland equates to \$780,000 and will be made available for a number of initiatives, one of which is the national personal accident insurance policy for all riders.

Public liability insurance for riders was already in place at the time this decision was taken regarding a national approach for personal accident insurance. QRL supports, and will actively pursue, national public liability insurance for all riders to become effective at some stage in the future. Based on current estimates, the cost of the Queensland component of a national public liability insurance scheme, can be funded from the equivalent of the 1% of prizemoney contribution.

### SUMMER CARNIVAL AND MAGIC MILLIONS

The 2008/09 Summer Carnival produced some outstanding results, with none better than the win by Phelan Ready in the 2009 \$2 million Magic Millions Classic. Queenslanders were well represented in this race and for the first time in many years provided the first three placegetters, namely Phelan Ready, Paprika and Motown Lady.

The lucrative \$4.6 million Magic Millions raceday provided positive outcomes for the Queensland racing industry with six of the 10 winners trained in Queensland. This continued the trend throughout the Summer Carnival where Queenslanders won the major prize in 10 of the 14 Black Type races contested.

The Summer Carnival received a further boost when the Australian Pattern Committee upgraded the previously Listed Vo Rogue Plate to



Battlefield cruises to victory in the Listed Ascot Handicap



Group 3 status and elevated the Mode for three-year-old fillies into the Listings for the 2009/10 Carnival.

### WINTER RACING CARNIVAL

The 2009 Queensland Winter Racing Carnival again highlighted the benefits associated with the diversification of Queensland's Carnival providing provincial race clubs an opportunity to showcase their facilities on a Saturday as the main meeting.

During the Carnival, QRL scheduled four Saturday metropolitan meetings at provincial venues and all provided extremely positive outcomes for the broader racing industry.

Although the level of wagering is a major indicator as to the success of any race day, regard must be had for the benefit derived as a result of running feature race days at the provincials.

A good example of this is the Ipswich Cup meeting which attracts the largest crowd of any Winter Carnival race meeting. The Ipswich Turf Club delivers 42 of its 46 dates (91%) as mid-week TAB meetings. The allocation of a metropolitan raceday provides an opportunity for this club to attract oncourse patronage that is not available in their usual timeslot.

Listed to the right are the 2009 Winter Carnival dates and the oncourse attendance figures produced by each meeting.

A similar initiative has been extended to the north of the state where this year saw the running of the Townsville Cup and Rockhampton

CLUB	MEETING	ATTENDANCE
Queensland Turf Club	Dr. John Power	2,858
Queensland Turf Club	Sir Byrne Hart	4,067
Gold Coast Turf Club	Prime Ministers Cup	5,150
Brisbane Turf Club	BTC Cup	5,208
Brisbane Turf Club	Doomben Cup	7,826
Brisbane Turf Club	Doomben 10,000	7,416
Queensland Turf Club	Queensland Oaks	8,786
Queensland Turf Club	Stradbroke Handicap	18,888
Brisbane Turf Club	Queen's Birthday	2,684
Ipswich Turf Club	Ipswich Cup	22,341
Tattersall's Racing Club	Winter Stakes	7,016
Sunshine Coast Turf Club	Caloundra Cup	6,514
Brisbane Racing Club	Ascot Handicap	5,084 (July 2009)
Toowoomba Turf Club	Toowoomba Cup	8,547 (July 2009)

Cup with secondary TAB status on a Saturday. Both meetings were an outstanding success, with Townsville recording a crowd of 11,858 and Rockhampton 4,172.

The ongoing viability of our race clubs is dependant upon the revitalisation of our product and the ability for the industry to

## CHIEF OPERATIONS MANAGER'S REPORT

CARNIVAL DATE	INTERSTATE PARTICIPATION					NEW ZEALAND PARTICIPATION				
	2007	2008	2009	07 VS 09 GROWTH	08 VS 09 GROWTH	2007	2008	2009	07 VS 09 GROWTH	08 VS 09 GROWTH
Dr. John Power	7	8	10	42.9%	25.0%	0	0	1	100.0%	100.0%
Sir Byrne Hart	18	13	14	-22.2%	7.7%	2	0	4	100.0%	400.0%
Prime Ministers Cup	43	22	31	-27.9%	40.9%	6	2	10	66.7%	400.0%
BTC Cup	24	16	37	54.2%	131.3%	13	2	4	-69.2%	100.0%
Doomben Cup	48	52	46	-4.2%	-11.5%	14	6	15	7.1%	150.0%
Doomben 10,000	24	28	46	91.7%	64.3%	14	2	5	-64.3%	150.0%
Qld Oaks	60	42	51	-15.0%	21.4%	15	6	15	0.0%	150.0%
Stradbroke Hcp	39	34	54	38.5%	58.8%	7	9	18	157.1%	100.0%
Queen's Birthday	32	26	11	-65.6%	-57.7%	15	4	0	-100.0%	-100.0%
Ipswich Cup	15	17	25	66.7%	47.1%	8	2	8	0.0%	300.0%
Winter Stakes	31	31	51	64.5%	64.5%	14	4	4	-71.4%	0.0%
Caloundra Cup	21	13	16	-23.8%	23.1%	7	5	5	-28.6%	0.0%
Ascot Hcp	14	13	35	150.0%	169.2%	4	3	5	25.0%	66.7%
<b>Totals</b>	<b>376</b>	<b>315</b>	<b>427</b>	<b>13.6%</b>	<b>35.6%</b>	<b>119</b>	<b>45</b>	<b>94</b>	<b>-21.0%</b>	<b>108.9%</b>

appropriately exploit our rights. QRL is committed to trialling new initiatives and will continue to provide appropriate opportunities to those clubs that have the bulk of their race dates in the difficult mid week time slot.

Following the effects of Equine Influenza (EI) on our 2008 Winter Carnival it was tremendous to see the return of Interstate and New Zealand participants. Interstate participation continues to grow with a 35.6% increase, which is highlighted in the graph above, whilst New Zealand participation also recovered strongly following the effects of EI last year.

The Carnival is undoubtedly underpinned by our Group 1 races and this year each of the eight Group 1 races were won by visiting trainers.

The Anthony Cummings-trained Duporth kicked off the Carnival's Group 1s winning the BTC Cup. Duporth's victory gave jockey Luke Nolen a happy return to Queensland after his tragic fall during last year's Carnival.

Western Australian campaigner Scenic Shot won the Group 1 Doomben Cup and followed it up with wins in the P.J. O'Shea Stakes and Brisbane Cup.

Apache Cat made it back-to-back Doomben 10,000 wins and cemented himself as a Doomben champion.

In the tradition of great Queensland fillies and mares races, Purple won the Queensland Oaks, whilst exciting mare Russeting changed hands from Donald Baker to Bart Cummings prior to her win in the Winter Stakes.

In the pinnacle race of the season, Black Piranha nailed the \$1 million AAMI Stradbroke Handicap much to the delight of connections. This day carried three Group 1 races with the John Wheeler trained Court Ruler taking out the Queensland Derby and Sydney visitor Linky Dink saluting in the prestigious T.J. Smith Stakes.

The restructuring of the Carnival included:

- the conduct of two Super Saturday's at Eagle Farm, where every race on both programs carried Black Type status;
- the Caloundra Cup meeting hosted a 12 race card and the world class lighting and synthetic track came to the fore with races being run on both the course proper and the Cushion Track as well as during daylight and under lights; and
- the Toowoomba Turf Club hosted the grand opening meeting of the Cushion Track with the running of the Toowoomba Cup and the Weetwood Handicap (July 2009).

There were 63 Black Type races during this year's Carnival with in excess of \$15 million in prizemoney won at the feature meetings.

## QUEENSLAND THOROUGHBRED INVESTMENT SCHEME (QTIS) AND QTIS 600

The highly successful QTIS was further enhanced during the financial year with the introduction of the QTIS 600 concept. QTIS 600 consists of additional bonuses for registered horses and a yearling sale that is conducted by Magic Millions.

Standard QTIS consists of the following:

\$30,000 QTIS ADDED STAKES are allocated to the two-year-old and three-year-old races at each Saturday and Public Holiday Metropolitan meeting, with base prizemoney less than \$100,000.

\$10,000 QTIS ADDED STAKES are allocated to a race at each Provincial TAB meeting.

\$640,000 QTIS ADDED STAKES are strategically allocated throughout Country Queensland.

Metropolitan QTIS ADDED STAKES	\$2,250,000
Provincial QTIS ADDED STAKES	\$3,050,000
Country QTIS ADDED STAKES	\$640,000

**\$5,940,000**

In addition to standard QTIS, connections of registered horses may choose to register for the QTIS 600 concept which provides an additional \$4.83 million in added benefits.

Over and above the double up bonuses worth \$3.33 million there is also a \$1.5 million restricted QTIS 600 race series as outlined below:

Eagle Farm or Doomben	\$250,000
Gold Coast	\$250,000
Ipswich	\$150,000
Sunshine Coast	\$150,000
Rockhampton	\$150,000
Toowoomba	\$150,000
Townsville	\$150,000
Cairns	\$50,000
Dalby	\$50,000
Emerald	\$50,000
Mackay	\$50,000
Roma	\$50,000

**\$1,500,000**



DRAUGHT DOON  
\$50M GROUP 1 W

CARLTON  
DRAUGHT  
1  
PACHE CAT

Apache Cat won the Doomben 10,000 for the second year in a row

## CHIEF OPERATIONS MANAGER'S REPORT

All horses that went through the sales ring at the QTIS 600 sale are also eligible, at no cost, for the highly lucrative \$5.975 million Magic Millions race series. The QTIS 600 sale conducted from 28 to 30 March, 2009, produced the following outcomes:

Total Lots Sold	333
Sale Aggregate	\$6,135,500
Average Price	\$18,424
Top Price	\$130,000
Lots Withdrawn	55
Lots Passed	80
Lots Catalogued	468
Sold %	81

To ensure the success of the QTIS 600 sale, QRL undertook an extensive marketing and promotional campaign, which included the distribution of promotional material through mediums such as, airline brochures, TAB agencies and various executive magazines. Additionally, QRL also relied heavily on print media, television, billboards and radio, as well as being able to leverage off a strong web presence through the "Get into Racing" website [www.getintoracing.com.au](http://www.getintoracing.com.au).

Integral to the success of the QTIS 600 campaign were the regional tours which attracted 242 delegates. At sale time, each delegate was provided with twin share accommodation for three nights at the Gold Coast with transfers to the sale. A raceday package at the Gold Coast Turf Club on the Saturday prior to the sales was also included. In all, regional tour delegates bought 25% of the horses offered through the sale.

### COUNTRY RACING FORUM

Following 12 successful country racing seminars in June and July 2008, QRL hosted a major country racing forum over two days on Monday, 20 October and Tuesday 21, October, 2008. Each of the eight regions throughout Queensland were represented by the following stakeholder groups:

- Queensland Country Racing Committee;
- Country Racing Association Chairperson;
- Major race club representatives;
- Minor race club representatives;
- Licensees; and
- Owners.

The forum provided the catalyst for the introduction of a new country racing funding structure to be effective from 1 July, 2009. Essentially two tiers of country race clubs were introduced under the headings of strategic and non-strategic. Strategic clubs are those that provide significant levels of infrastructure to support training and racing requirements within each region. These clubs are now funded at \$6,000 per race and a \$3,000 administration subsidy is payable to the club by QRL for each meeting. Non-strategic (or smaller clubs) were identified as those that support the training of only a minimal number of horses and have infrastructure that does not support a high volume of training and racing activity. The non-strategic clubs are funded at \$4,000 per race and there is no administration subsidy paid to these clubs. As a result of this restructuring, 65% of all country race meetings are now conducted by strategic race clubs. The restructuring also led to a financial injection of an additional \$1.2 million into country racing.

### COUNTRY RACING CONTRIBUTION

Section 68M of the Racing Act 2002 requires QRL to pay 7% of its net UNiTAB Product and Program fee for a year as prizemoney for non-

TABQ races conducted by non-TABQ clubs in the year. For the 2008/09 year this amounted to \$6,426,333 of net UNiTAB Product and Program fees after race information charges from Principal Racing authorities to UNiTAB had been taken into account. QRL, in the 2008/09 year, paid prizemoney of \$7,095,100 which included QTIS payments. This figure excludes additional prizemoney added by the club. QRL therefore paid \$668,767 in excess of its 7% net UNiTAB Product and Program fee obligation under the Racing Act (Table 1).

Further funding amounting to \$4,336,532 was provided by QRL to assist the non-TAB (country) racing sector in funding its operations. QRL therefore, during 2008/09, provided some \$5 million in excess of the amount required to be paid under legislation to support non-TAB racing. (Table 2).

**TABLE 1**

<b>Gross Product and program fee for FY08/09</b>	\$101,438,129
<b>Race information fee deducted by UNiTAB excluding accruals</b>	\$9,633,375
<b>Net product &amp; program fee paid to QRL for FY08/09</b>	\$91,804,754
7% of net UNiTAB product fee as prizemoney obligation under the Act	\$6,426,333
Prizemoney paid excluding value add prizemoney by the club	\$6,678,900
QTIS paid	\$416,200
Total prizemoney paid Incl QTIS & excluding value add prizemoney	\$7,095,100
Additional prizemoney paid by QRL over and above the 7% under the Act	\$668,767

**TABLE 2**

TAB prizemoney at non-TAB clubs	\$548,000
Club administration payments	\$881,600
Jockeys riding fees	\$1,667,461
Subsidisation of jockeys insurance	\$403,276
Sky channel costs	\$79,537
Wages	\$558,583
QCRC	\$30,750
Travel and communications	\$96,488
RISA service centre costs	\$70,837
<b>Total additional funding provided by QRL</b>	\$4,336,532
Prizemoney paid including QTIS & excluding value add prizemoney by the clubs	\$7,095,100
Total contribution to country racing	\$11,431,632
Less 7% of net UNiTAB product fee as prizemoney obligation under the Act	\$6,426,333
<b>QRL paid out in excess of obligation</b>	<b>\$5,005,299</b>

### QUEENSLAND COMMUNITY RACING SCHEME

During the 2008/09 season, seven race meetings were conducted under the Queensland Community Racing Scheme (QCRS), a scheme that is funded by the Queensland Government. The scheme allows race clubs to access up to \$5,000 per raceday for the conduct of race meetings and provides that up to \$2,000 per race be distributed as prizemoney.



The field from the last race of the day turn for home at Julia Creek

Two-day race meetings were conducted by:

- Oakley Amateur Picnic Race Club;
- Tower Hill Picnic Amateur Race Club; and
- Western Picnic Race Club.

All six race meetings were conducted for trophy only prizes, with 226 starters contesting 46 races.

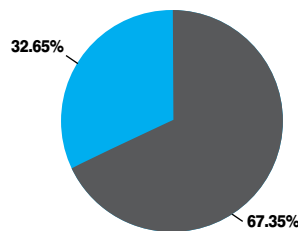
Sedan Dip Race Club conducted a one day race meeting with \$2,000 prizemoney offered per race. This meeting attracted 27 starters in five races.

### TRAINING TRACK SUBSIDY SCHEME

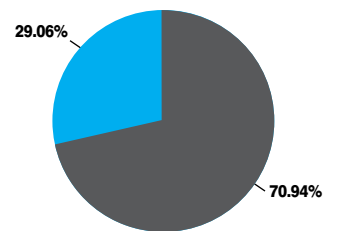
In 2008/09, the Queensland Government provided funding of \$2 million under the Thoroughbred Code Training Track Subsidy Scheme, which is distributed to race clubs that provide much needed training facilities for the racing industry. The funding is separated into two components.

The first component, of \$1.2 million, is paid directly by the Queensland Government to race clubs in accordance with the quality and extent of the training facilities provided by the individual club. The second component, consisting of \$800,000, is distributed by QRL to race clubs in accordance with a formula that recognises the number of starters produced annually from the race club for the Queensland industry.

**TRAINING ORIGIN OF STARTERS FY08/09**



**STARTERS FY08/09**



■ TAB venues (including Deagon 29,306) ■ Non TAB venues (14,204) ■ TAB races (32,194) ■ Non TAB races (13,191)

### TRAINING AND RECRUITMENT

Training and recruitment of riders and ground staff, particularly stablehands, is a critical task for the QRL training department. During the year school based trainee stablehands and trackriders were recruited and trained through several programs either at block training at Deagon, in school at Beaudesert or at tracks such as the Gold Coast and Rockhampton through traineeship programs. Queensland Government support for training is essential and in 2008/09 funding from the Government for training amounted to \$250,000.

At the Gold Coast and Rockhampton, experienced, qualified instructors have been appointed for their knowledge of the local industry as well as technical expertise. A significant part of this role is working with trainers and their staff as well as club staff to ensure a safe and effective training experience for those new to the industry.

With support from the Rockhampton Jockey Club, a new, dedicated training room was completed at Callaghan Park. It has been fitted with one of three computerised racehorse simulators and other training equipment to provide excellent facilities for the Capricorn region.

The QRL trailer that transports the mobile simulator, was covered with a full size photograph of a race start making it a very noticeable billboard for the industry. This trailer is sent to careers and other horse related events such as the Rockhampton Beef Week and the RNA "EKKA" rural careers day. At other times it is used for training track riders and trainee apprentices.

### INDUSTRY "ISSUES PAPER"

During April 2009, IER Pty Ltd (IER) finalised a study entitled 'Size and Scope of Racing in Queensland'. The study was commissioned by QRL, Harness Racing Queensland and Greyhound Queensland Ltd. The purpose of the study was to identify clearly the economic contribution of the racing industry to the State of Queensland.

The economic analysis provides detail regarding the expenditure generated by the racing codes in Queensland, including participants and customers, and importantly highlights the considerable taxation revenues generated for Governments. The study also details the significant employment within the racing industry in Queensland. Importantly, the economic analysis undertaken by IER provided an opportunity to, in the first instance, seek acknowledgement from the Queensland Government of the size and scope of the industry and its contribution to the State of Queensland, and secondly, argue for the redirection of wagering taxes back into the industry for further investment.

As most will understand, the industry itself is a complex mix of sport, business, entertainment and community participation rolled into a product and pastime enjoyed by many Queenslanders. There are a large number of participants that derive a living from their involvement in racing – a living that may not otherwise be possible. Consumers enjoy the sport of racing, where the uncertainty of the outcome and the spectacle of racing horses provides enjoyment to many. Surrounding the business is the indomitable community linkage that exists between race clubs and residents reaching back decades or even centuries where race clubs were not only providers of entertainment opportunities, but also vital community facilities.

It is this argument, along with others, that has been advanced by the chairman of QRL, Mr Bob Bentley, to the State Government in an "Issues Paper". The "Issues Paper" advances the prospect of the redirection of the substantial taxes collected annually back to the industry. The cornerstone of the May 2009 presentation to the Queensland Government, was the contribution by the industry to the state of Queensland in terms of economic spend and employment.

The industry is responsible for \$855 million annually in economic spend or Gross State Product (GSP) and when induced and indirect impacts are included, the Queensland racing industry contributes just over \$1.44 billion towards GSP. Further, the racing industry is responsible for the employment of 30,000 Queenslanders in fulltime, part-time and casual employment in the industry. Essentially, for every \$1 million of expenditure generated by the industry, up to 22 fulltime positions are created or sustained.

In relation to the important issue of taxation, the activities of the racing industry generate more than \$140 million in revenue for the State and Federal Governments. The State Government receives just over \$103

million in taxation revenue from the Queensland racing industry and whilst income tax and GST are not taxes paid specifically by the racing industry, the \$36 million contributed from wagering is unique. Whilst it is considered a Federal tax, as it is collected in this manner, the GST revenue does flow back to the State Government via redistribution. The Federal Government receives just under \$37 million in taxation revenue from the Queensland racing industry as a result of taxes generated by those employed directly by the racing industry.

The key outcome sought from the Queensland Government is a redirection of the taxation that is paid directly to the Queensland Government. Needless to say, QRL eagerly awaits a response to its "Issues Paper" from the State Government.

### BROADCAST RIGHTS

Currently each individual TAB race club throughout Queensland has a contract with Sky Channel direct. In time, these contracts will require renegotiation and as such QRL has initiated a project in consultation with all TAB clubs to consider the amalgamation of all broadcast rights, which should lead to a broadcast package of Queensland racing being negotiated as a whole, as opposed to the previous, segmented approach.

To assist in initially valuing the consolidated broadcast, L.E.K Consulting (LEK) has been engaged. The first stage of the project has been concluded and the engagement of LEK has been extended to allow LEK to continue to lead the project on behalf of QRL and TAB race clubs to finalisation, which will include the negotiation of a new broadcast contract covering both domestic and international rights. The outcome being pursued is an optimum return to the industry and in turn to individual TAB race clubs for the right to broadcast and exploit Queensland racing content.

### SUNSHINE COAST LIGHTING INSTALLATION

On Saturday, 21 February, 2009, the Sunshine Coast Turf Club flicked the switch on a substantial flood lighting installation for the first time for the inaugural night meeting at Corbould Park. Corbould Park now boasts greater functionality as a racing facility than any other racing venue in Australia.

Corbould Park is now a significant asset for the industry with the potential to align twilight and night race meetings with international programs, thus tapping into new wagering markets.

The flood lighting installation at Corbould Park is the largest single flood lighting installation ever completed in Australia, with the lighting provided through 900 2kW flood lights. A total of 38 poles were installed ranging in height from 20m to 40m. Nine free standing 30m to 40m poles are located behind spectator areas along the home straight, with the balance of poles around the track typically between 25m to 35m high. A frame of flood lights is used on the camera/stewards tower opposite the finish line. The overall flood lighting installation came at a cost of \$7.2 million.

### TOOWOOMBA CUSHION TRACK INSTALLATION

Work commenced on the QRL and State Government funded upgrade package of Clifford Park, Toowoomba, on 23 February, 2009. The scheduled works at Clifford Park included, the lining of the dams, the establishment of an ambulance track, the upgrade of the course proper lighting and, most importantly, the installation of Queensland's second Cushion Track, as the course proper and primary training track.

Notwithstanding a delay to the start of the extensive upgrade, the expected completion date of the works remained at 30 June, 2009, with barrier trials to be run early in July, with the first meeting scheduled for



Jockeys get off to a good start at the Gympie races

Saturday, 11 July, 2009. The overall budget for the project was in excess of \$12 million and was co-funded by QRL and the State Government, with an application to the State Government to draw down \$5.5 million (including interest) from the Cushion Track funding allocation for the installation of the Cushion Track.

### CALLAGHAN PARK UPGRADE

In April 2009 work commenced on a \$6.5 million upgrade of the racing and training facilities at Callaghan Park, Rockhampton. This upgrade followed an exhaustive review of the existing facilities and a long term strategy for the continued use of Callaghan Park as a major TAB racing facility.

In total, 43 race meetings are conducted at Callaghan Park annually, with 33 of these meetings covered by both UNITAB and Sky Channel. As there is no grass training track in Rockhampton, the course proper is also required to facilitate around 24 sets of official barrier trials each year.

The upgrade involves the following:

- installation of a new 1450 metre sand training track;
- installation of a new 1960 metre by 25 metre grass course proper;
- installation of a new tunnel to enable the removal of the crossing; and
- installation of new irrigation to both the sand and grass tracks.

The Rockhampton Jockey Club is well positioned to receive support from all areas of the state, with participants regularly travelling from South-East Queensland, the eastern downs, downs, central west and leichhardt regions to participate at TAB meetings. Rockhampton's strategic location was a crucial consideration by the board of QRL when committing to such a significant investment.

Work on this project is expected to be finalised in November 2009, with the first race meeting on the new course proper pencilled in for December 2009.

### BUSINESS CONTINUITY MANAGEMENT

Given the critical importance of Business Continuity Management (BCM) QRL developed a detailed BCM capability and rolled this out across the organisation in early 2009. The rollout provides for the availability of processes and resources in order to ensure the continued achievement of critical objectives.

QRL relies heavily on its information technology resources to service the industry's needs and to complete this BCM capability a Disaster Recovery Plan (DRP) tailored to QRL's requirements has been developed and implemented. The DRP provides for business continuity specifically where the Deagon office is not accessible for an extended period of time, or where Information Technology (IT) resources are unavailable. The DRP

## CHIEF OPERATIONS MANAGER'S REPORT

includes a 'hot site' and work area recovery site to relocate key staff in the event of a disaster. The disaster recovery site encompasses all of QRL's IT systems accommodating the maximum acceptable outage for these systems of four hours. However, in reality, the critical systems are updated and online in real time (hot) and cut-out can occur within a matter of minutes. QRL will now work with TAB race clubs providing assistance in the development of their own BCM capability as part of the QRL's risk management initiative.

### QUEENSLAND RACING INDUSTRY AWARDS

The Queensland Racing Industry Awards for the 2007/08 racing season were once again a tremendous highpoint for the industry when it came together to celebrate our highest achievers.

The premier award of Queensland Horse of the Year was taken out again by Gold Edition for the second year in a row. Now retired, Gold Edition won the monthly award three times in the 2007/08 season for her Group 1 win in the Manikato Stakes, Group 2 win in the Schillachi Stakes and running a gallant second in the Group 1 Age Classic. The mare was trained by Ron Maund at Toowoomba and is owned by Kevin and Tanith O'Brien who look forward to Gold Edition entering the breeding barn.

Two of Queensland's racing greats, Bill Briscoe and Spear Chief, were inducted into the Queensland Racing Hall of Fame. Bill Briscoe is remembered in many history books simply as the jockey that rode the mighty Bernborough when he broke down in the 1946 McKinnon Stakes. However, he was much more than that and holds a rightful place among Queensland and Australia's greatest jockeys. He won the Brisbane jockeys premiership eight times winning over 750 races before moving to Sydney in 1946. He held the premiership record of 89 winners in a season for over 40 years, before Mick Dittman broke that with 97 winners in 1977/78. He won countless Group 1 races in Queensland, New South Wales and Victoria. However, his best victory was aboard Red Fury in the 1948 Caulfield Cup.

By the Melbourne Cup winner Spearfelt out of the mare Sere Vale, Spear Chief was trained by Bill Tucker and won 14 races between 1937 and 1939, from distances of 1400 metres to 3200 metres which included two Brisbane Cups, the QTC Derby, the Sires, the Champagne and

many more. However, he is best remembered for the biggest upset in Australian racing history when at 33-1 he beat the 40-1 on favourite Ajax in the 1939 Rawson Stakes in Sydney.

Liam Birchley is considered one of Queensland's most respected trainers and with a long list of feature wins for the 2007/08 racing season including 19 metropolitan wins and six feature race wins was a deserving recipient of the Jim Atkins Trainer of the Year.

The George Moore Jockey of the Year went to Glen Colless who is classed as one of this state's most consistent riders. Not a natural lightweight, Glen was able to win 43 metropolitan races last season which included 10 Stakes races. He formed a great association with Perth galloper Scenic Shot which gave Glen two Group 2 races including the time honoured P.J.O'Shea Stakes at Eagle Farm.

Mandy Radecker took out the Ken Russell Apprentice of the Year. Mandy was apprenticed to Deagon trainer Pat Duff and completed her apprenticeship this year after a successful 2007/08 racing season. With an impressive strike rate of 13% in the city, Mandy was able to win 23 metropolitan races last season.

The final major award winner of Queensland Stallion of the Year was Lion Hunter. The stallion which stood at Oaklands Stud, was a tremendous loss to the breeding industry in Queensland. However, he continues to make an impact after winning this award for the last four years. He amassed over three and a half million dollars in prizemoney last season and besides Gold Edition another top performer was Chinchilla Rose. This daughter of Lion Hunter won the Group 2 Surround Stakes at Randwick.

### EQUINE INFLUENZA MARKETING CAMPAIGN

In 2006/07, QRL successfully applied for and received State Government funding of \$546,000 for a major advertising campaign designed to get racegoers back to the track after the Equine Influenza (EI) crisis.

A prolonged absence from the track during EI had resulted in racegoers being out of the habit of attending racing events. The mission was simple: to remind people that the horses were back and that the races are fun. In October 2008 the major television campaign was launched

### EQUINE INFLUENZA MARKETING CAMPAIGN - COMBINED RACE CLUB RESULTS

	FY08/09	FY06/07 Corresponding Meetings	\$ Increase	% Increase
Bar Sales (Gross)	\$504,100	\$405,492	\$98,608	24.3%
Catering Sales (Gross)	\$49,690	\$42,095	\$7,595	18.0%
Functions Sales (Gross)	\$790,512	\$588,790	\$201,722	34.3%
Tote Commissions (Gross)	\$159,270	\$143,840	\$15,430	10.7%
Gate Takings	\$107,193	\$82,271	\$24,922	30.3%
On-Course Wagering	\$2,706,402	\$2,200,836	\$505,566	23.0%
Attendance	32,629	30,504	2,125	7.0%

NOTE: Comparison to 2006/07 due to 2007/08 being EI affected.

The following meetings are included in the combined race club results to the left:

Meeting date	Race club
18 October 2008	Rockhampton Jockey Club
18 October 2008	Mackay Turf Club
25 October 2008	Townsville Turf Club
29 November 2008	Tattersall's Racing Club
6 December 2008	Brisbane Turf Club
13 December 2008	Queensland Turf Club
20 December 2008	Brisbane Turf Club
27 December 2008	Brisbane Turf Club
1 January 2009	Gold Coast Turf Club
10 January 2009	Ipswich Turf Club
18 January 2009	Sunshine Coast Turf Club





The history of racing team interview Blackall trainer Charlie Prow at his stables

with the distinctive tag, *"It's actually more fun, if you are actually there"*.

Customised to run at high frequency during the week prior to each feature race meeting for the period, the campaign was successful as evidenced by the increases in key areas. In light of the proliferation of poor weather during the campaign, the combined attendance figure growth of 7% was very positive leading to large increases in other sales.

All race clubs reported increases in product awareness, patronage and bar/catering sales. Race clubs confirmed that the advertising campaign was effective, delivering positive outcomes in that it reinvigorated the public to attend race meetings.

### **HISTORY OF RACING IN QUEENSLAND**

Recognising the importance of the racing industry's history and that there is no central repository to store and report on historical events, the board of QRL approved a project to capture the history of racing in Queensland. This significant project commenced during April 2008.

Including a film documentary, website, statistical guidebook and reference book, the project is being guided by a panel of industry experts supported by dedicated resources from QRL. This undertaking is expected to take at least three years to complete, with the first action to capture on film the recollections and experiences of the industry's workers, identities and colourful characters.

An initial budget of \$250,000 was approved for the financial year being reported on and some \$110,000 of this was used with the balance being rolled into year two. A budget amount of \$500,000 has been planned for the initial three years of the project.

In delivering the positive outcomes reported on, my thanks and gratitude are extended to my management team, and indeed all staff at QRL, for their efforts throughout the 2008/09 financial year.

As mentioned earlier, the challenges will not diminish during the next financial year, however, I am comforted that given the level of knowledge and experience, coupled with the dedication of our staff, the industry will continue to advance, notwithstanding heightened levels of competition.

Malcolm Tuttle  
Chief Operations Manager



JAMIE ORCHARD  
DIRECTOR INTEGRITY OPERATIONS

The integrity department is responsible for the provision of stewarding services and other integrity services to the thoroughbred racing industry in Queensland. During the course of the year, a number of significant changes were introduced in respect of the nature of integrity services and the manner in which those services were provided.

**STEWARDS**

The provision of stewarding services to every race meeting throughout Queensland continued to be an important aspect of the integrity department during the year.

A new chief stipendiary steward, Mr Wade Birch, was appointed during the course of the year. From the commencement of Mr Birch's tenure, there has been an emphasis on stewards working more openly with industry participants. As a consequence, the increased level of cooperation between licensees and stewards is already evident.

To coincide with the appointment of new cadet stipendiary stewards during the year, a cadet training program was implemented for the first time. This two-year training program sees cadet stewards formally mentored by another more experienced steward and requires the completion of a broad range of educational modules. Training for these stewards is no longer solely delivered on the job and instead they are trained with a combination of theory and practical training in stables, in the office and, naturally, on course.

To assist the stewards in their raceday work, a new patrol film system was installed at the Gold Coast Turf Club. This new system allows real-time viewing of races from all angles simultaneously from the stewards' room and allows instantaneous review capability. With the success of this new system, similar systems will be rolled out during the new year in metropolitan and provincial courses.

**INTEGRITY SERVICES**

Beyond the work of the raceday stewards, the department provided a wide range of integrity related services.

The department handled a range of appeals against the decisions of stewards. Appeals during the course of the year were heard by First Level Appeals Committee, the Racing Appeals Tribunal and the District Court.

An important development during the year was the creation of a "non-raceday team". This team, made up of staff experienced in either racing or investigative/legal matters, takes responsibility for investigations and inquiries in relation to matters arising other than on race day and coordinates QRL's human drug testing

program.

Coinciding with the introduction of the non-raceday team was the implementation of a new disciplinary system. This disciplinary system which is used in relation to matters other than those arising on raceday sees the person charged with a breach of the rules provided with all of the relevant evidence prior to the hearing of the charge. The charge is then heard before a former magistrate sitting as an "adjudicating steward". This is a much fairer system for those charged with an offence in that they have the opportunity to consider all of the evidence and to seek relevant advice and the matter is heard not by a steward who has been involved in the investigation but by an independent adjudicating steward. The system has been very successful since its introduction during the course of the year.

The non-raceday team has also been active in coordinating broader compliance programs. In this regard a state-wide stable inspection program was undertaken and a significant proportion of all QRL stables across the breadth of the state were inspected and necessary action taken to address shortcomings. A Queensland-wide research and survey program was also undertaken in which samples were taken from racehorses at venues right across Queensland to get an understanding of any prohibited substances that may be being used.

A more intensive human sampling program was also introduced which relies upon new testing procedures and a significantly increased number of tests being taken across the state.

QRL entered into a memorandum understanding with the Queensland Police Service during the course of the year to ensure that there is a formal process for cooperation and the exchange of information as required.

**RACEDAY OFFICIALS**

The integrity department developed and implemented an accreditation program for judges and starters in Queensland. All of those officials that now seek to perform those duties at a race meeting in Queensland must be formally accredited by QRL before they can undertake that role. In the coming year other officials will also be required to be accredited.

Minimum standards for officials at race meetings were also published to all clubs. These standards make it clear what staff and in what numbers are required to be provided by clubs for the conduct of a race meeting.

**BIOSECURITY POLICY**

Given recent the outbreaks of Equine Influenza (EI) and Hendra Virus, QRL, in June 2009, developed a detailed draft biosecurity policy



Training for these stewards is no longer solely delivered on the job and instead they are trained with a combination of theory and practical training in stables, in the office and naturally on course.

and procedures manual. The policy, which was the subject of consultation with both the Queensland Government's Office of Racing and Department of Primary Industries, will be published for industry feedback early in the 2009/10 financial year.

In terms of content, the policy, whilst quite general, refers to the State Government biosecurity preparedness arrangements with the main detail contained in the associated procedures manual, which appends to the policy. The manual sets out, amongst other things, the practical requirements expected of all industry participants through a range of standard operating procedures. It is anticipated that the policy will be adopted by the board of QRL later in the 2009 calendar year.

**RULES**

A significant project during the course of the year was a complete review of the Local Rules of Racing. This program culminated in a redrafted set of Local Rules being released for public consultation.

**ANIMAL INJURY AND INCIDENT DATABASE**

A new database was created and used from the commencement of the new racing season. This Animal Injury and Incident Database records details of injuries to animals at all race meetings throughout Queensland and is an invaluable tool for the regular analysis of injury and incident related statistics.

The 2008/09 year was a very busy one for integrity at QRL. With the number of projects and initiatives planned for the coming year, another busy year is envisaged.

Jamie Orchard  
Director Integrity Operations



## CORPORATE GOVERNANCE

QRL recognises the importance of good corporate governance. In April 2007, the QRL board approved a Code of Conduct and Ethics (the Code) covering QRL board members, staff, officials, contractors and consultants. The Code sets out the standards of behaviour QRL requires of all those covered by the Code. The Code is based on the *Public Sector Ethics Act 1994* (the Act).

The Code was updated to ensure that an integrity base culture was driven from board level down through a document that embodied the moral principles and obligations of the entire organisation. This was viewed as an essential shift from the previous document, which was essentially a compliance based approach.

The Code sets out the following responsibilities of the QRL board and chief operations manager:

- Provide clear direction and ensure that performance is managed to achieve sustainable results
- Encourage and reward contributions made by others
- Lead by example in observing this Code, and
- Ensure that the high standards conveyed through this Code are evident throughout the organisation, contributing to an integrity-based culture.

The Code is based on the four principles of ethical behaviour. These principles are:

### 1. EMBRACING AN INTEGRITY CULTURE

Every QRL office must:

- Carry out their duties impartially and regardless of personal preferences
- Avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties
- Disclose any interest, which may impact or have the potential to impact on the performance of their duties
- Take action to resolve any conflict between personal interests and official duties in the favour of the public interest

### 2. EMBRACING A CULTURE OF RESPECT

All QRL officials must:

- Treat all industry participants with courtesy, honesty and fairness with proper regard for their rights and obligations in accordance with the principles of natural justice
- Respond to the reasonable request of stakeholders, supervisors and managers in a timely manner

- Cooperate and assist others in the organisation in the performance of their duties when reasonably requested to do so, or when perceived as necessary
- Support their co-employees in a responsible and ethical manner
- Exercise powers, objectively, fairly and equitably, and
- Comply with all QRL policies and procedures.

### 3. EMBRACING A CULTURE OF SAFETY

All QRL officials should remember:

- To follow all rules, procedures and approved work methods
- Immediately report incidents, complaints and unsafe or unhealthy work practices
- Do not engage in or encourage any form of unlawful discrimination, sexual or other forms of harassment, bullying or workplace violence
- Wear personal protective equipment and use appropriate equipment when necessary.

### 4. EMBRACING A CULTURE OF HIGH PERFORMANCE

All QRL officials must perform their duties associated with their positions diligently, impartially, conscientiously, with proper care and attention, in a civil manner and to the best of their ability.

All QRL officials must:

- Perform their duties in such a way that QRL will be held in high regard by the community and the industry
- Follow any professional standards of conduct relevant to their office
- Maintain adequate documentation to support decisions
- Assist QRL to adhere to its statutory obligations

The Code of Conduct and Ethics sets out the

1 July 2008 to 30 June 2009

#### ATTENDANCE AT SUBCOMMITTEE MEETINGS

Member	Audit Committee meetings		HRRC meetings	
	No.Held	No.Attended	No.Held	No.Attended
Bob Bentley	N/A	N/A	1	-
Tony Hanmer	5	5	1	1
Michael Lambert	5	5	N/A	N/A
Bill Andrews	N/A	N/A	1	1
Bill Ludwig	N/A	N/A	N/A	N/A

procedure for dealing with ethical breaches, including referral to the Crime and Misconduct Commission.

An important component of the corporate governance framework that has been adopted by QRL is the attendance of board members at board meetings and subcommittee meetings. These attendances ensure that appropriate decision making is both made and endorsed, thereby providing to all stakeholders that all decision making is accountable and transparent.

#### BOARD MEETINGS

1 July 2008 to 30 June 2009

#### ATTENDANCE AT BOARD MEETINGS

Member	Board meetings	
	No.Held	No.Attended
Bob Bentley	11	11
Tony Hanmer	11	11
Michael Lambert	11	9
Bill Andrews	11	10
Bill Ludwig	11	10

#### SUB COMMITTEES

##### AUDIT COMMITTEE

Michael Lambert (Chairman)  
Tony Hanmer

##### HUMAN RESOURCE AND REMUNERATION COMMITTEE (HRRC)

Tony Hanmer (Chairman)  
Bob Bentley  
Bill Andrews

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



Hillstand with apprentice John Rudd at the reigns won the Mt Isa Cup

## CONTENTS

- 30 Directors' report
- 32 Auditors' independence declaration
- 33 Income statement
- 34 Balance sheet
- 35 Statement of changes in equity
- 36 Cash flow statement
- 37 Notes to and forming part of the financial statements
- 52 Directors declaration
- 53 Independent auditor's report



---

Brent Evans and Mitanni  
win the Listed Eye Liner  
Stakes before a record  
Ipswich crowd



## DIRECTORS' REPORT

For the year ended 30 June 2009

Your directors present their report on the company and the controlled entities for the year ended 30 June 2009.

### DIRECTORS

The names of the directors in office any time during or since the financial year are:

Name	Position
Mr Robert Bentley	Chairman
Mr Anthony Hanmer	Board Member
Mr Michael Lambert	Board Member
Mr William Andrews	Board Member
Mr William Ludwig	Board Member

Directors have been in office to the date of this report unless otherwise stated.

### COMPANY SECRETARY

The following person held the position of the entity at the end of the financial year:

Ms Shara Murray, Company Secretary

Ms Murray works for Queensland Racing Limited as Corporate Counsel/Company Secretary. Ms Murray was appointed Company Secretary on 24 October 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the consolidated group is to encourage, control, supervise and regulate administration of thoroughbred horse racing in Queensland.

### OPERATING RESULTS

The consolidated operating profit of the group for the year after Income Tax and after eliminating minority interests was \$19,490,000 (2008: \$13,331,000).

### DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### REVIEW OF OPERATIONS

As at 30 June 2009, the consolidated group received and paid out all current Product and Program fee distributions to the Queensland Control Bodies. The increase in the consolidated group's profit is mainly due to increase in race meetings on the prior financial year which was affected by the Equine Influenza (EI) outbreak. This resulted in favourable wagering turnover.

The Board of Queensland Racing Limited initiated charges on wagering operators for the use of Queensland thoroughbred racing

information under legislation which was passed by the Queensland Government. These charges became effective from 1 September, 2008. This has had a positive impact on the consolidated group's profit for the current year, contributing over 13% to the group's total revenue. The adoption of similar legislation in other states has resulted in the group paying \$16.1 million.

QRL incurred additional expenditure due to the increase in prizemoney paid out, which resulted from the running of the full racing schedule since EI.

The Board of Queensland Racing Limited invested a further \$7.2 million on the Caloundra lighting project to enable night/ twilight racing at Corbould Park, on both the turf and synthetic tracks.

An amount of \$4 million, plus accrued interest, for the Corbould Park synthetic Track was able to be drawn down from the grant received of \$12 million from the Department of Local Government, Planning and Sport for synthetic track funding. This occurred subsequent to Queensland Treasury approval.

An amount of \$4.9 million, plus accrued interest, for the Clifford Park synthetic Track will be able to be drawn down from the grant received of \$12 million from the Department of Local Government, Planning and Sport for synthetic track funding. This will take place once this has been approved by Queensland Treasury.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

This financial year represents the first financial year after FY0708 unaffected by the Equine Influenza outbreak.

The Queensland Government passed the Race Information Legislation allowing for charges from 1 September 2008. It is noteworthy that Racing NSW were at the time charging from 1 September, 2008.

Funding for the industry comes principally through a Product and Program agreement entered into by the three racing codes with UNITAB. The three codes operate together as members of Queensland Race Product Co Limited. Under race information legislation that has or will be implemented by all States and Territories, each Principal Racing Authority (PRA) now charges wagering operators including bookmakers, corporate bookmakers and betting exchanges for the use of their information for the purpose of race wagering and this charge in most cases gets passed

back to the relevant PRA's. For example, QRL obtains revenue from UNITAB under the Product and Program agreement. This revenue is linked to a percentage of gross revenue and is shared between the three racing codes in Queensland in accordance with an inter-code agreement. Under the legislation introduced in other States, UNITAB is required to pay a fee for the use of interstate racing information with these fees deducted as a first charge off the product fee payable to the Queensland racing industry.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity or the state of affairs of the entity in future financial years.

### AFTER BALANCE DATE EVENTS

Race Information Legislation – As outlined above, Queensland has enacted race information legislation which allows Queensland Racing Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Queensland Racing Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information Legislation. There are a number of authorisations granted to applicants where the amount of the fee to be imposed is under review. The amount of any additional revenue in respect of those authorisations will depend on the outcomes of the Board's review. The reviews have not been concluded at the date of these financial statements.

Toowoomba Track - Total costs incurred for the synthetic track at Clifford Park was \$10.9 million for the financial year. An amount of \$4.9 million, plus accrued interest will be able to be drawn down from the grant received of \$12 million from the Department of Local Government, Planning and Sport for synthetic track funding. The balance of the track and the capital development will be initially funded by Queensland Racing, with an agreement to be determined with the Toowoomba Turf Club.

The Board of Queensland Racing Limited invested an additional \$1.1 million dollars, to the period up to the commissioning of the track, held on 11 July 2009.





Rockhampton Track - The Board of Queensland Racing Limited will be investing a further \$6.5 million on the Rockhampton Jockey Club track upgrade project.

### INDEMNIFYING OFFICERS OR AUDITORS

QRL has paid insurance premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of premium was \$2,000 for each director.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the consolidated group.

### OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year.

### ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### MEETINGS OF DIRECTORS

Eleven board meetings were held during the

Member	Board meetings		Audit Committee meetings		HRRC meetings	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Bob Bentley	11	11	N/A	N/A	1	-
Tony Hanmer	11	11	5	5	1	1
Michael Lambert	11	9	5	5	N/A	N/A
Bill Andrews	11	10	N/A	N/A	1	1
Bill Ludwig	11	10	N/A	N/A	N/A	N/A

financial year. The board members that attended the meeting are as above.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

### AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 32 of the directors' report.

### ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and directors' report

have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Robert Bentley  
CHAIRMAN

Brisbane

Dated this 28 day of September 2009



BDO Kendalls

BDO Kendalls (OLD)  
Level 18, 300 Queen St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Phone 61 7 3237 5999  
Fax 61 7 3221 9227  
info.brisbane@bdo.com.au  
www.bdo.com.au

ABN 70 202 702 402

28 September 2009

The Directors  
Queensland Racing Limited  
PO Box 63  
SANDGATE QLD 4017

Dear Directors

**DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF QUEENSLAND RACING LIMITED**

To the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully  
**BDO\_Kendalls (Qld)**

**Damian Wright**  
Partner

BDO Kendalls is a national association of separate partnerships and entities.

Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

# INCOME STATEMENT

For the year ended 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>REVENUE FROM ORDINARY ACTIVITIES</b>					
Course Fees		264	208	264	208
Grants – Training Track Subsidy		860	860	860	860
Grants – Synthetic Track		4,328	-	-	-
Grants – Other		586	-	586	-
Licence and Registration Fees		2,856	761	2,856	761
Racing Fees		8,178	6,542	8,178	6,542
Interest		1,495	2,163	1,348	2,008
Product & Program Fee	13	120,313	125,489	89,177	93,489
Race Information Fees		17,799	-	17,799	-
Marketing Income		392	353	392	353
Other		1,307	1,850	1,172	1,731
<b>Total Revenue From Ordinary Activities</b>		<b>158,378</b>	<b>138,226</b>	<b>122,632</b>	<b>105,952</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>					
Salaries, Wages and Associated Costs		5,777	5,268	5,777	5,268
Administration	14A	4,786	4,031	4,570	4,008
Bad Debts		81	322	81	322
Depreciation		1,072	637	576	504
Impairment Loss on Assets		120	-	-	-
Committee/Board Expenses		377	359	375	354
Motor Vehicle and Travel Expenses		319	236	319	235
Product and Program Fee		28,165	29,515	-	-
Prize money & Other Distributions		82,244	70,124	79,223	67,532
Racing Expenses		7,543	7,413	7,543	7,413
QTIS Prize money		3,700	2,383	3,700	2,383
Grant - Training Track Subsidy		765	768	765	768
Auditor's Remuneration	14B	197	164	189	159
Marketing Expenditure		66	74	66	74
Operating Lease Expenses	19	469	530	469	530
Industry Insurances		2,043	1,488	2,043	1,488
RISA Expenditure		546	506	546	506
Vet Expenditure		185	671	185	671
Other		508	415	508	355
<b>Total Expenditure From Ordinary Activities</b>		<b>138,963</b>	<b>124,904</b>	<b>106,935</b>	<b>92,570</b>
<b>PROFIT BEFORE RELATED INCOME TAX</b>		<b>19,415</b>	<b>13,322</b>	<b>15,697</b>	<b>13,382</b>
INCOME TAX	1(i)	-	-	-	-
<b>NET PROFIT AFTER RELATED INCOME TAX</b>		<b>19,415</b>	<b>13,322</b>	<b>15,697</b>	<b>13,382</b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO MINORITY EQUITY INTERESTS</b>	12	(75)	(9)	-	-
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY</b>		<b>19,490</b>	<b>13,331</b>	<b>15,697</b>	<b>13,382</b>

The accompanying notes form part of these financial statements.

## BALANCE SHEET

As at 30 June 2009

	Note	Consolidated Group		Parent Entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	2	45,650	44,167	40,406	38,375
Trade and other receivables	3	13,206	15,741	14,131	12,978
Other current assets	4	66	23	66	23
<b>Total Current Assets</b>		<b>58,922</b>	<b>59,931</b>	<b>54,603</b>	<b>51,376</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	3	5,405	-	14,958	6,637
Investments	5	1,286	1,286	12,236	12,286
Property, Plant and Equipment	6	44,569	36,218	20,678	22,228
<b>Total Non-Current Assets</b>		<b>51,260</b>	<b>37,504</b>	<b>47,872</b>	<b>41,151</b>
<b>TOTAL ASSETS</b>		<b>110,182</b>	<b>97,435</b>	<b>102,475</b>	<b>92,527</b>
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	7	16,387	18,837	14,584	18,025
Financial Liabilities	8	-	94	-	94
Provisions	9	332	302	332	302
<b>Total Current Liabilities</b>		<b>16,719</b>	<b>19,233</b>	<b>14,916</b>	<b>18,421</b>
<b>NON-CURRENT LIABILITIES</b>					
Trade and Other Payables	7	4,770	9,769	4,770	5,615
Provisions	9	157	171	157	171
<b>Total Non-Current Liabilities</b>		<b>4,927</b>	<b>9,940</b>	<b>4,927</b>	<b>5,786</b>
<b>TOTAL LIABILITIES</b>		<b>21,646</b>	<b>29,173</b>	<b>19,843</b>	<b>24,207</b>
<b>NET ASSETS</b>		<b>88,536</b>	<b>68,262</b>	<b>82,632</b>	<b>68,320</b>
<b>EQUITY</b>					
Retained Profits		75,335	55,845	71,593	55,896
Asset Revaluation Reserve	10	13,283	12,424	11,039	12,424
<b>Parent Interests</b>		<b>88,618</b>	<b>68,269</b>	<b>82,632</b>	<b>68,320</b>
<b>MINORITY EQUITY INTERESTS</b>	12	(82)	(7)	-	-
<b>TOTAL EQUITY</b>		<b>88,536</b>	<b>68,262</b>	<b>82,632</b>	<b>68,320</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

Note	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Minority Interests \$'000	Total \$'000
<b>CONSOLIDATED GROUP</b>				
Balance at 1 July 2007	42,514	12,424	2	54,940
Profit Attributable to members of Parent Entity	13,331	-	-	13,331
Profit Attributable to Minority interests	-	-	(9)	(9)
<b>Balance at 30 June 2008</b>	<b>55,845</b>	<b>12,424</b>	<b>(7)</b>	<b>68,262</b>
Profit Attributable to members of Parent Entity	19,490	-	-	19,490
Profit Attributable to Minority interests	-	-	(75)	(75)
Distribution to Unit Holders	-	-	-	-
Revaluation Increment	-	859	-	859
<b>BALANCE AT 30 JUNE 2009</b>	<b>75,335</b>	<b>13,283</b>	<b>(82)</b>	<b>88,536</b>
<b>PARENT ENTITY – QUEENSLAND RACING LIMITED</b>				
Balance at 1 July 2007	42,514	12,424	-	54,938
Profit Attributable to members of Parent Entity	13,382	-	-	13,382
<b>Balance at 30 June 2008</b>	<b>55,896</b>	<b>12,424</b>	<b>-</b>	<b>68,320</b>
Profit Attributable to members of Parent Entity	15,697	-	-	15,697
Revaluation Decrement	-	(1,385)	-	(1,385)
<b>BALANCE AT 30 JUNE 2009</b>	<b>71,593</b>	<b>11,039</b>	<b>-</b>	<b>82,632</b>

The accompanying notes form part of these financial statements.

## CASH FLOW STATEMENT

For the year ended 30 June 2009

	Consolidated Group		Parent Entity		
	Note	2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from Customers		185,164	152,400	140,328	106,358
Payments to Suppliers and Employees		(158,938)	(140,053)	(113,044)	(93,010)
Interest Received		1,488	2,181	1,348	2,008
GST Input Tax Credit		21,175	20,463	7,112	5,785
GST Remitted to ATO		(26,792)	(25,498)	(13,527)	(10,829)
<b>Net Cash Provided By Operating Activities</b>	<b>23 (A)</b>	<b>22,097</b>	<b>9,493</b>	<b>22,217</b>	<b>10,312</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		(840)	(6,403)	(411)	(467)
Proceeds from Sale of Plant and Equipment		-	160	-	-
Advances and Loans to Related Parties		(19,680)	-	(19,681)	-
Investment in Unit Trust		-	-	-	-
Government Grant		-	(3,350)	-	(3,350)
<b>Net Cash Provided By / (Used In) Investing Activities</b>		<b>(20,520)</b>	<b>(9,593)</b>	<b>(20,092)</b>	<b>(3,817)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Loans from related party		-	5,000	-	(5,000)
Repayment of Loan		-	(5,000)	-	-
Distribution of Profits		-	(9)	-	-
<b>Net Cash Provided By Financing Activities</b>		<b>-</b>	<b>(9)</b>	<b>-</b>	<b>(5,000)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>1,577</b>	<b>(109)</b>	<b>2,125</b>	<b>1,495</b>
<b>CASH AT THE BEGINNING OF THE REPORTING PERIOD</b>		<b>44,073</b>	<b>44,182</b>	<b>38,281</b>	<b>36,786</b>
<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>23 (B)</b>	<b>45,650</b>	<b>44,073</b>	<b>40,406</b>	<b>38,281</b>

The accompanying notes form part of these financial statements.

---

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of Queensland Racing Limited and controlled entities, and Queensland Racing Limited as an individual parent entity.

The financial report of Queensland Racing Limited and controlled entities, and Queensland Racing Limited as an individual parent entity comply with all International Financial reporting Standards (IFRS) in their entirety.

The following is a summary of material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

### Basis of Preparation of the Accounts

The accounting policies set out below have been consistently applied to all years presented.

#### Reporting Basis and Conventions

The financial report and has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

#### (a) Principles of Consolidation

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

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

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year end.

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

#### (b) Valuation and measurement of Property, Plant and Equipment

Land and buildings are measured using "fair values" principles in accordance with AASB 116 Property, Plant and Equipment with the exception being that the board has determined as a general policy, only assets with a value of \$2,000 or more are capitalised. Items under this value are being charged as an expense in the year of purchase.

Non-current physical assets measured at fair values are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where the change would be material to that class of assets.

Land and Buildings were independently valued at fair value by AON Valuation Services as at the 30th June 2009.

All other assets are measured at cost.

#### (c) Depreciation Rates

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

	Queensland Racing Limited
Buildings & Tracks	2%-7%
Plant and Equipment	
▪ Furniture & Fittings	6%-24%
▪ Motor Vehicles	15%
▪ Computer Equipment	10%-25%
▪ Plant	5%-20%

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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

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

#### (d) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's 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.

#### (e) Employee Benefits

Wages and salaries and annual leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, work cover premiums and employer superannuation contributions. For unpaid entitlements expected to be paid within the next 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

Sick leave is non-vesting, and an expense is recognised for this leave as it taken. The Board contributes to various accumulating Employee Superannuation Plans. The number of full time employees at June 30 2009 is 69 (2008: 67).

#### (f) Unearned Income

Licence and Registration Fees, Course Fees and other income received at balance date, which relate to the next accounting period have been deferred in the Income Statement and will be brought to account as income during the period to which the amounts relate.

#### (g) Apprentice Jockeys' Trust Fund

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

#### (h) Rounding and Comparative Information

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

#### (i) Taxation

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

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

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

#### (j) Revenue Recognition

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

Race Information Fees are brought to account as income during the period to which the amounts relate.

#### (k) Receivables

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

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



---

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

Loan and advances are recognised at their face values.

### (l) Payables

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

### (m) Cash and Cash Equivalents

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

### (n) Leases

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

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

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

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

### (o) Financial Instruments

#### *Recognition and Initial Measurement*

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

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

#### *Derecognition*

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

#### *Classification and Subsequent Measurement*

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

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

##### *(ii) Loans and receivables*

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

##### *(iii) Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

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

intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

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

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

#### (p) Fair Value

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### (q) Unexpected Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpected grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed. Capital grants are brought to account over the life of the asset to which the capital grant relates.

#### (r) Issuance of Financial Statements

The financials statements are authorised for issue by the company Chairman of the Board of Directors and the Chief Operations Manager at the date of signing the Management Certificate.

#### (s) Judgement and Assumptions

The Board had made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### (t) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The implications of the changes to both the financial impact and disclosure requirements have been assessed and management are of the opinion that the adoption of these would not have a material impact on the financial statements in the forthcoming year, given current interpretations of the accounting changes and expected future plans for the entity.

### 2. CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Cash Assets</b>				
- Cash at Bank and on Hand *	3,327	5,056	2,695	13
- Short term Deposits **	42,323	39,111	37,711	38,362
	<b>45,650</b>	<b>44,167</b>	<b>40,406</b>	<b>38,375</b>

\* Amount Includes earnings held in Trust for Apprentice Jockeys by Queensland Racing Limited (Refer Note 7)

\*\* Amount includes an amount in relation to synthetic track program of \$9.3M (2008: \$12.9M).

The effective interest rate on short-term bank deposits was 4.5% (2008:8.16%). These deposits have an average maturity of 32 days.

#### Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and Cash Equivalents		45,650	44,167	40,406	38,375
Bank Overdraft	8	-	(94)	-	(94)
		<b>45,650</b>	<b>44,073</b>	<b>40,406</b>	<b>38,281</b>

### 3. TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade Receivables	2,420	2,530	2,407	2,530
Other Receivables	7,725	13,574	8,670	10,811
Less Provision for Impairment of Receivables	(332)	(363)	(332)	(363)
	9,813	15,741	10,745	12,978
Accrued Revenue (refer to note (i) below)	3,386	-	3,386	-
Accrued Interest	7	-	-	-
	<b>13,206</b>	<b>15,741</b>	<b>14,131</b>	<b>12,978</b>
<b>Non-Current</b>				
Trade Receivables	<b>5,405</b>	-	<b>14,958</b>	<b>6,637</b>

#### (i) Significant Uncertainty Regarding Race Fields Debtor

Included in Accrued Revenue is \$1,150,000 of debtors relating to commercial wagering operators, invoiced under the Race Fields legislation, which at the date of this report is past due.

Queensland has enacted race information legislation which allows Queensland Racing Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Queensland Racing Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information Legislation.

As such there is uncertainty over the quantum of monies taken up and its recoverability which is subject to legal proceedings. If these legal proceedings are unsuccessful the realisable value of these debts may be different to the carrying value as estimated at 30 June 2009.

#### (ii) Provision for Impairment of Receivables

Current trade receivables are generally 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. These amounts have been recognised in the Income Statement.

#### Movement in the Provision for Impairment of Receivables

Balance at the beginning of the year	(363)	(214)	(363)	(214)
Impairment losses recognised in receivables	(155)	(363)	(155)	(363)
Amounts written off as uncollectible	138	172	138	172
Impairment losses reversed	48	42	48	42
Balance at the end of the year	<b>(332)</b>	<b>(363)</b>	<b>(332)</b>	<b>(363)</b>

#### (iii) Credit Risk – Trade and Other Receivables

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The following table details Group's trade and other receivables exposed to a credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 3. TRADE AND OTHER RECEIVABLES (CONT.)

and conditions agreed between the Group and the customer or counter party to the transaction. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. The Group has provided for trade receivables greater than 90 days based on estimated irrecoverable amounts from the sale of goods and rendering of services, determined by reference to past default experience.

	Gross Amount \$'000	Past due and Impaired \$'000	Past due but not impaired (days overdue)				Within initial trade terms \$'000
			<30 \$'000	31- 60 \$'000	61- 90 \$'000	>90 \$'000	
<b>Consolidated Group</b>							
Trade and term receivables	2,420	132	295	6	16	129	1,842
Other receivables	7,725	200	-	-	-	-	7,525
<b>Total</b>	<b>10,145</b>	<b>332</b>	<b>295</b>	<b>6</b>	<b>16</b>	<b>129</b>	<b>9,367</b>
<b>Parent Entity</b>							
Trade and term receivables	2,407	132	295	6	16	129	1,829
Other receivables	8,670	200	-	-	-	-	8,470
<b>Total</b>	<b>11,077</b>	<b>332</b>	<b>295</b>	<b>6</b>	<b>16</b>	<b>129</b>	<b>10,299</b>

Neither the group nor the parent entity holds any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

### 4. OTHER CURRENT ASSETS

	Consolidated Group		Parent Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Prepayments	66	23	66	23
	<b>66</b>	<b>23</b>	<b>66</b>	<b>23</b>

### 5. INVESTMENTS

Investments in Subsidiaries				
- Investment in Sunshine Coast Racing Unit Trust	-	-	10,950	11,000
Available-for-sale financial assets at fair value				
- RISA Investment	1,286	1,286	1,286	1,286
	<b>1,286</b>	<b>1,286</b>	<b>12,236</b>	<b>12,286</b>

## 6. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Land</b>				
At Cost	-	17,986	-	13,436
At Valuation	15,694	-	10,744	-
	15,694	17,986	10,744	13,436
<b>Buildings</b>				
At Cost	-	20,236	-	10,852
Accumulated Depreciation	-	(3,697)	-	(3,513)
At Valuation	26,460	-	8,435	-
	26,460	16,539	8,435	7,339
<b>Plant and Equipment</b>				
At Cost	90	2,539	-	2,539
Accumulated Depreciation	-	(1,229)	-	(1,229)
At Valuation	1,460	-	1,461	-
	1,550	1,310	1,461	1,310
<b>Work In Progress</b>				
Cost	865	383	38	143
	<b>44,569</b>	<b>36,218</b>	<b>20,678</b>	<b>22,228</b>

Independent valuations of land and buildings were performed as at 30 June 2009 by AON Valuation Services using 'fair value' principles. The valuation of land and buildings is based on current market values and replacement costs respectively. The revaluation surplus was credited to an asset revaluation reserve in equity.

### Movements in Carrying Amounts

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

#### Consolidated Group

Asset Name	Carrying amount 1/07/08	Additions	Revaluation	Transfers	Disposals	Depreciation	Carrying amount 30/06/09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Land	17,986	-	(2,292)	-	-	-	15,694
Building & Tracks	16,539	7,206	3,065	419	-	(769)	26,460
Plant & Equipment	1,310	-	86	457	-	(303)	1,550
Work in Progress	383	1,478	-	(876)	(120)	-	865
	<b>36,218</b>	<b>8,684</b>	<b>859</b>	<b>-</b>	<b>(120)</b>	<b>(1,072)</b>	<b>44,569</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT.)

#### Parent Entity

Asset Name	Carrying amount 1/07/08	Additions	Revaluation	Transfers	Disposals	Depreciation	Carrying amount 30/06/09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Land	13,436	-	(2,692)	-	-	-	10,744
Building & Tracks	7,339	-	1,220	149	-	(273)	8,435
Plant & Equipment	1,310	-	87	367	-	(303)	1,461
Work in Progress	143	411	-	(516)	-	-	38
	<b>22,228</b>	<b>411</b>	<b>(1,385)</b>	<b>-</b>	<b>-</b>	<b>(576)</b>	<b>20,678</b>

#### Impairment of Assets

In accordance with note 1 (e) the board has reviewed its Property, Plant and Equipment for Impairment and has determined that there are no indicators of impairment of those assets.

### 7. TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Trade Payables	4,713	4,147	3,174	5,684
Jockey Earnings held In Trust	128	98	128	98
Sundry Payables and accrued expenses	6,491	5,939	8,219	5,012
GST Payable	1,085	232	1,104	983
Fees in Advance	1,435	1,418	1,435	1,418
Employee Benefits	524	502	524	502
Deferred Revenue	11	4,501	-	4,328
Unit Holder Funds	2,000	2,000	-	-
	<b>16,387</b>	<b>18,837</b>	<b>14,584</b>	<b>18,025</b>
<b>Non-Current</b>				
Deferred Grants	3,732	8,483	3,732	4,329
Loan – Equity in RISA Investment	1,038	1,286	1,038	1,286
	<b>4,770</b>	<b>9,769</b>	<b>4,770</b>	<b>5,615</b>
<b>8. FINANCIAL LIABILITIES</b>				
Bank Overdraft	-	94	-	94
	<b>-</b>	<b>94</b>	<b>-</b>	<b>94</b>

As at 30 June 2008 the actual bank account balance was in credit. The bank overdraft includes the amount of cheques not presented at the bank.

## 9. PROVISIONS

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>LONG SERVICE LEAVE</b>				
Opening Balance at 1 July 2008	473	437	473	437
Additional provisions raised during the year	83	95	83	95
Amounts used	(67)	(59)	(67)	(59)
<b>Balance at 30 June 2009</b>	<b>489</b>	<b>473</b>	<b>489</b>	<b>473</b>
<b>Analysis of Total Provisions</b>				
Current	332	302	332	302
Non-Current	157	171	157	171
	<b>489</b>	<b>473</b>	<b>489</b>	<b>473</b>

### Provision for Long- term Employee Benefits

A provision has been recognised for employee entitlements related to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (e) to this report.

## 10. ASSET REVALUATION RESERVE

The Asset revaluation reserve records the revaluations of non-current assets.

Opening balance	12,424	12,424	12,424	12,424
Transfer to Retained Profits	-	-	-	-
Revaluation	859	-	(1,385)	-
<b>Closing balance *</b>	<b>13,283</b>	<b>12,424</b>	<b>11,039</b>	<b>12,424</b>

### Closing Balance of Asset Revaluation Reserve by Class

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

Land	7,621	9,913	7,221	9,913
Buildings	5,554	2,489	3,709	2,489
Plant and Equipment	108	22	109	22
	<b>13,283</b>	<b>12,424</b>	<b>11,039</b>	<b>12,424</b>

## 11. CONTROLLED ENTITIES

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	%	%	%	%
<b>Particulars in relation to controlled entities:</b>				
Queensland Racing Limited				
<b>Controlled entities:</b>				
Queensland Race Product Co Ltd	66	66	-	-
Sunshine Coast Racing Pty Ltd	85	85	-	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 12. OUTSIDE EQUITY INTERESTS

Outside equity interests in controlled entities:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Interest in retained profits at the beginning of the financial year after adjusting for acquisitions of share capital during the financial year	(7)	2	-	-
Interest in operating profit/ (loss) after income tax	(75)	(9)	-	-
Distributions to Unit Holders	-	-	-	-
Interest in retained profits at the end of the financial year	<b>(82)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>

### 13. PRODUCT AND PROGRAM FEE REVENUE

Product and Program Fee	<b>120,313</b>	<b>125,489</b>	<b>89,177</b>	<b>93,489</b>
-------------------------	----------------	----------------	---------------	---------------

The group was charged \$16.134M (2008: nil) for Race Information fees in the current year. The parent company was charged \$12.261M (2008: nil) for Race Information fees in the current year. These fees have been charged by the Principal Racing Authorities to UNiTAB and have been netted off the Product and Program Fee by UNiTAB.

### 14. EXPENSES FROM ORDINARY ACTIVITIES

#### 14A. ADMINISTRATION EXPENSES INCLUDES THE FOLLOWING LEGAL AND CONSULTING COSTS

Accounting, Administration & Finance	129	351	128	350
Human Resources & Recruitment	96	77	96	77
Information Technology	21	15	21	15
Legal	336	181	303	181
Property Consulting	563	970	545	956
Marketing	264	-	264	-
<b>Total</b>	<b>1,409</b>	<b>1,594</b>	<b>1,357</b>	<b>1,579</b>

#### 14B. AUDIT FEES

Internal Audit	144	119	144	119
External Audit	53	45	45	40
<b>Total</b>	<b>197</b>	<b>164</b>	<b>189</b>	<b>159</b>

### 15. FINANCIAL RISK MANAGEMENT

#### a. General objectives, policies and processes

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

- Trade receivables
- Investments
- Cash at bank
- Trade payables
- Bank Overdraft



## 15. FINANCIAL RISK MANAGEMENT (CONT.)

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, designing and operating processes that ensure the effective implementation of the objectives and policies to the entity. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group, where such impacts may be material. The Board receives monthly reports from the Group Financial Controller, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group competitiveness and flexibility. Further details regarding these policies are set out below:

### b. Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group.

There is no concentration of credit risk with respect to receivables as the Group has a large number of customers. Policy is that sales are only made to customers that are credit worthy. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group. The Group is not exposed to credit risk through its investments in the Queensland Treasury Corporation (QTC) Cash Fund as all deposits are capital guaranteed by the QTC. The capital guarantee is equivalent to the Queensland Government's AAA rating.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Receivables	18,611	15,741	29,089	19,615

The Group's most significant customer accounts for \$6.141m of trade receivables at 30 June 2009 (2008: \$11.473m). The Parent's most significant customer accounts for \$9.553m of receivables at 30 June 2009 (2008: \$8.710m).

### c. Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors to manage the liquidity risk of the entity.

#### Maturity Analysis – Group - 2009

	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
	\$,000	\$,000	\$,000	\$,000	\$,000
<b>Financial Liabilities</b>					
Trade payables	4,713	4,713	4,713	-	-
Other payables	10,701	10,701	9,663	-	1,038
<b>TOTAL</b>	15,414	15,414	14,376	-	1,038
<b>Financial Assets</b>					
Trade receivables	2,288	2,288	2,288	-	-
Other receivables	16,323	16,323	10,918	-	5,405
<b>TOTAL</b>	18,611	18,611	13,206	-	5,405

#### Maturity Analysis –Group - 2008

<b>Financial Liabilities</b>					
Trade payables	4,147	4,147	4,147	-	-
Other payables	8,189	8,189	8,189	-	-
<b>TOTAL</b>	12,336	12,336	12,336	-	-
<b>Financial Assets</b>					
Trade receivables	2,530	2,530	2,530	-	-
Other receivables	13,211	13,211	13,211	-	-
<b>TOTAL</b>	15,741	15,741	15,741	-	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 15. FINANCIAL RISK MANAGEMENT (CONT.)

#### Maturity Analysis – Parent - 2009

	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
	\$,000	\$,000	\$,000	\$,000	\$,000
<b>Financial Liabilities</b>					
Trade payables	3,174	3,174	3,174	-	-
Other payables	12,448	12,448	11,410	-	1,038
<b>TOTAL</b>	15,622	15,622	14,584	-	1,038
<b>Financial Assets</b>					
Trade receivables	2,275	2,275	2,275	-	-
Other receivables	26,814	26,814	11,856	-	14,958
<b>TOTAL</b>	29,089	29,089	14,131	-	14,958

#### Maturity Analysis – Parent - 2008

<b>Financial Liabilities</b>					
Trade payables	5,684	5,684	5,684	-	-
Other payables	8,013	8,013	8,013	-	-
<b>TOTAL</b>	13,697	13,697	13,697	-	-
<b>Financial Assets</b>					
Trade receivables	2,530	2,530	2,530	-	-
Other receivables	17,085	17,085	10,448	-	6,637
<b>TOTAL</b>	19,615	19,615	12,978	-	6,637

#### d. Interest Rate Risk

The consolidated entity is exposed to interest rate risk through its investments in the Queensland Treasury Corporation (QTC) Cash Fund, which is managed around a 45 day duration benchmark. Cash Fund earnings are credited daily based on the market value of the Cash Fund. The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2009 %	2008 %	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Financial Assets</b>								
Cash	4.50	8.16	45,650	44,167	-	-	45,650	44,167
Receivables	-	-	-	-	18,611	15,741	18,611	15,741
Other Assets	-	-	-	-	66	23	66	23
Total Financial Assets			45,650	44,167	18,677	15,764	64,327	59,931
<b>Financial Liabilities</b>								
Payables	-	-	-	-	15,414	12,336	15,414	12,336
Bank Overdraft	-	6.35	-	94	-	-	-	94
Provisions	-	-	-	-	489	473	489	473
Total Financial Liabilities			-	94	15,903	12,809	15,903	12,903

## 15. FINANCIAL RISK MANAGEMENT (CONT.)

The Parent's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>								
Cash	4.5	8.16	40,406	38,375	-	-	40,406	38,375
Receivables	-	-	-	-	29,089	19,615	29,089	19,615
Other Assets	-	-	-	-	66	23	66	23
Total Financial Assets			40,406	38,375	29,155	19,638	69,561	58,013
<b>Financial Liabilities</b>								
Payables	-	-	-	-	15,622	13,697	15,622	13,697
Bank Overdraft	-	6.35	-	94	-	-	-	94
Provisions	-	-	-	-	489	473	489	473
Total Financial Liabilities			-	94	16,111	14,170	16,111	14,264

### e. Net Fair Values

The net fair values for all assets and liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Group intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	Consolidated Group		Parent Entity	
	2009		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Available-for-sale financial assets at fair value				
- RISA Investment	1,286	1,286	1,286	1,286
	<b>1,286</b>	<b>1,286</b>	<b>1,286</b>	<b>1,286</b>

### f. Sensitivity Analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

At 30 June, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Change in profit				
- Increase in interest rate by 2%	729	766	717	881
- Decrease in interest rate by 2%	(729)	(766)	(717)	(881)
Change in equity				
- Increase in interest rate by 2%	729	766	717	881
- Decrease in interest rate by 2%	(729)	(766)	(717)	(881)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 16. SEGMENT REPORTING

The Company operates primarily within the racing industry in Queensland.

### 17. KEY MANAGEMENT PERSONAL COMPENSATION INCLUDING BOARD MEMBERS REMUNERATION

	Consolidated Group		Parent Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Short Term Benefits	622	536	621	531
Post Employment Benefit	52	41	52	41
<b>Total</b>	<b>674</b>	<b>577</b>	<b>673</b>	<b>572</b>

Total income paid or payable, or otherwise made available, to key management personal and board members of each entity in the consolidated entity from the entities of which they are members or any related party.

Key management personal are involved in the strategic direction of Queensland Racing Limited including the board of directors as well as the Chief Operations Manager and the Director of Integrity Operations.

### 18. PROFIT / (LOSS) ON SALE OF NON CURRENT ASSETS

Proceeds from sale	-	-	-	-
Less Book value	-	(61)	-	-
<b>Gain/ (Loss) on Sale</b>	<b>-</b>	<b>(61)</b>	<b>-</b>	<b>-</b>

### 19. CAPITAL AND LEASING COMMITMENTS

Operating lease payments are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Queensland Racing Limited.

#### a) Operating Lease Commitments

Car Leasing	247	201	247	201
Computer Equipment	169	267	169	267
Office Equipment	53	62	53	62
<b>Total Leasing expensed</b>	<b>469</b>	<b>530</b>	<b>469</b>	<b>530</b>
Payable: -				
With in one year	283	258	283	258
One to five years	241	155	241	155
Over five years	-	-	-	-
<b>Total Leasing Commitments not recognised in the Financial Statements</b>	<b>524</b>	<b>413</b>	<b>524</b>	<b>413</b>

#### b) Capital Expenditure Commitments

Capital expenditure projects	3,799	11,436	3,799	11,436
<b>Total</b>	<b>3,799</b>	<b>11,436</b>	<b>3,799</b>	<b>11,436</b>
Payable: -				
With in one year	3,799	3,436	3,799	3,436
One to five years	-	8,000	-	8,000
Over five years	-	-	-	-
<b>Total Capital Commitments not recognised in the Financial Statements</b>	<b>3,799</b>	<b>11,436</b>	<b>3,799</b>	<b>11,436</b>

## 20. CAPITAL MANGEMENT

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its racing programs and that returns from investments are maximised. The board ensures that the overall risk management strategy is in line with this objective.

The audit committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The group's capital consists of financial liabilities supported by financial assets.

Management effectively manage the group's capital by assessing the group's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the group since prior year. The strategy of the entity is to ensure that sufficient cash is on hand to meet trade and sundry payables.

The gearing ratios for the years ended 30 June 2009 and 30 June 2008 are as follows:

	Consolidated Group		Parent Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade and other payables	16,387	18,837	14,584	18,025
Less cash and cash equivalents	(45,650)	(44,167)	(40,406)	(38,375)
Net debt	(29,263)	(25,330)	(25,822)	(20,350)
Total equity (reserves + retained earnings)	88,536	68,262	82,632	68,320
<b>Total capital</b>	<b>59,273</b>	<b>42,935</b>	<b>56,810</b>	<b>47,970</b>
Gearing ratio	33%	13%	31%	8%

## 21. CONTINGENT ASSETS AND LIABILITIES

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

## 22. POST BALANCE DATE EVENTS

Queensland has enacted race information legislation which allows Queensland Racing Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Queensland Racing Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information Legislation. There are a number of authorisations granted to applicants where the amount of the fee to be imposed is under review. The amount of any additional revenue in respect of those authorisations will depend on the outcomes of the Board's review. The reviews have not been concluded at the date of these financial statements.

Total costs incurred for the synthetic track at Clifford Park were \$10.9 million for the financial year. An amount of \$4.9 million, plus accrued interest will be able to be drawn down from the grant received of \$12 million from the Department of Local Government, Planning and Sport for synthetic track funding. The balance of the track will be initially funded by Queensland Racing, with an agreement to be made with the Toowoomba Turf Club.

The Board of Queensland Racing Limited invested an additional \$1.1 million dollars, to the period up to the commissioning of the track, held on 11 July 2009.

## 23. NOTES TO THE CASH FLOWS

### a) Reconciliation of Profit to Net Cash provided by / (used in) ordinary activities

<b>Profit from ordinary activities after related income tax</b>	19,415	13,322	15,697	13,382
Depreciation	1,072	637	576	504
(Profit)/Loss on Sale of Non-Current Assets	-	61	-	-
Impairment of Assets	120	-	-	-
<b>Changes in Assets and Liabilities exclusive of Non- Operating Activities</b>				
(Increase) Decrease in Receivables	(8,494)	(23,476)	7,815	(8,422)
(Increase) Decrease in Accrued Interest	(7)	18	-	-
(Increase) Decrease in Prepayments	(43)	9	(43)	9
(Increase)/Decrease in GST	853	(2,036)	120	(1,310)
(Decrease) Increase in Creditors	9,159	20,893	(1,970)	6,084
(Decrease) Increase in Provisions	22	65	22	65
<b>Net Cash provided by / (used in) Operating Activities</b>	<b>22,097</b>	<b>9,493</b>	<b>22,217</b>	<b>10,312</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 23. NOTES TO THE CASH FLOWS (CONT.)

#### b) Reconciliation of Cash

For the purpose of the Cash Flow Statement and Balance Sheet, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments.

	Consolidated Group		Parent Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash and cash equivalents	45,650	44,167	40,406	38,375
Bank Overdraft	-	(94)	-	(94)
	<b>45,650</b>	<b>44,073</b>	<b>40,406</b>	<b>38,321</b>

### 24. COMPANY DETAILS

The Registered Office & Principal Place of Business of the Company is:

Queensland Racing Limited

6 Racecourse Road, Deagon, QLD 4017

### 25. MEMBERS GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states upon the winding up or dissolution of the Company if any property remains after satisfaction of all its debts and liabilities, that property shall not be paid to or distributed among the Members of the Company but shall be given or transferred to a Control Body for thoroughbred racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then an institution having similar objects of the Company as determined by a Judge of the Supreme Court of Queensland.

In the event that the Company ceases to be a Control Body under the Racing Act, the Board will forthwith call a general meeting of Members to resolve to wind up the Company and will deal with the assets of the Company as above.

Every member of the Company undertakes to contribute to the assets of the Company to a maximum of \$10 in the event the Company being wound up while he or she is a member or with one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

As at 30 June 2009 the number of members was 13 Class A Members representatives and 5 Class B Members.

## DIRECTORS DECLARATION

For the year ended 30 June 2009

The directors of the company declare that:

1 The financial statements and notes, as set out on pages 30 to 52, are in accordance with the Corporations Act 2001:

a) Comply with Accounting Standards and the Corporations Regulations 2001: and

b) Give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidate group.

2 In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert Bentley  
CHAIRMAN

Dated this 28 day of September 2009



BDO Kendalls

BDO Kendalls (QLD)  
Level 18, 300 Queen St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Phone 61 7 3237 5999  
Fax 61 7 3221 9227  
info.brisbane@bdo.com.au  
www.bdo.com.au

ABN 70 202 702 402

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF QUEENSLAND RACING LIMITED

#### Report on the Financial Report

We have audited the accompanying financial report of Queensland Racing Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated and parent financial statements and notes, complies with International Financial Reporting Standards.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Queensland Racing Limited on 7 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

#### Auditor's Opinion

In our opinion the financial report of Queensland Racing Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- c) the consolidated and parent financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

#### Significant Uncertainty Regarding Race Fields Debtor

Without qualification to the opinion expressed above, we draw attention to Note 3 to the financial statements.

Included in Note 3 is \$1,150,000 of debtors relating to commercial wagering operators, invoiced under the Race Fields legislation, which at the date of this report is past due.

Queensland has enacted race information legislation which allows Queensland Racing Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Queensland Racing Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information Legislation.

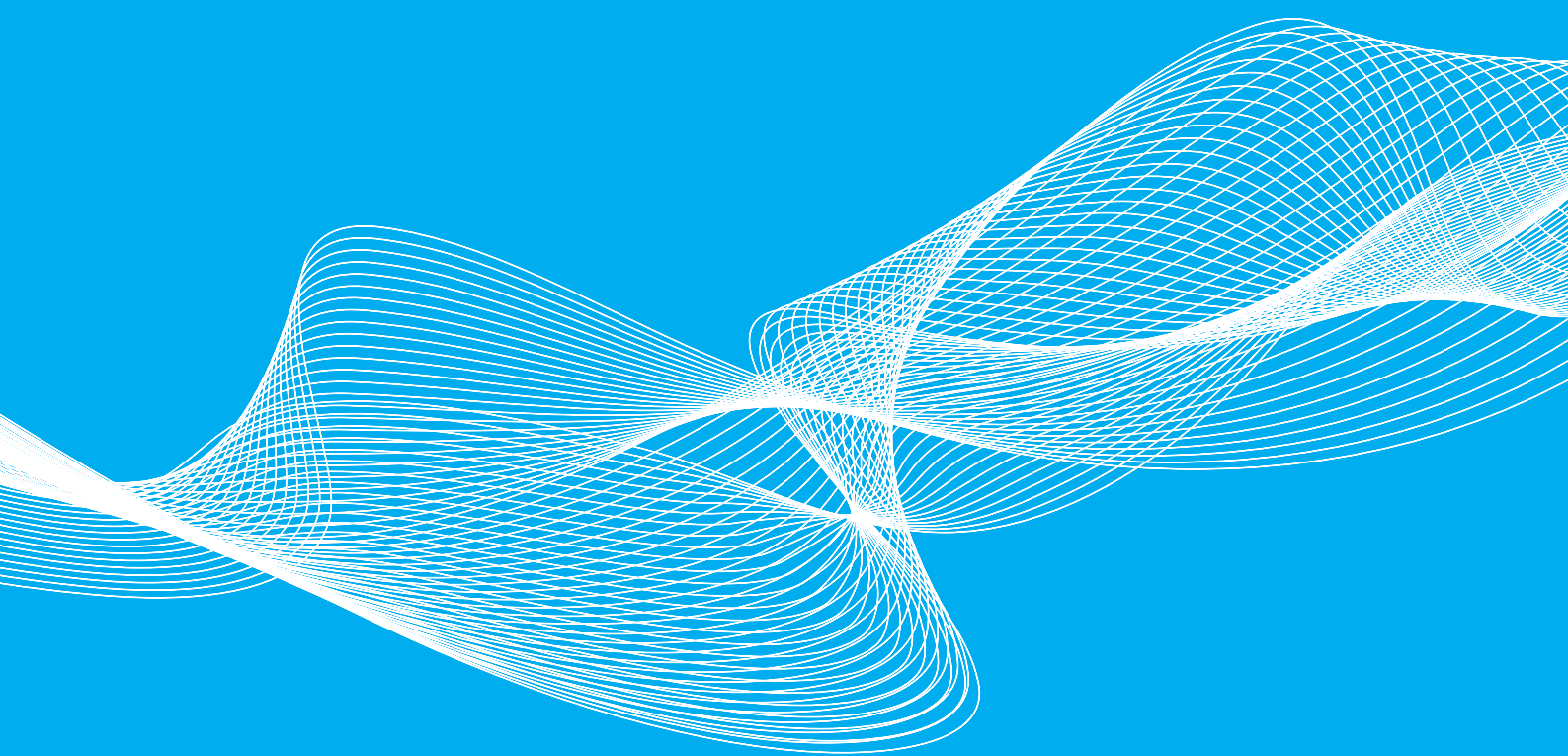
As such there is uncertainty over the quantum of monies taken up and its recoverability which is subject to legal proceedings. If these legal proceedings are unsuccessful the realisable value of these debts may be different to the carrying value as estimated at 30 June 2009.

BDO Kendalls (QLD)

D P Wright  
Partner  
  
Brisbane  
28 September 2009

BDO Kendalls is a national association of separate partnerships and entities.

Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.



**QUEENSLAND  
RACING**

**QUEENSLAND RACING LIMITED**

Racecourse Rd, Deagon QLD 4017

PO Box 63, Sandgate QLD 4017

P: 07 3869 9777 F: 07 3269 6404

email: [info@queenslandracing.com.au](mailto:info@queenslandracing.com.au)

web: [www.queenslandracing.com.au](http://www.queenslandracing.com.au)