

2003-04

*Queensland Harness Racing Board
Annual Report 2003-04*





Table of contents

Reports

Chairman's report..	2
Constitution and function..	4
Our organisation..	5
Finance..	6
Racing..	8
Clubs..	10
QBred..	13
Honour roll 2002-03..	14
Statement of affairs..	15

Harness racing industry data

Race meetings..	18
Offences..	20
Licences and registrations..	22
Publications..	23

Financial statements

Statement of financial performance..	25
Statement of financial position..	26
Statement of cashflows..	27
Accompanying notes..	28
Certificate of the QHRB..	40
Independent audit report..	41



Chairman's report

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

Dear Minister

I am pleased to submit the Annual Report of the Queensland Harness Racing Board (the Board) for the 2003-04 financial year. As my appointment as Chairman was made after the reporting period, this report has been prepared by the outgoing Board and the current administration.

The Board has recorded an operating loss of \$61,217 for the year ended 30 June 2004, (before consolidation of the Albion Park Raceway Joint Venture). I am pleased to report that the Auditor-General has provided an unqualified report on the year's financial statements.

Harness racing in Queensland attracted wagering growth during the year, with on-course turnover increasing by 0.5% and off-course turnover by 3.8%, for a combined increase of almost \$1.9 million (3.1%). Queensland harness racing received total commissions from UNITAB through Product Company of \$15.8 million, an increase of \$851,785 (5.7%) over the previous year. This was due to increased wagering growth across the three codes of racing.

Total harness racing prize money paid for 2003-04 was \$11.8 million, an increase of \$625,830 (5.6%) over the previous year.

Queensland harness racing clubs received \$1.6 million in grants, administration and capital payments during 2003-04, an increase of \$124,603 (8.3%) on the previous year.

Towards the end of the financial year, the Board was pleased to help fund a double header of family fun and entertainment over the Seymour charity weekend, on 19 and 20 June.

A bumper crowd saw Beneficient win the inaugural Kevin and Kay Seymour Cup on the Saturday night. Despite the blustery Sunday weather, another great crowd turned up for the metropolitan class meeting the next day.

With commissions paid from UNITAB as a consequence of wagering turnover being harness racing's primary source of income, it is essential that everyone associated with harness racing is focused on achieving increased wagering turnover. Also, as in any business, while revenue growth is essential, it is also necessary to operate in the most cost effective manner.

The Board wishes to acknowledge and thank all those stakeholders who contributed to the harness racing industry throughout the year, including:

- owners
- licensees
- people who wager on races or attend harness racing meetings
- dedicated committee members and volunteers of clubs
- track and facility maintenance staff
- race day staff
- caterers and other suppliers.

I wish to thank the outgoing Board - Chairman, Keith Hamburger, Deputy Chair Mrs Helen Boyd, Mrs Andrea Sage and Mr Ian Millard. I would also thank our Chief Executive Officer, Mr Brett Schimming, and all Board staff for their commitment during another challenging year for harness racing in Queensland.

We extend particular thanks to the CEO and staff of UNiTAB, our business partner, for their support and assistance throughout the year.

In conclusion, I wish to thank you, your staff, your Director-General, and the staff of the Office of Racing Regulation for their support and assistance to the Board during the year.

WR Lenehan
Chairman





Constitution and function

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

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

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

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

Function

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

Membership

The table below shows the Board members during 2003-04, together with their attendance records for meetings.

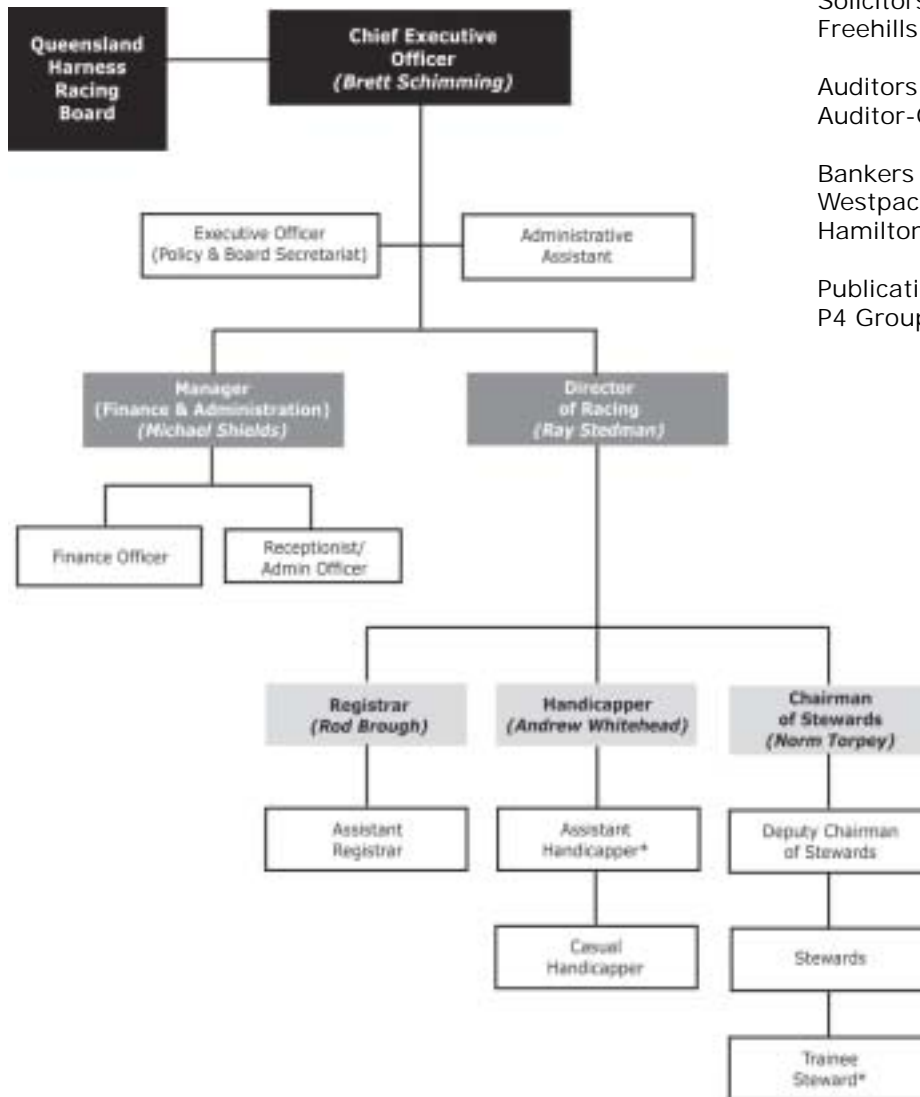
Name	Position	Portfolios	General meetings	Special meetings	Special assignments
Keith Hamburger	Chairman	Governance & strategic planning	12	7	48
Helen Boyd	Deputy Chair	Racing	12	7	21
Andrea Sage	Member	Marketing & industry training	12	7	25
Ian Millard	Member	Finance	12	7	20



Our organisation

The Board had a total of 18 full-time equivalent employees during 2003-04.

Organisational chart



*The roles of Assistant Handicapper and Trainee Steward constitute one full-time position.

External associates

Solicitors
Freehills

Auditors
Auditor-General Queensland

Bankers
Westpac Banking Corporation
Hamilton

Publications and Marketing
P4 Group



Finance

As outlined in last year's annual report, the Board was focused on reducing or containing operating costs of administration in the Board's office and club costs, while maximising prize money and distributions to clubs by way of administration and meeting fees, tote incentives, capital works and grants.

In 2004, UNiTAB distributions increased 5.7% to \$15.8 million, while prize money paid out increased 5.6% to \$11.8 million, compared to last year. Distributions to clubs, including prize money increased 4.6% to \$14.1 million, while controllable operating costs of the Board, excluding insurance, were slightly below last year.

During the year the Board outsourced certain administrative functions to Queensland Racing, and as a consequence reduced staffing numbers by two.

On 1 July 2003, State Cabinet transferred ownership of the Albion Park Raceway asset from the State of Queensland to the Queensland Harness Racing Board and the Greyhound Racing Authority as tenants in common in equal shares. As a result, this year's financial statements include a 50% share of the joint venture entity.

Statement of financial performance

Queensland Harness Racing Board has reported an operating loss of \$61,217 for the year ended 30 June 2004, (before consolidation of the Albion Park Raceway Joint Venture), compared to an operating surplus for the year ended 30 June 2003 of \$118,599.

After consolidation of 50% of the joint venture, the Board result is a \$637,460 loss for the year ended 30 June 2004.

Total revenue from operating activities increased \$908,337 due to ordinary activities of the Board of \$462,600 and consolidation of revenue of Albion Park Raceway JV of \$445,737. Board revenue increased due to additional distributions received from UNiTAB of \$880,804, offset by a decrease in prize money sponsorship and other fees and levies of \$421,000.

Total expenses from operating activities increased \$1,664,395 due to ordinary activities of the Board of \$642,419 and consolidation of expenses of Albion Park Raceway JV of \$1,021,976.

Operating expenses of the Board increased due to distributions to clubs (prize money, tote incentive payments, club administration, meeting fees, capital works and grants) increasing 4.6% or \$620,270 to \$14,133,211. Distributions to clubs accounted for 80% of Board revenues.

Excluding the cost of insurance, which increased 19% compared to last year, all other expenses of the Board decreased by 2% or \$53,692 over last year. Other expenses and depreciation increased due to consolidation of Albion Park Raceway JV.

See the table opposite in support of this statement of financial performance.

Statement of financial performance

For the year ended 30 June	2004 Consolidated \$'000's	2004 QHRB \$'000's	2003 QHRB \$'000's
Sales revenue			
Distribution from QLD Race Product Co Ltd	15,806.4	15,806.4	14,925.6
Other	<u>1,806.0</u>	<u>1,361.1</u>	<u>1,779.3</u>
Total revenue	17,613.2	17,167.5	16,704.9
Expenses			
Depreciation	596.4	65.6	69.6
Insurance	480.4	440.2	368.9
Distributions to clubs	14,133.2	14,133.2	13,512.9
Other	<u>3,040.5</u>	<u>2,589.7</u>	<u>2,634.9</u>
Total expenses	18,250.7	17,228.7	16,586.3
Operating profit/(loss)	(637.5)	(61.2)	118.6

Statement of financial position

Before consolidation of Albion Park Raceway JV, the net financial position of the Board weakened slightly, with equity declining \$61,217, while net cash and other financial assets declined \$420,719 to \$3,792,714 (after consolidation of the joint venture). The change in cash and other financial assets was due to a reduction in trade creditors and accrued expenses, and an increase in trade debtors, both of which relate to the timing of cash inflow and outflows.

After consolidation of Albion Park Raceway JV net assets of \$11,273,513, which is predominantly the market value of land and buildings, the net consolidated financial position of the Board is \$15,636,316, compared to \$4,424,022 as at 30 June 2003.



Racing

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

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

Stewards

QHRB stewards continued to vigilantly police the rules of harness racing, with fines imposed for 315 offences ranging from setting an excessively slow pace, incorrect whip action and use, inappropriate behaviour at inquiries, careless driving, and insecure or faulty gear. To ensure animal welfare, 182 reprimands/cautions and 61 fines were issued to drivers for incorrect whip action and use, and these rules will continue to be vigorously enforced.

148 licensees had their licences suspended for offences ranging from unacceptable drives, incorrect whip action and use, careless driving and being under the influence of alcohol or a drug.

17 offences resulted in licensees being disqualified. These offences ranged from not allowing a horse to race on its merits, failing to present a horse free of prohibited substances, starting a horse fraudulently, fraudulent act, improper behaviour, conduct detrimental to the industry, and carrying out harness racing activities while disqualified.

Stewards introduced random drug testing for licensees, and continued unannounced stable visits to ensure racing integrity.

The Racing Appeals Tribunal heard 24 appeals from the stewards' decisions, with 9 appeals dismissed, 4 upheld and 11 decisions varied.

Policy matters

Section 81 of the *Racing Act 2002* requires the Board to develop policies for a range of matters relating to the good management of the code of harness racing. During 2003-04, the following policies were developed and approved by the Board:

- *Policy Development Policy*
- *Drug and Alcohol Policy*
- *Interim Animal Welfare Policy*

Under the *Policy Development Policy*, the Board is required to notify stakeholders of any new draft policies that the Board is developing. This notification must be published in *Queensland Harness Racing* magazine, and on the Board's web site, giving stakeholders 28 days to comment on the draft policies. As at 30 June, the Board had released the following draft policies for consultation:

- *Fees Policy*
- *Web Site Policy*
- *Awareness of Duties Policy*
- *Forms Policy*

Section 81 contains 23 matters in total that require policies, and the Board will continue to develop the remaining policies during 2004-05.

Licensing

The Board continues to require that only fit and proper people are granted a harness racing licence. Potential licensees who have a criminal record or those requiring re-registration are required to undergo an interview process to demonstrate they meet the standards required.

Following a further increase in liability insurance of around 15%, the Board decided to alter the way in which licence fees were calculated to incorporate a base fee plus a user-pays component.

The new base fee was significantly lower than the previous year's licence fee, however once a trainer or driver starts or drives a horse in more than 50 races in the season, a fee per start/drive of \$2 applied (all TAB and non-TAB penalty-bearing races included).

More than 50% of licensees paid only the base fee in 2003-04, because they did not train or drive more than 50 starters. The remainder paid an amount determined by the extent of their participation in the industry.

The new licence fee structure reflects a compromise between user-pays and a base rate, and it will be continued for the 2004-05 season. It spreads the costs in an equitable manner and ensures that there are minimal barriers to entry/continuance for part-time and hobbyist participants.

Barrier draw assessment

The Information Security Research Centre at Queensland University of Technology was contracted by the Board to perform an analysis of the barrier allocation software HaRVEY, to determine if the barrier draw allocations displayed non-random behaviour. An initial report was provided in June 2003, with the analysis now progressing to Phase 2. The report remains Commercial-in-Confidence at this stage.

Restructure of Racing Office

During the year under review, the Board restructured its Racing Office to achieve a more practical structure.

As part of the stewards' strategic plan, a full-time position of Trainee Steward/Assistant Handicapper was created. The existing Assistant Handicapper role was redesignated Assistant Registrar/Racing Office Clerk. A part-time Office Assistant will be used as required.

These appointments have allowed the Board to slightly reduce staffing requirements in the Racing Office, while maintaining services.

Upgrade of stewards equipment

As a further step in progressing the stewards' strategic plan, an assessment of the available electronic equipment for the stewards' rooms on race days was carried out.

Arrangements have been made for the purchase of a better television screen and new DVD equipment in the stewards' room at Albion Park, and this equipment will be operational by the time this report is finalised.

An upgrade of equipment at the other TAB tracks will be taken in the coming year and when completed, will greatly assist the stewards in their task of maintaining the integrity of the Queensland harness racing industry.

Breeding industry and stud visits

In 2004-05, to protect the integrity of the stud book, engender buyer confidence and promote animal welfare, the Chairman of Stewards and Registrar will commence an ongoing program of stud inspections, to ensure that all studs are operating efficiently.

The QHRB has also published a brochure listing all commercial sires standing in Queensland in the upcoming stud season.

Inquiry into integrity issues and animal welfare

In May 2004, the government established a Commission of Inquiry to examine the appropriateness of the current system of separating integrity/regulatory functions and commercial functions of the existing control bodies. This inquiry will be completed in August 2004.

General racing matters

This year has again seen impressive performances by Queensland horses and licensees who have competed interstate and overseas.

Grant Dixon represented Australia at the World Driving Series in Canada, and Luke McCarthy (*pictured above left*) was Queensland's representative at the Junior Drivers Competition in Perth.



Clubs

Albion Park

The Albion Park Harness Racing Club recorded a net operating profit for the 2003-04 financial year of \$21,061.

Albion Park, Queensland's principal harness racing club, conducted weekly Tuesday afternoon and Saturday night race meetings (106 meetings, with 1005 races being run, and 10,186 starters). These meetings produced approximately 53% of the total UNITAB turnover on Queensland harness racing.

The club paid out over \$5 million in prize money, and recorded off-course turnover of \$25.8 million (up 10.6%) and on-course turnover of \$4.8 million (up 5.4%).

The highlight of the year was The Big Gig charity weekend on 19 and 20 June. Presented by Kevin and Kay Seymour and supported by numerous sponsors, the weekend attracted over 27,000 people, raised \$327,000 for 34 charities and was a fantastic launch to our Winter Racing Carnival.

Charities such as the Breast Cancer Association and the Pat Rafter Foundation also combined with the Garrards Group to hold successful charity race nights at Albion Park.

The end of 2003-04 saw Bob Lette complete a maximum allowable term of six years as Chairman. Bob has been a true asset to the club, and has indicated his willingness to stay on as committeeman in the new year. We thank Bob for his invaluable contribution and look forward to his continued support.

Gold Coast

The Gold Coast Harness Racing Club's committee and staff are proud of their achievements during the year.

The change to Thursday afternoons and Friday nights proved most successful, with visitors, locals, social and business groups discovering the entertainment value of harness racing on the Gold Coast.

This club came out from under the cloud of rumour and speculation regarding its financial future to record a trading profit to the end of June 2004.

The move to transfer control of the Parklands Complex to the Queensland Government portfolio of Public Works, Housing and Racing was a positive one, and we look forward to bigger and better things for Parklands.

The \$40,000 Southport Workers Community Club Premiers Cup was held in April. The Luke McCarthy-trained Slipnslide won in fine style, and went on to win the Queensland Derby and Gold Coast Derby.

The Gold Coast Oaks was won by the Kylie Rasmussen-trained Namba Girl. The \$50,000 Gold Coast Bulletin Cup, held on 17 October, was won by Smooth Satin, trained and driven by Steve Turnbull.

Graeme Jupp resigned to concentrate on the greyhound club, and Suzanne Hardingham assumed the role of Secretary/Manager in November 2003. Alan Boyd replaced Paul Bolack as Honorary Treasurer in April 2004.

The club would like to acknowledge the efforts of the Queensland Harness Racing Board, who made the hard decisions under difficult circumstances for the long-term benefit of harness racing in this state.

Redcliffe

The Redcliffe Peninsula Harness Racing and Sporting Club staff and committee have worked hard over the past twelve months to meet the challenges faced as a result of the transfer of Redcliffe racing to Wednesday nights.

The club put a lot of energy and effort into promoting Wednesday night racing as a preferred and successful race night, but there is still a long way to go to.

August was an exciting month for the club with the running of our feature and signature races (Redcliffe City Gold Cup and the 2YO Star Wars Series).

Once again the Redcliffe City Council were our major sponsors on Gold Cup night, with other local businesses such as JT Press again securing the Oaks sponsorship.

The 2003 Christmas Cup was well patronised and once again attracted many new sponsors to our club. We saw Santa Claus parachute into the paceway, much to the delight of the many children who attended.

Unfortunately, the annual Jack Daniels International Long Track Masters was postponed and later cancelled due to inclement weather and other circumstances. This annual event has provided a much-needed cash injection to the club over the past three years, and its cancellation was a disappointment.

The 'First Night Fun' was a concept whereby local businesses were encouraged to participate in the first Wednesday night meeting of each month. They were offered very economical sponsorship packages, and as a result, the club has secured many new and repeat sponsors.

Earlier this year, the club introduced the Sunday 'jump outs', which have been a great success and well received by the industry in general. These Sunday morning get-togethers are becoming increasingly popular—so much so that the club was able to inject some of the profits from these days back into prize money.

The club extends sincere thanks to the loyal and generous band of sponsors who provided a vital lifeline to the club. Thanks also go to its members, and to the many volunteers who have helped make the club's initiatives successful. The Redcliffe team is one of the most hardworking, loyal and high-spirited teams in the harness racing industry.

Townsville

The North Queensland Harness Racing Club produced another successful year with quality racing and exciting promotions such as the Slim Dusty Tribute Night. After many requests, the club has made this night an annual event, featuring a talent quest and other trackside entertainment.

The Tropicana Carnival had all the usual flair, with good spectator support. Townsville Cup night was the highlight of the carnival, with the guest appearance of Inter Dominion winning driver, Darren Hancock, who dropped in by parachute. The night was also well supported by southeast trainer/drivers Darrel Graham, Ron Sallis and John McMullen, as well as regular supporter David Fowler as MC and race caller.

The club continues to set the pace and grow harness racing in the north, with a proposed new venture to take harness racing to the people and return to Charters Towers and other country areas to promote our great sport.

Harness racing in Townsville is rapidly growing, with a recent influx of quality horses boosting the horse population to over eighty. For the new season we have a number of young drivers coming through and some old-timers returning to the training ranks.

The club survives on a good sponsorship base and strong fundraising, plus the tireless efforts of willing workers and loyal volunteers.

Mackay

The Mackay Club had an eventful year with both gains and losses. Its financial standing was boosted by posting a profit, largely thanks to an increase of 40% in tote commission due to more Saturday afternoon meetings.

Unfortunately, there was a decrease in club sponsorship from local businesses, due mainly to the downturn of the sugar industry. The club wishes to thank those sponsors who loyally supported harness racing in Mackay, even during this hard time.

In October and November 2003, the club refurbished the racing track. Although there were some concerns, everyone's fears were allayed when new track records were established during the rest of the season, with the two-minute barrier being broken on many occasions.

Congratulations go to leading driver Ross Manzelmann with 23 winning drives and leading trainer Brian Manzelmann Jnr with 42 wins, 39 seconds and 38 thirds. BG Export NZ won the Horse of the Year with 11 wins, 4 seconds and 3 thirds.

Other highlights were the running of the Christmas Cup and the staging of the winter carnival where Demolition George for Rockhampton trainer/driver Barry Brazier won the Douglas Gibb and Lewis Mackay Cup.

A decision to make an advertisement for the local Seven TV channel proved a success by increasing public awareness of harness racing and promoting the Saturday race meetings.

Thanks must go to the small band of committee members who have worked tirelessly throughout the year for the benefit of harness racing in Mackay.

Rockhampton

The Rockhampton club recorded an overall profit of \$6500 for 2003-04, thanks to a combination of good budgeting, tight control of expenditure, fundraising and sponsorship.

It was good to see some of the club's valued past sponsors coming on board again, especially for the 30th Anniversary Cup and the Dennis Sawyer Memorial in May.

The 30th Anniversary Cup was a huge success following wide advertising, and good fields contested the races.

The Cup was won by Bertils Light, but the southern horses did not have everything their own way, with Mackay-based Pelaye taking out the Dennis Sawyer Memorial. The club has decided to program the Dennis Sawyer Memorial as an annual event, with a perpetual trophy.

A new camera was installed on the back straight during the year to allow stewards to better monitor races. The back jogging track was also upgraded to assist licensees using the facility for training.

The club acknowledges the work of the committee and staff over the past year, and extends its thanks to those sponsors and volunteers who offered their support to the club.

Rocklea

Following the decision by the Board to cease providing direct funding to the Metropolitan Harness Racing Club at Rocklea, the club chose to continue operations for the 2003-04 season.

The necessary funds were raised from the public, supporters, owners and other sponsors to allow the popular club to continue its proud 52-year tradition of providing grass-roots harness racing.

The club will seek to continue racing into 2004-05, and continue to present its case for Board funding to enable this to occur.



QBred

The past year has seen a continuation in the success of Queensland bred horses on tracks throughout Australia and New Zealand. Ill-fated sires Fake Left USA and Perfect Art USA led the way, with Fake Left USA the first standardbred sire in the southern hemisphere to have its progeny win \$6 million in one racing season.

Champion 3yo Slipnslide became the first Queensland bred horse to win the prestigious Queensland Derby since the 1980s. He was not alone flying the QBred flag, with horses of the quality of Sparkling Melody, Rollon Bigred, Namba Girl and Blacks A Fake each looking to build on outstanding years with an assault on next year's Grand Circuit racing.

QBred pay up fees remained at \$300 for Scheme One (bonuses only) and \$400 for Scheme Two (bonuses and feature races). This pay up fee has not increased for three years.

\$763,880 in stake money was paid out for the 2yo, 3yo and 4yo QBred feature races.

Additionally, an impressive \$1,172,500 was paid out in winning bonuses, which exceeds any other state in Australia.

A total of 727 horses were paid up for QBred racing in 2003-04. This equates to an average return of \$2663 for each horse paid up.

QBred Triad Honour Roll 2003-04

2yo filly	Theartofillusion
2yo colt/gelding	Terronara Lad
3yo filly	October Original
3yo colt/gelding	Blacks A Fake
4yo mare	Bronski Gorgeous
4yo horse/gelding	Rollon Bigred



Honour roll 2002-03

(awarded during 2003-04)

The following harness racing industry participants were honoured at the 2002-03 QHRB Awards Dinner on 23 November 2003.

Queensland Harness Racing Hall of Fame

John McMullen (*pictured above*) was the inaugural inductee into the Queensland Harness Racing Hall of Fame

QHRB Awards

Queensland Horse of the Year – Slipnslide

NQ Horse of the Year – Timid Lady

Trainer of the Year – Bill Dixon

Driver of the Year – Mathew Neilson

Achiever of the Year – Sue Burns

Chairman's International Study Scholarship – Shannon Price

Albion Park

Horse of the Year – Forrest Karamea

Trainers Premiership – John McCarthy

Drivers Premiership – Luke McCarthy

Gold Coast

Horse of the Year – Golden Bet and Whitecliff Belle NZ

Trainer of the Year – John McCarthy

Driver of the Year – Grant Dixon

Redcliffe

Horse of the Year – Jillabee

Trainer of the Year – Bill Dixon

Driver of the Year – Grant Dixon

Rocklea

Horse of the Year – Myrtleford Bow

Trainer of the Year – Julie Weidemann

Driver of the Year – Mathew Neilson

Rockhampton

Horse of the Year – Leagueofherown

Trainer of the Year – Julie Weidemann

Driver of the Year – Lola Kunde

Mackay

Horse of the Year – Sharp Left

Trainer of the Year – Stacey Manzelmann

Driver of the Year – Ross Manzelmann

Townsville

Horse of the Year – Gold Chip

Trainer of the Year – Darryl Gross

Driver of the Year – Darryl Gross



Statement of Affairs

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

Information included in the Statement of Affairs:

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

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

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

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

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

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

Bodies established to advise the Board

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

Types of documents held by the Board

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

How to access Board documents under Freedom of Information

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

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

How do I obtain documents?

1. Ask if the documents you require are publicly available.
2. Identify the documents you require and the type of access sought (e.g. inspection or copy).
3. Make a formal application under the Freedom of Information Act, either by way of application form or letter. The application must:
 - be in writing
 - state an address to which a notification of the decision may be sent
 - if the application does not relate to personal information about you (which is available free of charge), be accompanied by a \$32.50 application fee
 - be addressed to the Freedom of Information Officer.

4. Post or deliver the application to:

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

3 Amy Street
 Breakfast Creek Qld 4010

Telephone (07) 3262 7733
 Facsimile (07) 3262 7363

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

Consultation

While processing an FOI application, it may be necessary to consult with a third party where disclosure of the matter contained in the document may reasonably be expected to be of substantial concern to the third party.

While the third party's views will be taken into consideration, the final decision on whether to permit access rests with the Board.

Time frames for decisions

Strict time limits apply for making decisions on FOI applications.

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

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

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

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

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

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

Types of access

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

Internal review

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

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

External review

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

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

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

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

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

Requests should be forwarded to:

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

Or mailed to:

GPO Box 3314
Brisbane Qld 4001

Enquiries

Enquiries about FOI may be made between 8.30 a.m. and 4.30 p.m. Monday to Friday by telephoning the Freedom of Information Officer on (07) 3262 7733.

Two applications were made to the Board under the Freedom of Information Act during 2003-04.

Publications

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

A full list of QHRB publications is available on page 25.

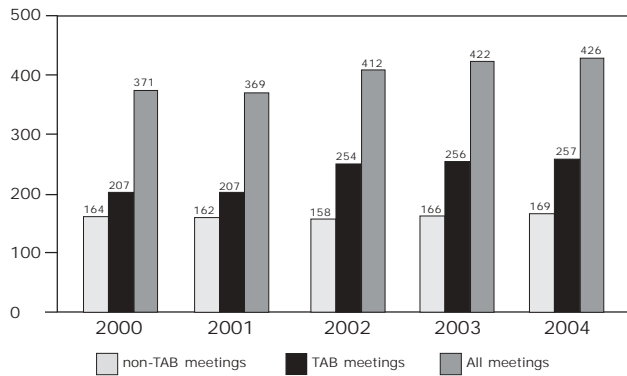
Public interest disclosure

There were no whistleblowers during 2003-04.

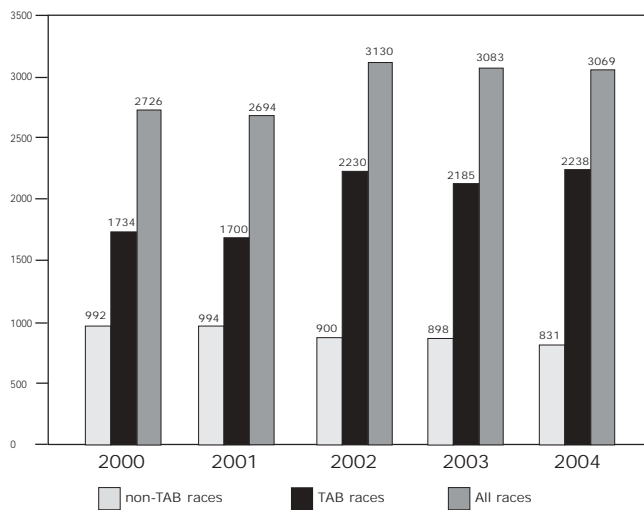


Race meetings

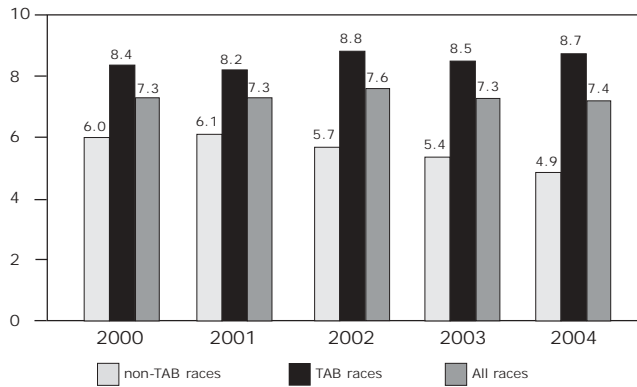
Number of meetings conducted



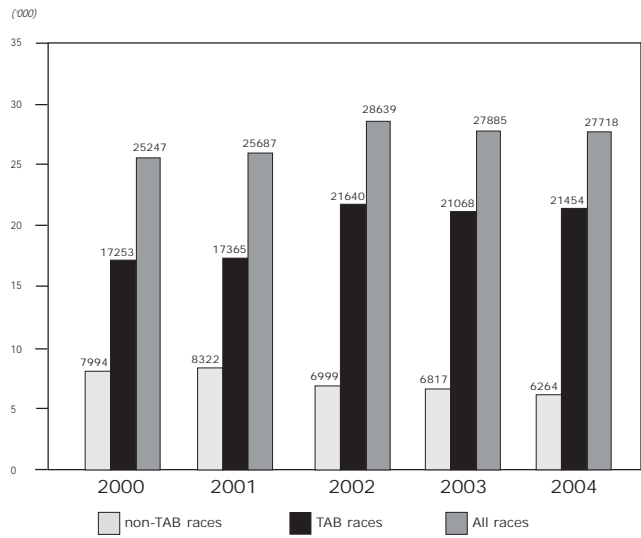
Number of races



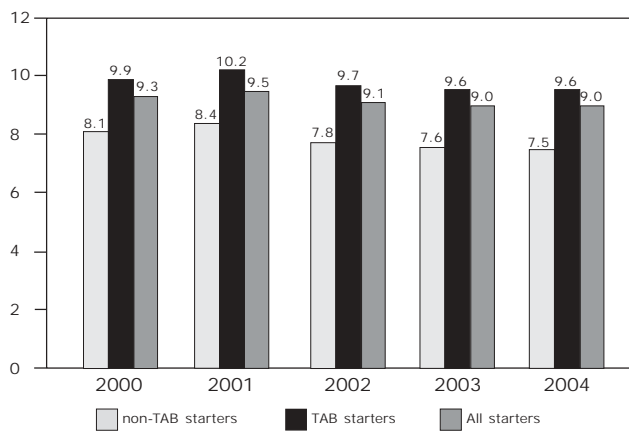
Average number of races per meeting



Number of starters



Average starters per race





Offences

2003-04

Rule	Offence	Cautions	Reprimands	Fines	Susp.	Disq.
41	Fail to be on course by appointed time	-	1	-	-	-
43	Fail to report attendance	-	-	1	-	-
43A(1)	Leave course within 30 minutes after race	-	-	1	-	-
52	Fail to report to all-clear steward	-	1	1	-	-
88	Unacceptable reason for scratching	-	-	3	-	-
103	'Hanging in'	1	-	-	-	-
119	Fail to notify relinquishment of horse	-	1	-	-	-
135	Fail to be in parade ring or on track on time	3	6	1	-	-
147	Fail to race horse on merits	-	-	-	-	1*
149	Fail to race to win or for best position	-	-	-	12*	-
152	Fail to observe order of priority	-	-	1	-	-
154-5	Fail to restrain galloping horse	-	1	-	2	-
156	Incorrect or excessive use of whip	40	142	61	3	-
159A	Fail to wear correct or approved dress	-	2	2	-	-
162	Offences at start or during race	19	106	68	-	-
163	Interference, crossing or jostling	13	71	56	75	-
165	Fail to allow one metre when crossing	1	2	1	1	-
167	Fail to remove horse from sprint lane	-	-	4	1	-
168	Careless driving	36	132	30	47*	-
170	Fail to keep feet/body correctly in sulky	1	6	5	-	-
173	Driver enter betting area	-	-	1	-	-
187	False information/fail to comply with directive	-	-	2	-	-
190	Positive swab	-	-	1	2	11*
202	Unlicensed driving	-	-	1	-	-
209	Furnish false information	-	-	1	-	-

* Includes penalties later varied or overturned on appeal

Offences 2003-04 (cont'd)

Rule	Offence	Cautions	Reprimands	Fines	Susp.	Disq.
210	Late notification of driver	-	1	24	-	-
211	Leave horse unattended at racecourse	-	1	-	-	-
216	Fraudulently start horse	-	-	-	-	1*
218	Fail to properly care for horse	-	-	2*	-	-
223	Fail to wear adequate footwear, clothing etc	1	3	1	-	-
225	Insecure gear	-	-	2	-	-
231	Assault, abuse or interference	-	-	3*	-	-
233	Converse with another driver	-	-	4	-	-
240	Improper action or behaviour	-	-	2	1*	1*
241	Fraudulent act	-	-	-	-	2*
243	Behaviour detrimental to industry	-	1	-	-	1
247	Improper behaviour at inquiry	2	1	3	-	-
250-2	Under influence of alcohol or drugs	-	-	-	4	-
269	Fail to wear approved gear	-	-	1	-	-
273	Insecure, faulty or unregistered gear	-	-	32	-	-

* Includes penalties later varied or overturned on appeal



Licences and registrations

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



Publications

The QHRB produces a range of material which is available for inspection by members of the public free of charge. Many of the publications can be downloaded from the web. Prices shown apply to hard copies, and are inclusive of GST, where applicable.

Phone (07) 3262 7733 to obtain copies of any publications, or visit our web site at www.harness.org.au/qld.

Item	Hard copy	Web site	Cost
<i>Queensland Harness Racing magazine</i>	✓	✓	\$33 p.a.
<i>Queensland Standardbred Stallion Register 2004-05</i>	✓	✗	Free
QBred information booklet	✓	✓	Free
<i>Australian Harness Racing Rules (including local rules)</i>	✗	✓	Free
Forms under <i>Australian Harness Racing Rules</i>	✓	✓	Free
Policies			
- Policy Development Policy	✓	✓	Free
- Drug and Alcohol Policy	✓	✓	Free
- Interim Animal Welfare Policy	✓	✓	Free
- Fees Policy	✓	✓	Free
- Web Site Policy	✓	✓	Free
- Forms Policy	✓	✓	Free
- Privacy Policy and Plan	✓	✓	Free
- Complaints Policy	✓	✓	Free



Financial statements

year ended 30 June 2004

Purpose and scope

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

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

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

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

Statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2004	Notes	2004	2003
		\$	\$
REVENUES FROM ORDINARY ACTIVITIES			
Fees and Charges	2	810,774	1,047,652
Racing Levy Income		109,976	65,496
Interest on Investments		181,335	163,296
Profit on Disposal of Non-Current Assets	15	11,463	2,032
Other Income	3	148,565	113,534
Grants		11,858	48,141
Prize money Sponsorship		87,176	339,200
Distribution from Queensland Race Product Co Ltd		15,806,378	14,925,574
Albion Park Joint Venture		445,737	-
Total revenue from ordinary activities		17,613,262	16,704,925
EXPENSES FROM ORDINARY ACTIVITIES			
Computer Operations		213,781	200,214
Depreciation	4	65,646	69,566
Depreciation – Albion Park Joint Venture	4	531,006	-
Insurance		440,170	368,888
Salaries, Wages and Associated Costs	5	1,383,362	1,331,784
Racing Levy Expenses	6	252,743	299,764
Prize Money	7	11,767,059	11,141,229
Tote Incentive Payments to Clubs	8	737,213	867,376
Clubs Administration and Capital Payments/Meeting Fees	9	1,289,248	1,429,501
Grants to Clubs and Associated Entities	10	339,691	74,835
Other Expenses	11	739,830	803,169
Albion Park Joint Venture		490,972	-
Total Expenses from Ordinary Activities		18,250,721	16,586,326
Net Result for the Reporting Period		(637,460)	118,599
Total changes in equity other than those resulting from transactions with owners as owners		(637,460)	118,599

The accompanying notes form part of these financial statements.

Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2004	Notes	2004	2003
		\$	\$
CURRENT ASSETS			
Cash Assets	12	242,286	(2,247)
Receivables	14	1,712,797	1,273,323
Other Financial Assets	13	3,550,428	3,859,252
Prepayments		79,969	100,659
TOTAL CURRENT ASSETS		5,585,480	5,230,987
NON-CURRENT ASSETS			
Property, Plant and Equipment	15 (a) (b)	11,121,795	213,657
Receivables	14	59,420	59,420
TOTAL NON-CURRENT ASSETS		11,181,215	273,077
TOTAL ASSETS		16,766,696	5,504,064
CURRENT LIABILITIES			
Payables	16	839,026	874,821
Provisions	17(a)	123,472	107,162
TOTAL CURRENT LIABILITIES		962,498	981,983
NON-CURRENT LIABILITIES			
Provisions	17(b)	167,881	98,060
TOTAL NON-CURRENT LIABILITIES		167,881	98,060
TOTAL LIABILITIES		1,130,379	1,080,043
NET ASSETS		15,636,316	4,424,022
EQUITY			
Retained Profits	18 (a)	8,103,164	4,023,592
Reserves	18 (b)	7,533,152	400,430
TOTAL EQUITY		15,636,316	4,424,022

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2004	Notes	2004	2003
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Operations		17,859,838	16,465,158
Interest		181,335	163,296
GST Input Tax Credits		769,376	663,023
		18,810,649	17,291,477
Payments			
Payments to Clubs, Suppliers and Employees		(17,607,983)	(15,608,789)
GST Remitted to the ATO		(1,623,385)	(1,284,077)
		(19,231,368)	(16,892,866)
Net Cash Provided by (Used In) Operating Activities	20(a)	(420,719)	398,611
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment		124,273	52,459
Repayment of Loans from Associated Entities		-	42,333
Payments for Purchase of Plant and Equipment		(235,239)	(148,010)
		(110,966)	(53,218)
Net (Decrease) Increase in Cash Held		(531,685)	345,393
Cash at the Beginning of the Financial Year		3,857,005	3,511,612
Cash at the Beginning of the Financial Year – Albion Park Joint Venture		467,395	-
Cash at the End of the Financial Year	20(b)	3,792,714	3,857,005

The accompanying notes form part of these financial statements.

Notes

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

(a) Basis of Preparation of the Accounts

General

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

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

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

Accounting Policies

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

Classification between current and non current

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

(b) Revenue Recognition

Fees and Charges

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

Product and Program Fees

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

Sale of Assets

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

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

Acquisition

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

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

Revaluations

Land, buildings, infrastructure are measured at fair value. All other assets are measured at cost. This is in accordance with the Queensland Treasury's Non Current Asset Accounting guidelines for the Queensland Public Sector. Independent revaluations are conducted every 5 years with interim revaluations conducted on an annual basis for assets recorded at amounts above the revaluation threshold. The next independent valuation is due in 2005.

Repairs and Maintenance

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

Operating leases

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

Repairs and Maintenance

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

Operating leases

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

Recoverable Amounts

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

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

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

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

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

e) Cash Assets and other Financial Assets

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

Notes (cont'd)

(f) Receivables

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

(g) Payables

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

(h) Employees' Entitlements

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

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

The Board also contributes to various accumulating Employee Superannuation Plans.

(i) Comparative Figures

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

(j) Segment Reporting

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

(k) Taxation

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

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

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

(l) Adoption of International Financial Reporting Standards

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

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

(m) Albion Park Raceway Joint Venture

In June 2002, State Cabinet resolved that the Albion Park Raceway asset was to be transferred from ownership by the State of Queensland, to the Queensland Harness Racing Board and the Greyhound Racing Authority as tenants in common in half share. This took effect on 1st July 2003. An agreement was entered into by the parties confirming the establishment of a joint venture relationship. Accordingly, 50% of the Statement of Financial Performance and Statement of Financial Position has been incorporated into these accounts. The Joint Venture commenced on the 1st July 2003, therefore no comparative information is provided.

Excluding the Joint Venture transactions, the Queensland Harness Racing Board would have a net operating deficit of \$61,217 for the year ended 30 June 2004.

Notes (cont'd)

	2004 \$	2003 \$
2. Fees and Charges		
Meeting and Supervision Fees	-	12,665
Licence Fees	228,843	345,499
Clearance and Transfer Fees	35,495	99,638
Registration Fees	129,611	108,140
Fines and Late Fees	41,080	39,600
Foal Notification and Service Certificates	44,145	43,310
Qbred Nomination Fees	331,600	398,800
	810,774	1,047,652
3. Other Income		
Promotional Income - Broadcast Van	66,380	56,695
Publications Income	6,569	17,238
Sundry	75,616	39,601
	148,565	113,534
4. Depreciation of Non-Current Assets		
Broadcast Equipment	6,599	13,288
Computer Hardware	14,972	8,603
Office Furniture and Equipment	8,425	8,975
Motor Vehicles	35,480	38,529
Freeze Branding Equipment	171	171
	65,646	69,566
5. Salaries, Wages and Associated Costs		
Salaries, Wages and Associated Costs	1,183,227	1,130,356
Superannuation Contributions	98,121	88,845
Board Members Remuneration	54,974	65,510
Payroll and Fringe Benefits Tax	47,040	47,073
	1,383,362	1,331,784
6. Racing Levy Expenses		
Australian Harness Racing Council Levies	95,754	156,944
Photo Finish Clubs	121,509	108,062
Sulky Claims	35,480	34,758
	252,743	299,764
7. Prize money		
General Cash Prize money	9,789,309	9,251,599
Qbred Triad/Classic Prize money	748,000	763,880
Qbred Bonus Payments	1,183,150	1,092,950
Qbred Breeders Bonus Payments	-	-
Qbred Mares Incentive Scheme	44,500	29,500
Qbred Breeders Certificate	2,100	3,300
	11,767,059	11,141,229
8. Tote Incentive Payments to Clubs		
Albion Park Harness Racing Club	366,217	340,041
Darling Downs Harness Racing Club	4,245	28,597
Gold Coast Harness Racing Club	218,315	117,179
Mackay Harness Racing Club	18,598	13,678
Metropolitan Harness Racing Club	27,451	195,268
North Queensland Harness Racing Club	4,325	4,652
Redcliffe Peninsula Harness Racing and Sporting Club	80,959	156,421
Rockhampton Harness Racing Club	12,889	11,524
Net Tote Communication Costs	4,214	16
	737,213	867,376

	2004 \$	2003 \$
9. Clubs Administration and Capital Payments/Meeting Fees		
Albion Park Harness Racing Club	368,105	356,000
Darling Downs Harness Racing Club	13,695	76,000
Gold Coast Harness Racing Club	365,975	308,000
Mackay Harness Racing Club	82,167	82,167
Metropolitan Harness Racing Club	12,667	111,000
North Queensland Harness Racing Club	83,639	82,167
Redcliffe Peninsula Harness Racing and Sporting Club	280,833	332,000
Rockhampton Harness Racing Club	82,167	82,167
	1,289,248	1,429,501
10. Grants		
Albion Park Harness Racing Club	254,000	40,000
Gold Coast Harness Racing Club	5,000	-
Mackay Harness Racing Club	5,000	-
Metropolitan Harness Racing Club	28,820	-
North Queensland Harness Racing Club	5,000	1,364
Redcliffe Peninsula Harness Racing and Sporting Club	36,871	28,050
Rockhampton Harness Racing Club	5,000	5,421
	339,691	74,835
11. Other Expenses		
Audit Fees	15,000	14,573
Bad and Doubtful Debts	1,546	103,610
Broadcast Expense	54,361	162,243
Consultancy Fees	24,242	61,012
Freeze Branding and DNA Expense	21,687	24,135
Legal Fees	102,517	63,696
Postage, Printing and Stationery	83,083	94,608
Promotion Expenses	54,261	32,100
Rent, Cleaning and Office Expenses	55,853	64,725
Service Fees	124,606	20,196
Sundry Expenses	107,020	56,813
Telephone and Facsimile	42,375	46,279
Travel, Accommodation and Motor Vehicle Expenses	53,279	59,178
	739,830	803,169
12. Cash Assets		
Cash on Hand	350	350
Cash at Bank	229,439	(2,597)
Albion Park Joint Venture	12,497	-
	242,286	(2,247)
13. Other Financial Assets		
Investments	3,136,383	3,859,252
Albion Park Joint Venture	414,045	-
	3,550,428	3,859,252
14. Receivables		
<i>Current</i>		
Debtors	401,533	153,847
Less Provision for Doubtful Debts	(66,766)	(111,425)
	334,767	42,422
Accrued Income	1,347,361	1,230,901
Albion Park Joint Venture	30,669	-
	1,712,797	1,273,323
<i>Non-Current</i>		
Loans and Advances	59,420	59,420

Notes (cont'd)

	2004 \$	2003 \$
15 (a) Property, Plant and Equipment – Queensland Harness Racing Board		
Profit/(Loss) on Disposal of Assets		
Proceeds from Disposal of Assets	124,273	52,459
Less Carrying Value of Assets Disposed	(112,810)	(50,427)
Profit/(Loss) on Disposal of Assets	11,463	2,032
Broadcast Equipment		
At Cost	156,609	170,954
Accumulated Depreciation	(140,272)	(150,745)
	16,337	20,209
Computer Hardware		
At Cost	57,232	61,845
Accumulated Depreciation	(42,412)	(32,053)
	14,820	29,792
Plant and Equipment		
At Cost	199,994	201,408
Accumulated Depreciation	(186,701)	(179,689)
	13,293	21,719
Motor Vehicles		
At Cost	160,243	173,136
Accumulated Depreciation	(10,006)	(32,108)
	150,237	141,028
Freeze Branding Equipment		
At Cost	2,610	2,610
Accumulated Depreciation	(1,872)	(1,701)
	738	909
Total Plant and Equipment		
Total at Cost	576,688	609,953
Accumulated Depreciation	(381,263)	(396,296)
Total Written Down Amount	195,425	213,657

Reconciliations

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

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2004 Net Book Value	2003 Net Book Value
Broadcast Equipment	20,209	-	2,727	6,598	16,337	20,209
Plant and Equipment	21,719	-	-	8,425	13,294	21,719
Motors Vehicles	141,028	160,244	(115,554)	35,480	150,237	141,028
Computer Equipment	29,792	-	-	14,972	14,820	29,792
Freeze Branding Equipment	909	-	-	171	738	909
Total	213,657	160,244	(112,827)	65,646	195,427	213,657

	2004 \$	2003 \$
15 (b). Property, Plant and Equipment - Albion Park Joint Venture		
Land		
At fair value	5,617,500	-
	5,617,500	-
Buildings and Improvements		
At fair value	6,224,250	-
Accumulated Depreciation	(1,016,194)	-
	5,208,056	-
Plant and Equipment		
At Cost	260,926	-
Accumulated Depreciation	(160,113)	-
	100,813	-
Total Plant and Equipment		
Total at Cost	12,102,676	-
Accumulated Depreciation	(1,176,307)	-
Total Written Down Amount	10,926,370	-

Reconciliations

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

Asset Name	Opening Amount	Additions	Revaluations	Depreciation Amount	2004 Net Book Value
Land	5,617,500	-	-	-	5,617,500
Building & Improvements	5,317,480	3,400	405,358	518,182	5,208,056
Plant & Equipment	90,001	23,637	-	12,824	100,814
	11,024,981	27,037	405,358	531,006	10,926,370

Notes (cont'd)

	2004 \$	2003 \$
16. Payables		
Creditors and Accrued Expenses	770,024	874,821
Albion Park Joint Venture	69,002	-
	<u>839,026</u>	<u>874,821</u>
17. Provisions		
(a) Current		
Employee Entitlements		
- <i>Annual Leave</i>		
Balance 1 July 2003	90,162	82,707
Add Provision for year	113,713	89,158
	<u>203,875</u>	<u>171,865</u>
Less Payments for year	(101,025)	(81,703)
Balance 30 June 2004	<u>102,850</u>	<u>90,162</u>
- <i>Long Service Leave</i>		
Balance 1 July 2003	-	5,154
Add Provision for year	-	10,349
	<u>-</u>	<u>15,503</u>
Less Payments for year	-	(15,503)
Balance 30 June 2004	<u>-</u>	<u>-</u>
Unspent Prize Money		
Balance 1 July 2003	17,000	152,515
Add Provision for year	-	-
	<u>17,000</u>	<u>152,515</u>
Less Payments for year	(17,000)	(135,515)
Balance 30 June 2004	<u>-</u>	<u>17,000</u>
Albion Park Joint Venture	20,622	-
Total Current Provisions	<u>123,472</u>	<u>107,162</u>
(b) Non-Current		
Employee Entitlements		
- <i>Long Service Leave</i>		
Balance 1 July 2003	98,060	84,150
Add Provision for year	49,377	13,910
Albion Park Joint Venture	20,444	-
Balance 30 June 2004	<u>167,881</u>	<u>98,060</u>

	2004 \$	2003 \$
18. Equity		
(a) Retained Profits		
Retained Profits / (Losses at the beginning of the year	4,023,592	3,904,993
Albion Park Joint Venture	4,717,030	-
Net result for the reporting period - Queensland Harness Racing Board	(61,217)	118,599
Net result for the reporting period - Albion Park Joint Venture	(576,241)	-
	8,103,164	4,023,592
(b) Reserves		
General Reserves	375,000	375,000
Asset Revaluation Reserve	25,430	25,430
Asset Revaluation Reserve - Albion Park Joint Venture	7,132,722	-
	7,533,152	400,430
19. Auditor's Remuneration		
Remuneration for audit of the Financial Statements	15,000	14,573
20. Statement of Cash Flows		
(a) Reconciliation of Operating Result to Net Cash used in Operating Activities		
Net Surplus (Deficit)	(637,460)	118,599
Depreciation	65,646	69,566
Depreciation – Albion Park Joint Venture	531,006	-
(Profit)/Loss on Sale of Plant and Equipment	(11,463)	(2,032)
<i>Changes in Assets and Liabilities -</i>		
- Decrease (Increase) in Debtors and Accrued Income	(439,474)	(71,401)
- Decrease (Increase) in Prepaid Expense	20,690	5,207
- Increase (Decrease) in Creditors and Accrued Expense	(35,795)	297,403
- Increase (Decrease) in Revenue in Advance	-	(3,037)
- Increase (Decrease) in Provisions	86,131	(15,694)
Net Cash Provided by (Used In) Operating Activities	(420,719)	398,611
(b) Reconciliation of Cash		
Cash on Hand	229,789	(2,247)
Cash on Hand – Albion Park Joint Venture	12,497	-
Other Financial Assets	3,136,383	3,859,252
Other Financial Assets – Albion Park Joint Venture	414,045	-
	3,792,714	3,857,005
21. Lease expenditure commitments		
<i>Operating leases (non-cancellable)</i>		
Minimum lease payments		
- not later than one year	58,347	58,347
- GST not later than one year	5,835	5,835
- later than one year and not later than five years	-	58,347
- GST later than one year and not later than five years	-	5,835
	64,182	128,364
22. Contingent Liabilities		
Estimated Costs attributed to ongoing litigation	100,000	100,000
	100,000	100,000

Notes (cont'd)

23. Financial Instruments

Terms, Conditions and Accounting Policies

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

Interest Rate Risk

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

Financial Instruments	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing In:						Non Interest Bearing		Carrying Amount as per Statement of Financial Position		
	2004	2003	2004	2003	<=1yr		1-5yrs		>5yrs		2004	2003	2004	2003	
					2004	2003	2004	2003	2004	2003					
	%	%	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets															
Cash	0.32	0.32	242	(3)	-	-	-	-	-	-	-	-	242	(3)	
Receivables	8.00	8.00		-	-	-	-	-	-	-	1,852	1,433	1,852	1,433	
Bank Bills & Certificates of Deposit	5.05	4.83	2,000	2,377	-	-	-	-	-	-	-	-	2,000	2,377	
Cash Management Accounts	4.55	4.55	1,136	1,482	-	-	-	-	-	-	-	-	1,136	1,482	
Financial Liabilities															
Payables	-	-	-	-	-	-	-	-	-	-	839	875	839	875	

23. Financial Instruments (continued)
Credit Risk

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

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

Net Fair Value

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

24. Board Member Fees

Board Members are paid at the following rates:

	Board or Special Meeting	Special Assignments
	\$	\$
Chairman	488	407
Board Members	400	334

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

Board Members who held office during the financial year were:

Mr Keith Hamburger (Chairman)
Mrs Helen Boyd (Deputy Chair)
Mrs Andrea Sage
Mr Ian Millard

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

	2004	2003
\$0 - \$9,999	2	-
\$10,000 - \$19,999	2	3
\$20,000 - \$29,999	-	1

25. Employee Numbers at 30 June (full time equivalents)

	18.1	20.1
--	------	------

Certificate of the Queensland Harness Racing Board

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

We certify that in our opinion:-

- (a) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (b) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Board for the Financial year ended 30 June 2004 and of the financial position as at the end of that year.



R K HAMBURGER AM
Chairman



B C SCHIMMING
Chief Executive Officer

Date *30 September 2004*

Independent audit report

To the Board of the Queensland Harness Racing Board

Scope

The Financial Statements

The financial statements of the Queensland Harness Racing Board consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Chairperson and officer responsible for the financial administration of the Queensland Harness Racing Board, for the year ended 30 June 2004.

The Board's Responsibility

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

Audit Approach

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

Audit procedures included –

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

Independence

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

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

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

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

Independent audit report (cont'd)

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Queensland Harness Racing Board for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.



O C CLARE, FCPA
Director of Audit
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane



Queensland Harness Racing Board
Tel: 3262 7733
Fax: 3262 7363
Web site: www.harness.org.au/qld