



ANNUAL REPORT 2017





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Front cover: Sydney's champions for the 2016/17 racing season (L-R): Hugh Bowman, Chris Waller, Andrew Adkins and Winx

MISSION STATEMENT

To establish a dynamic NSW Thoroughbred Racing Industry which advances participation, ensures integrity and delivers quality racing at all levels

VISION

Provide a committed, user-friendly, professional and cost-effective administration which uses best business practice in serving all aspects of the NSW Thoroughbred Racing Industry.

Provide Leadership and Strategic Direction to ensure the NSW Thoroughbred Racing Industry achieves revenue growth, profitability and greater returns to Owners and Industry Participants.

Provide a Racing Product that appeals to all demographics, and takes all actions necessary to guarantee integrity and confidence in the sport.

Maximise betting turnover on NSW Thoroughbred race meetings by accommodating punters' needs and desires, and work with Tabcorp to promote new wagering products that reflect changes in demand.

CURRENT MEMBERS OF THE BOARD



R Balding AO (Russell)
CHAIRMAN
Re-appointed
19 December 2015
Attended 10 meetings



A G Hodgson AM (Tony)
DEPUTY CHAIRMAN
Re-appointed
19 December 2016
Attended 10 meetings



P N V'landys AM (Peter)
RACING NSW CHIEF EXECUTIVE
Appointed 23 February 2004
Attended 10 meetings



The Hon K P Greene (Kevin)
Re-appointed
19 December 2014
Attended 10 meetings



Mrs S Cooke (Saranne)
Appointed 19 December 2015
Attended 10 meetings



Ms C Molyneux-Richards (Carole)
Appointed 19 December 2014
Attended 9 meetings

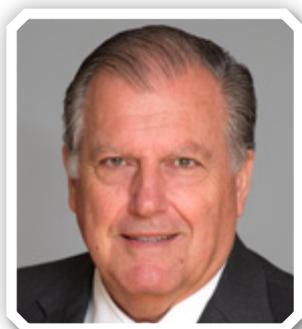


S Tuxen (Simon)
Appointed 3 November 2016
Attended 6 meetings

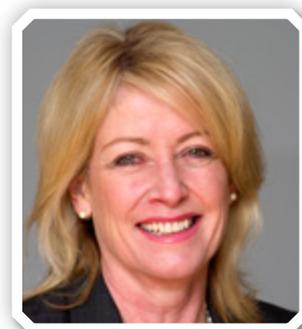


A Shepherd AO (Anthony)
Appointed 1 January 2017
Attended 4 meetings

PAST MEMBERS OF THE BOARD



J M Messara AM (John)
CHAIRMAN
Appointed 19 December 2015
Attended 5 Meetings



Ms J Owen (Jennifer)
Appointed 19 December 2015
Attended 2 Meetings

FUNCTIONS OF THE BOARD

Under section 13(1) of the Thoroughbred Racing Act (NSW) 1996, the Board has the following functions:

- a) all the functions of the principal club for New South Wales and committee of the principal club for New South Wales under the Australian Rules of Racing,
- b) to control, supervise and regulate horse racing in the State,
- b1) such functions in relation to the business, economic development and strategic development of the horse racing industry in the State as are conferred or imposed by this Act,
- c) to initiate, develop and implement policies considered conducive to the promotion, strategic development and welfare of the horse racing industry in the State and the protection of the public interest as it relates to the horse racing industry,
- d) functions with respect to the insuring of participants in the horse racing industry, being functions of the kind exercised by the ATC on the commencement of this section, and such other functions with respect to insurance in the horse racing industry as may be prescribed by the regulations,
- e) such functions as may be conferred or imposed on Racing NSW by or under the Australian Rules of Racing or any other Act,
- f) such functions with respect to horse racing in New South Wales as may be prescribed by the regulations.

CHAIRMAN'S REPORT



Russell Balding AO
Chairman

The Hon Paul Toole, MP
Minister for Lands and Forestry, and Minister for Racing
Parliament House
Macquarie Street
Sydney, NSW 2000

Dear Minister

In accordance with Section 29 of the Thoroughbred Racing Act 1996, I am pleased to submit to you the 21st Annual Report of Racing NSW (formerly the NSW Thoroughbred Racing Board) covering the period 1 July 2016 to 30 June 2017.

Board meetings were held on 10 occasions throughout this period and I acknowledge the contributions and support of my fellow Board members. The industry continues to be well served by a Board which is comprised of members with an excellent mix of financial, commercial and industry experience.

During the year, former Chairman, John Messara AM retired following five years in that position. Throughout his chairmanship, John provided outstanding leadership and oversaw several major initiatives which have placed the industry on a sound footing for years to come, including the attainment of tax parity and the implementation of The Championships. On behalf of the industry I thank John for his dedicated service to thoroughbred racing in New South Wales.

Board Member Ms. Jennifer Owen also retired during the year and I thank her for her contributions during the term of her appointment. The positions vacated by the retirement of John and Jennifer were filled by Tony Shepherd AO and Simon Tuxen and I welcome them to the Board and congratulate them on their appointments.

The additional revenue generated following the enactment of legislation by your Government to grant tax parity with the Victorian Racing Industry is now flowing to the industry. This revenue is putting the industry on a more sustainable footing by enabling Racing NSW to complete the major objectives in its strategic plan and continue with the implementation of policies aimed at enhancing the livelihoods of the industry's participants including the provision of major prizemoney increases and reinvigorating racing in the Provincial and Country regions of the State.

The additional revenue also enabled Racing NSW to confirm its commitment to animal welfare by establishing a Horse Welfare Fund which is funded predominately by a deduction of 1% of all prizemoney paid in NSW. It is estimated that \$2 million will be taken from prizemoney and paid into the fund each year and used for the care of all NSW thoroughbred horses following the end of their racing careers.

A highlight of the year was the announcement of the inaugural running of The Everest at Royal Randwick on 14 October 2017 with subsequent events to be held on the second Saturday of October each year. The Everest is a \$10 million race with entry being eligible to persons or syndicates who purchased slots entitling them to participate. The race will be held over 1200 metres making it the richest 1200 metre race in the world. It will also become the richest race in the world conducted on turf.

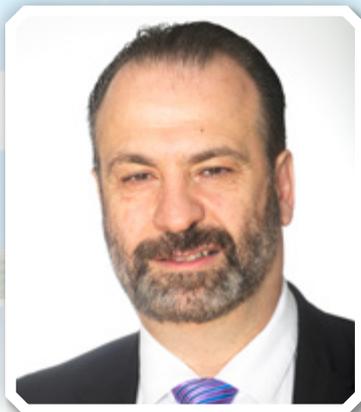
The year also saw the fourth running of The Championships which were again conducted successfully. As in previous years the Provincial and Country Championships series played an important role in the success of the overall event and provided added impetus to the reinvigoration of racing in those areas.

With The Championships in the autumn and the proposed running of The Everest together with an enhanced program of supporting races in the spring, Sydney is well positioned to maintain a dominant role in world racing.

On behalf of the Board I thank and acknowledge the Chief Executive, Peter V'landys AM and the staff of Racing NSW for their dedication and support. Peter and his team continue to provide outstanding service to the NSW Thoroughbred Racing Industry and must be congratulated on their achievements during the year.

Finally, I would like to congratulate you on your appointment as Minister for Racing and thank you and your personal staff, as well as your Departmental Officers for your assistance and support during the year. In addition, I must acknowledge your predecessor, The Hon. Troy, Grant MP who contributed significantly to the industry during his term of office in the racing portfolio.

Yours Sincerely
Russell Balding AO
Chairman



Peter V'landys AM
Chief Executive

Highlights

The 2016/17 year was again a momentous year for the NSW Thoroughbred Racing Industry with major initiatives being either announced or implemented. These include:

- Significant prizemoney increases which saw returns to owners increase from \$196.5 million in the previous year to \$228 million in this financial year;
- The development of 'The Everest' which will carry prizemoney of \$10 million, making it Australia's richest race and the world's richest race on turf;
- The establishment of an Equine Welfare Program to be funded from a 1% deduction of all prizemoney paid. The principal objective of the program will be to rehome every thoroughbred horse which was predominantly domiciled in NSW, no matter if it raced or not;
- The purchase of a 2,600-acre property at Capertee for use in the Equine Welfare Program and other Racing NSW strategic pursuits, and
- 2016/17 was a record year for wagering turnover on NSW thoroughbred racing. Total wagering turnover over the period increased 8% against 2015/16. Just as pleasing was that the 8% growth in turnover produced a 14.7% increase in wagering revenue.

Complete details of the overall operations of Racing NSW are outlined by the divisional General Managers later in this report. However, I have expanded on the major matters below:

Financial Performance

Racing NSW reported an operating surplus of \$6.2 million (\$6.6 million in 2016), this was despite paying \$30 million more in increased prizemoney.

The most pleasing aspect again this year is that the first charge to the NSW Thoroughbred Racing Industry against the TAB distribution was \$9.118 million, a modest increase of \$166,581 from the previous year.

Racing NSW continues to operate extremely efficiently with the first charge being still less than that incurred in 2003 of \$11.12 million despite

the increasing complexities and functions of its supervisory and regulatory roles.

All of the aforementioned accumulated savings of Racing NSW have been passed on to race clubs over that period to be distributed to participants.

Workers Compensation Division

The Racing NSW Workers Compensation Fund is not for profit and its objective is to collect sufficient premiums to cover the claims and future liabilities.

During 2016/17 the Fund received 547 new claims which was a minor increase on the claims received during 2015/16.

The Fund returned a surplus of \$587, 594 for the year. The actuarial estimate of the future liability of the Fund at 30 June 2017 was \$42.3 million, which was a decrease of \$600,000 on the estimate at 30 June 2016 of \$42.9 million. Accordingly, a total of \$1.2 million went to reserves.

The Racing NSW Workers Compensation Fund currently maintains a reserve of \$1.419 million. The Fund has performed soundly over recent years having overcome a deficit which peaked at \$9.2 million at the end of the 2010/11 financial year.

Revenue

Parity with Victoria on Sharing of TAB's Gross Wagering Revenue

The NSW Government introduced legislation to reduce the share it takes of the NSW TAB's gross wagering revenue to bring it into line with that taken by the Victorian Government of its share of the Victorian TAB's gross wagering revenue.

The NSW Government, however, is gradually reducing its share over five years to ultimately bring it in to line with the share currently taken by the Victorian Government.

Accordingly, NSW won't receive the same as Victoria until 2021. The new revenues received by the industry in the five-year phasing in period are as follows:

Year	Racing NSW Proceeds from Parity
FY16	\$18.53 million
FY17	\$35.76 million
FY18	\$35.76 million
FY19	\$42.38 million
FY20	\$49.69 million
FY21	\$68.12 million

As such, \$35.76 million of the ultimate \$68.12 million per annum was received this financial year. This meant we are still receiving \$33 million less per annum than the Victorian Thoroughbred Racing Industry.

Race Fields Legislation

The Race Fields scheme is a critical source of funding for the NSW Thoroughbred Racing Industry.

During the year, 290 wagering operators were granted approvals to provide wagering services on NSW Thoroughbred Race Fields and \$91.055 million was collected from this source.

Furthermore, it is important that the structure and function of the Race Fields scheme is continually reviewed to ensure that it is performing to its optimum level.

As a result, the Scheme has now been amended from 1 July 2017 to increase the rate applied to standard race meetings to 2% for all bets other than derivative bets.

With these changes, the fees for the use of NSW Thoroughbred Racing fields now stand at:

Bet Types	Standard	Premium (Meetings with at least one race of a minimum \$150,000 in prizemoney)	Premier (Meetings with at least one race of a minimum \$1m in prizemoney)
Derivative Bets	2.00%	2.50%	3.00%
Other (non-derivative) Bets	2.50%	3.00%	3.50%

Prizemoney>Returns to Owners

Racing NSW continued to develop and implement policies aimed at maximising returns to racehorse owners. The NSW industry continued to perform strongly in delivering prizemoney and returns to owners.

Returns to owners during the year totalled \$227.7 million (an overall increase of 15.94%) and were made up of the following:

Item	2015/16	2016/17
Prizemoney and BOBS	\$180,566,984	\$210,709,364
Other payments on behalf of owners (i.e. jockeys riding fees, etc.)	\$15,841,155	\$17,010,612
Total	\$196,408,139	\$227,719,976

Highlights of the prizemoney increases are as follows:

Metropolitan

- From 1 October 2016, Sydney Saturday prizemoney increased to a minimum of \$100,000 per race, providing an annual \$4 million boost to prizemoney;
- From 1 October 2016, prizemoney for ATC feature races was further boosted with a \$25,000 per race increase in minimum prizemoney levels for the ATC's Group 2, Group 3 and Listed Races, being an annual increase of more than \$1.8 million per annum;
- From July 2016 there was an increase in prizemoney for the feature race to \$150,000 on selected Metropolitan meetings, contributing total prizemoney growth of \$710,000;
- From 1 October 2016, Metropolitan prizemoney was also boosted by the addition of an eighth race to a total of 12 Metropolitan midweek meetings leading in to and out of carnival periods as well as on the ATC's night race meetings. Night racing was also further boosted from 21 October 2016 with these meetings carrying additional prizemoney on a selected race of \$80,000. The total annual boost to midweek and night racing is \$1.1 million;
- The Highway races for NSW Country horses were separately increased to \$60,000 prizemoney from August 2016 per annum;

Provincial

- Prizemoney for Provincial races was increased to a minimum of \$30,000 per race from 1 October 2016 at an annual cost of \$3.1 million. This follows the increase by \$5,000 per race to \$27,000 in prizemoney from 1 July 2016, which added further prizemoney of \$5.15 million per annum;
- A maiden race carrying \$40,000 in prizemoney is now conducted approximately every two weeks at a Provincial race meeting boosting total prizemoney by a further \$260,000 per annum;

Country

- Prizemoney for Country TAB races also increased by \$5,000 per race to \$20,000. This added a further \$13 million per annum;
- The introduction of 40 Country Showcase meetings with a minimum of \$30,000 per race in prizemoney began in August 2016. This resulted in an annual boost to prizemoney of more than \$3.1 million;
- A maiden race for Country horses only is conducted for \$40,000 in prizemoney at 30 Country Showcase meetings. This will add a further \$300,000 in prizemoney each year;
- Country Sky 2 meetings also saw an increase in prizemoney to \$10,000 per race from their present level of \$8,000 per race, or an annual boost of more than \$550,000, and
- Racing NSW introduced the \$100,000 Country

Classic over 2000 metres at Rosehill Gardens for Country-trained horses only.

BOBS

Racing NSW's incentive scheme, BOBS (Breeder Owner Bonus Scheme), had another strong year with a total of \$11 million paid out in bonuses and double up vouchers.

Some quick facts on BOBS: -

- In 2016/17, 1301 BOBS bonuses were paid;
- In 2016/17, BOBS Extra bonuses were won on 121 occasions with a total of \$861,250 having been distributed through BOBS Extra;
- Racing NSW has paid out more than \$117 million in bonus prizemoney since BOBS began 15 years ago;
- Of the BOBS bonuses won, two-year-old horses won 202 (15%) and three-year-old horses accounted for 1100 (85%) wins;
- Fifteen of the 18 leading sires by value of bonuses are Australian-bred, and
- Since the double-up option was introduced in January 2005, more than \$32 million has been put back into the NSW Breeding Industry through this scheme, benefiting not just breeders, but also owners and trainers.

New Mares Bonus

Commencing from August 2017 and in accordance with a proposal from the Thoroughbred Breeders of NSW, the conditions of BOBS will be altered to pay bonuses to the owners of mares breeding to BOBS-eligible stallions.

This replaces the existing bonus payment made to owners of nominated stallions, with these stallion owners agreeing to forego that bonus to create a larger payment to the broodmare owners.

This change will add a further \$2 million annually to bonus payments from BOBS to the owners of mares. Racing NSW is funding \$1 million per annum of the additional monies to broodmare owners.

The Everest

Racing NSW and the Australian Turf Club announced in February 2017 the launch of The Everest, an exciting new race with prizemoney of \$10 million.

This not only makes it the richest race in Australia but also the richest turf race in the world.

The Everest will be run at Royal Randwick Racecourse over 1200m for the first time on Saturday, 14 October 2017.

The Everest is unique to Australian racing in that the race will be open to local and international buyers to purchase a slot in the race at a price of \$600,000.

Twelve slots were sold in The Everest entitling the owner of the slot the opportunity to nominate a horse for the race. Importantly, the slot owner does not need to own a horse. They can negotiate with owners of horses to contest the event, with a deal being done to

share the prizemoney.

The ongoing success of The Everest has now been assured, with all 12 slots having been sold for \$600,000 and slot holders having committed their participation for three years, with a rolling one-year option.

Under the terms of the event, slots are tradeable instruments and they can be sold, joint ventured or leased, either as a package or as individual slots, at a time prior to a nominated race entry date.

The Championships

The fourth staging of The Championships in 2017 was again a highlight of racing in both the Sydney autumn and throughout NSW.

The Country Championships was again a profound success. For the first time, the regional qualifying heats were run for prizemoney of \$150,000, an increase of \$50,000 per heat, with total prizemoney for the qualifying series of races being \$1.1 million.

The Provincial Championships qualifying races were also run for prizemoney of \$150,000 for the first time in 2017. Between the two series, prizemoney increased by \$600,000 from the previous year.

The Country Championships continues to enjoy outstanding patronage from punters and industry participants.

During 2017, greater use was made of social media in the promotion of both the Country and Provincial Championships via Twitter, Facebook and Instagram which is a much more effective and cheaper medium than print advertising.

Over a period of three years the Country Championships brand name has become extremely effective and well known, due to the effective promotion and increased prizemoney.

The Provincial Championships will be revamped in 2018, with the five qualifying races to be run across successive Saturdays leading into the Final.

In announcing the dates for the 2018 Country Championships and Provincial Championships, Racing NSW also announced that prizemoney for the respective Finals will be increased for the first time to \$500,000.

Day 2 of The Championships on 8 April 2017 drew the largest crowd for a Championships race meeting since their inception in 2014 at 26,801.

Across the two days of The Championships at Royal Randwick, for the first time prizemoney exceeded \$20 million after increases to both the Arrowfield 3yo Sprint and Percy Sykes Stakes by \$100,000 to \$600,000 in 2017.

The Percy Sykes Stakes was also run for the first time as a Group 2 race. It is an objective for The Championships that these two races join the other eight The Championships races at Group 1 level.

Day 1 of The Championships produced a moment for the ages with Chautauqua's finishing burst from an impossible position to win a third consecutive T J

Smith Stakes.

Day 2 was highlighted by champion racehorse Winx returning to The Championships to brilliantly win the Queen Elizabeth Stakes after winning the Doncaster Mile on Day 1 of The Championships in 2016.

Country Racing

Adding to the benefits to Country racing, Country Showcase meetings were launched on 4 August 2016.

These meetings offered a minimum of \$30,000 per race in prizemoney and are currently being staged at various courses throughout NSW.

In many instances, Showcase meetings were staged on emerging cup or feature meetings at Country racecourses.

This series of meetings started in August with the Coffs Harbour Cup, Narromine Cup and Taree Cup meetings.

The Showcase meetings provided excellent opportunities to focus greater attention on some of NSW's emerging country cup meetings and following the successful introduction of the program, Racing NSW has now expanded the schedule of Showcase meetings from 40 to 45 in 2017/18, upgrading five key country carnival racedays to a minimum of \$30,000 in prizemoney per race.

Also, at most of these meetings there is a Maiden race carrying prizemoney of \$40,000 for horses that are domiciled and trained in the NSW Country area.

In a further boost to Country racing, Racing NSW provided a significant increase in prizemoney for a number of key Country feature races which will now carry prizemoney of \$150,000. These events are: -

- Port Macquarie Cup
- Goulburn Cup
- Wellington Boot
- Tamworth Cup
- Wagga Town Plate

Racing NSW has also increased the number of Country TAB meetings scheduled for 2017/18 from 407 to 426.

Equine Welfare Program – Rehoming of Horses

In September 2016, in an Australian first, the Equine Welfare Program was developed to ensure that all thoroughbreds who were predominantly domiciled in NSW will be appropriately cared for after retiring from the NSW Thoroughbred Racing Industry. In particular, horses that never raced will be included in the program.

The Equine Welfare Program is funded by a deduction of 1% of all prizemoney which was paid annually from 1 October 2016.

Specifically, a new Equine Welfare Division has been established within Racing NSW and a dedicated team,

including a qualified veterinarian, has been appointed to manage the program throughout the State.

The Equine Welfare Division is working towards establishing mutually beneficial partnerships with the equestrian community throughout NSW.

Moreover, positive relationships will continue to be developed with charities such as Cana Farm and Homes for Heroes as well as the Mounted Police and Godolphin Lifetime Care Program and groups representing persons with disabilities, such as Riding for the Disabled.

To supplement its programs, Racing NSW has purchased a 2,600-acre property at Capertee to be used for the rehabilitation, retraining and rehoming of thoroughbreds after their racing careers. Capertee is a village between Lithgow and Mudgee and is approximately 2.5 hours drive from Sydney.

This property will serve as a shopfront for the Equine Welfare Fund, but is also a future investment for the NSW Thoroughbred Racing Industry.

Fully equipped with state-of-the-art equine infrastructure including an Olympic-sized arena, stables, yards and paddocks, the property will be able to cater for the retraining of a significant volume of horses before they move on to new homes outside of racing.

The property also includes an 1890s built nine-bedroom homestead and shearer's cottages that provide an opportunity for the establishment of an eco-tourism based destination to complement the Thoroughbred Rehoming Program.

Additionally, the property will serve as a location for retired champions of racing where the public can visit and get up close and personal with their favourite horses.

The property also serves as a land bank for the NSW Thoroughbred Racing Industry and a major asset to future strategic initiatives.

Capital Development

During the year Racing NSW continued its program of capital works, funded from accumulated Race Fields fees.

Works were undertaken at Albury Racecourse to both reshape and add drainage to the course proper.

The partial completion of drainage works by February enabled the Club to successfully stage the Southern Districts Championships Qualifier and the Albury Gold Cup race meeting.

The remaining drainage works have since been completed and the track will again resume racing with a full schedule of meetings. The total expended on these works at Albury was \$1.074 million.

Extensive capital works were also undertaken at Dubbo Racecourse during the year, including expansion of the water storage, irrigation improvements, construction of a sand training track and partial course proper drainage.

The remainder of the course proper drainage will be completed late in the 2017 calendar year. Total expenditure at Dubbo will be \$1.55 million.

The Newcastle course proper returned to racing following a full reconstruction with its first full meeting being the Newcastle Newmarket Day on Friday, 17 March 2017, with total expenditure by Racing NSW on all works at Newcastle being \$11.2 million.

The new 1000m chute at Tamworth Racecourse has also been completed during the year and will shortly commence racing, following a growing in period. Total expenditure on all capital project works at Tamworth has been \$2.12 million.

Development approval was obtained during the year for upgrade works at Kembla Grange Racecourse, with the total budgeted expenditure being \$9.5 million.

A new fast work sand track at Wagga Wagga was constructed during the year, with total expenditure on all works at the venue being \$1.3 million.

An updated conceptual design has been completed for a new 16 stall stable block which will be constructed at Sapphire Coast Turf Club. Geotechnical investigations have been commissioned and civil design is currently being finalised, on a forecast project expenditure of \$360,000.

Punters Intel

Punter's Intel is a new App which will provide punters with a powerful tool to assess the performance of each horse in a race.

The free App allows punters to study detailed breakdowns of race information, collected 50 times per second (fastest available technology) via the Swiss Timing Horse Positioning System.

An average of twenty, 9 metre poles per racecourse have been erected on 22 NSW racecourses which contain a wireless base station. A transmitter is installed in each horse's saddlecloth which relays the information to the poles. This technology is used to create a 3D re-enactment of the race, featuring the critical data for punters.

The data is collated in the App to display race times, individual sectionals, distance travelled, top speeds and positioning for every horse in the race allowing punters to assess the performance of each horse in new ways and from multiple angles.

Whereas most race day sectional times commence once the leading horse passes a certain marker, Punters Intel goes to another level by providing accurate sectional times and the precise distance travelled for each runner.

An example of some of the information available is:

1. Sectional and Race Times

Punters Intel provides a sectional time and race time for every horse in the race for every 200m travelled to provide punters with the ideal information to analyse performances. Previously published race times and sectional times (such as the last 600m) only apply to the leader in the race and don't show the performance of each individual horse. Punters

Intel data will show the finishing strength of horses such as Chautauqua whose final 200m in the 2017 TJ Smith (11.95s) was a full second faster than second placed English (12.96s), but also the mid race sectional speed of horses like Winx who consistently records the fastest sectionals between the 800m and 400m in her races, such as the 2017 Queen Elizabeth Stakes where Winx ran the fastest time of 23.90s over these sectionals.

2. Distance Travelled

For the first time, punters will have a measurement to show the comparative distance travelled by every horse in a race. If a horse is positioned two or three wide around a bend it will travel several metres further in a race compared to a horse that is on the inside rail. For example, Winx in the Chelmsford Stakes travelled 2.6m further (equivalent to one length) than Red Excitement, further illustrating the strength of the performance.

3. Travelling and Top Speeds

The App provides a unique insight into the travelling and top speed of horses in a race that allows punters to assess not only the overall performance, but also the performance for a horse at any particular time in the race. Within the App, you can bring up data to show the speed of every horse throughout the graphical replay which allows you to see when a horse is held up, accelerating or slowing down.

An interesting insight from the 2017 TJ Smith was that Chautauqua's top speed was the lowest of any horse in the race. Chautauqua's top speed at any one point in the race (66.5km/h) was the slowest of any runner in the field, including the last placed Terravista. The fastest top speeds recorded in the race were from Russian Revolution (70.8km/h) and Fell Swoop (69.6km/h). It's extraordinary but goes to show what makes a champion horse is being able to sustain a sprint.

NSW Thoroughbred Racing Digital Streaming

After conducting a competitive tender process, Racing NSW negotiated an agreement with William Hill for that company to provide live streaming of NSW Thoroughbred Racing on its digital platforms.

Under the agreement, William Hill is now the only Australian Corporate bookmaker able to live stream NSW thoroughbred races.

The revenue received by the NSW Thoroughbred Racing Industry under this agreement has provided valuable funding for prizemoney increases.

Further, William Hill has devoted significant in-house resources and marketing spend to grow interest in the NSW Thoroughbred Racing Industry in the young demographic.

Proposed Merger of Tabcorp and Tatts Group

Racing NSW provided its full support to the proposed merger of Tabcorp and Tatts Group in Tabcorp's application to the Australian Competition Tribunal for authorisation of that merger, given the projected benefits the merger would provide to the NSW Thoroughbred Racing Industry.

The merger was subsequently approved by the Australian Competition Tribunal. However, an appeal against that decision was lodged by the Australian Competition and Consumer Commission to the Federal Court which, shortly prior to the publication of this Annual Report, ordered that the matter be remitted to the Australian Competition Tribunal for consideration of a further issue.

The health of the NSW Thoroughbred Racing Industry is directly linked to the health of NSW TAB totalizator division, due to the revenue it receives under the agreement Racing NSW has with the TAB (Racing Distribution Agreement (RDA)) and tax parity. A successful totalizator operator in New South Wales is essential to the ongoing viability of the NSW Thoroughbred Racing Industry. Should the merger be successful, the NSW Thoroughbred Racing Industry will benefit through increased revenue under Racing NSW's agreement with the TAB (RDA) and tax parity as a result of:

- Substantial cost and capex synergies, including cost savings from de-duplicating functions, procurement of economies of scale, common IT development and maintenance, one marketing and promotional approach and joint R&D and innovation programs, all of which will also enhance the merged Tabcorp/Tatts business' ability to invest in retail, innovation and promotional activities; and
- Larger totalizator pool from the combining of totalizator pools which will improve totalizator pool liquidity, perhaps significantly in the case of some bet types. A more liquid totalizator pool makes for better elasticity and a greater stability of dividend, which is of critical importance to punters. At present, punters are migrating from totalizator pools to fixed odds betting. The more elasticity in the pool, especially for win and place bets will arrest this migration and make the totalizator betting competitive against fixed odds betting. It will also increase the potential size of possible totalizator dividends which is especially important with exotic bet types where there may be many hundreds or thousands of winning combinations or contingencies. Of these, many contingencies may be theoretically very unlikely to occur and therefore are accompanied by the expectation of a large winning dividend or payout. In comparison to the current small totalizator pools offered to punters, a larger sized pool will increase the quality of the betting options for punters. The prospect of larger pools also facilitates the innovation of new exotic totalizator

bet types, increasing the product offering, and in turn the competitiveness, of the NSW totalizator operator in the wagering market.

Implementation of Redshift Intelligence and Case Management System

This year, Racing NSW invested in the Redshift Intelligence and Case Management System to further enhance the operations of the Integrity Department.

The Redshift System is a purpose-built software solution designed to capture, analyse, process, investigate and resolve cases with confidence.

The system allows Stewards and Investigators to review and update cases using many variable platforms by saving case notes, photos, documents and other data with greater efficiency.

As well as these case management functions the system allows users to build profiles and associations amongst industry participants. The investment in this technology further demonstrates Racing NSW's commitment to maintaining the integrity of the sport at the highest possible standard.

Australian Racing Forensic Laboratory

As an integral department of Racing NSW, the Australian Racing Forensic Laboratory (ARFL) is committed to the integrity of the racing industry by providing world class analytical testing services to control the misuse of prohibited substances for Racing NSW Stewards and external clients.

Racing NSW has made a significant investment over the past three years to develop and implement the Equine Biological Passport (EBP), a world-first for thoroughbred racing. Development of the analytical component which is managed by the ARFL continued in 2016/17 to include 25 biomarkers that can be compared for each horse over time to provide intelligence concerning doping threats.

This includes a suite of biomarkers successfully used by the World Anti-Doping Agency (WADA) to develop the Athlete Biological Passport for human sports.

Furthermore, MATLAB software has recently been purchased by Racing NSW to perform sophisticated statistical modelling of longitudinal biomarker data which can identify abnormal trends in horses that result from doping.

As per the Board's policy, swabs are stored frozen long-term at minus 80 degrees Celsius for re-testing at a later stage when additional biomarkers are included in the EBP.

In 2016/17, 240 urine and 51 blood samples were reanalysed using the current state-of-the-art instrumentation with the majority being samples from past Group winners.

The scope of testing performed on both raceday

and out-of-competition samples was increased throughout 2016/17.

An additional 6,416 enhanced tests were undertaken on top of routine surveillance tests on race day samples.

Out-of-competition sample tests increased from 1,294 to 2,459 which included the testing of horses specified under the EBP as well as tactical testing strategies.

Anabolic androgenic steroids (AASs) are a class of prohibited substances banned in horseracing at all times.

In order to provide greater surveillance and even longer detection periods for the misuse of AASs than is observed in blood and urine, the ARFL is enhancing its scope of testing by incorporating methods for detection in equine hair.

Hair analysis is crucial as the longer detection windows allow for the identification of synthetic forms of steroids which can provide unequivocal proof of administration.

As a department of Racing NSW, the ARFL integrates with Racing NSW Stewards, Veterinary Department and the Intelligence and Surveillance Unit in a whole-of-organisation approach.

To this effect, the ARFL analysed 63 special exhibit samples using analytical methodologies accredited for the testing of these products confiscated by Racing NSW Stewards.

ARFL capabilities were further enhanced in 2016/17 following the purchase of gel electrophoresis equipment that can detect the presence of protein-based drugs. Any adverse finding in such exhibits provides corroborative evidence when investigating the origins of a positive swab.

IT and Communications Security

To ensure the continuity of operations, a new purpose-built Disaster Recovery (DR) room has been constructed which will allow Racing NSW to continue to operate if a disaster occurs.

The DR room will allow 10 staff to fully operate out of the room with services such as WiFi, internet, printing and access to all of Racing NSW's files and folders.

The stand-alone room has CCTV, 24/7 security guard, security card access control, independent air-conditioning, and power.

Utilising enterprise disaster recovery software, the room can be activated from the Drutt St head office or the DR room.

The DR room also incorporates redundant data links to ensure Racing NSW's continued operation in a disaster event. These links include a point-to-point connection with Drutt St, internet connectivity and a redundant internet line for Drutt St head office if required.

Participants Welfare Programs Jockeys

Racing NSW administers several programs designed to improve the welfare of jockeys during and after their riding careers. These include: -

NSW Jockeys Benefit Scheme Trust

The Jockeys Benefit Scheme Trust was founded by Racing NSW in February 2011 with the aim of relieving financial stress and improving quality of life for NSW and ACT jockeys, ex-jockeys and their families who are in necessitous circumstances, especially financial hardship caused through a jockey being seriously injured or suffering a severe illness or any other unforeseen circumstances.

Funding for the Trust is provided from 1% of prizemoney allocated to NSW thoroughbred race meetings and through public donations.

Racing NSW also provides secretarial, administrative and marketing support to the Trust at no cost, so that every dollar donated is available to assist jockeys and their families in need.

During 2016/17, over \$70,000 was distributed for payment of medical procedures, rental assistance, clothing and education costs, day-to-day living expenses and specialised purchases.

JBS Discretionary Fund

The JBS Discretionary Fund provides funding for programs and initiatives to benefit jockeys both during their riding career and in retirement.

The funding provides NSW jockeys with vocational and life skills training, career transition support, business start-up assistance and counselling services. The JBS Discretionary Fund has two sub-programs, being:

Jockeys Assistance Program

Since July 2012, the Jockeys Assistance Program has provided NSW and ACT jockeys, apprentices and their families with free face-to-face counselling sessions and also access to 24 x 7 telephone sessions.

Counselling facilities are available in Sydney and throughout NSW. During the year, 48 people accessed this vital service, dealing with a range of problems from relationship breakdowns, depression and anxiety disorders, to drug and alcohol issues.

Career Assistance Funding and Small Business Start-up Assistance

Since 2012, funding has been provided to assist jockeys in finding alternate careers after a career ending event due to injury or lack of opportunity.

Over \$74,000 in total was distributed from the JBS Discretionary Fund during the 2016/17 Financial Year to jockeys to assist them to undertake career training courses in preparation for

their life after racing or to start-up their own small business.

In addition, a senior career advisor with TAFE OTEN Counselling & Career Development Service meets with jockeys and assists them in planning alternate career pathways and selecting training courses to suit those options or to start-up a small business.

Trainers and other Participants Assistance Program

Since 2014, Racing NSW has engaged David Goldman, Psychologist, to provide free confidential counselling services to trainers and other participants and their families in need of assistance.

Mr Goldman has experience in providing specialised psychological, health and well-being consultancy services to a range of people and organisations in many different fields.

The Trainers and Participants Assistance Program provides 24 x 7 telephone access to Mr Goldman's services. Counselling facilities are available in Sydney and throughout NSW via Mr Goldman's network of regional associates.

Trainers past and present, other racing participants and their direct family can contact Mr Goldman confidentially at any time.

Paid Parental Leave Scheme

Racing NSW has created its own paid parental leave scheme to support female jockeys through their pregnancy.

Jockeys do not qualify for the Australian Government's Paid Parental Scheme as it requires recipients to have worked at least 10 of the last 13 months before giving birth.

Under the Rules of Racing (AR81G) jockeys cannot ride following the end of the first trimester of their pregnancy, that is, three months.

Until legislation is changed to allow female jockeys to receive payments under the Government scheme, female jockeys in New South Wales will receive eight weeks' pay based on their average weekly earnings for the previous year, up to how much they would have received in total from the Government's scheme.

Emergency Funding Relief Package for Southern, Central and Western Districts Trainers and Owners

During the year, Racing NSW announced an emergency funding relief package of up to \$500,000 for trainers and owners in the Southern Districts (SDRA) and Central-West regions (CDWRA) following a prolonged stretch of wet weather and storm damage.

The funding relief was in response to an uncharacteristically high rate of abandoned race meetings in the Southern and Western regions.

The incredibly high rate of abandonments affected trainers who had to pay their staff and continued running costs. Racing NSW is fully committed to participants and this was the appropriate action to compensate the trainers and their owners

It was estimated that approximately 400 individual horses trained in either SDRA or CDWRA had missed a start at one or more of the 13 cancelled meetings during the worst of the conditions.

Horses also missed significant trackwork due to damaged or closed tracks and training facilities, hindering their preparation to race.

There was also funding available on application for any significant storm damage caused to a trainer's property or supplies by the severe rain, wind and flooding.

Trainers in the worst affected areas were contacted and invited to make application for lost equipment, supplies or damage sustained to stabling, etc.

Acknowledgements

I would like to thank Racing NSW Chairman, Russell Balding AO, for his leadership and support during the year.

Russell's experience, knowledge and dedication together with the other Board members have contributed greatly to the many achievements realised by Racing NSW over the past 12 months.

I must also thank the former Chairman, John Messara AM, who retired from that position in December 2016. John's contributions to the Thoroughbred Racing Industry were without peer and I greatly valued the support, mentoring and friendship I received from him during his term as Chairman.

Thanks also to the members of the Racing Appeals Tribunal, the Appeal Panel, the Integrity Assurance Committee and the Jockey's Benefit Scheme Trust for their invaluable contributions during the year.

I again acknowledge and thank the executive and staff of Racing NSW for their continued loyalty, dedication and friendship. The combined efforts of these officers have contributed largely to the continued viability of the NSW Thoroughbred Racing Industry.

Finally, I thank the many other persons involved in the industry who give freely of their time and effort mostly in a voluntary capacity in the various administrative and other roles which contributed to the success of the industry in New South Wales.

Peter V'landys AM
Chief Executive



Scott Kennedy

General Manager –
Industry & Analytical

Racing in New South Wales

Thoroughbred racing in NSW recorded another strong year in 2016/17. From a racing viewpoint, the year was highlighted by watershed increases in total prizemoney across NSW, introduction of Country Showcase meetings, a feature race on night meetings and the success of Carnival racing, including The Championships.

During the year, NSW conducted 619 Thoroughbred TAB race meetings. This figure was a small increase on the total from the previous year, recovering from an unusually wet start to the year that saw many meetings lost during the first three months of the year in the Central-West and Southern regions.

The Mid North Coast reverted to a full schedule of meetings with the return of Port Macquarie Racecourse from reconstruction. In the Southern Districts, Albury Racecourse was unavailable for most of the year, with this absence largely offset by additional meetings at other tracks in the region.

In many cases, race meetings initially lost to wet weather were postponed and run or replaced, including the Dubbo Cup in September and the Cootamundra Cup race meeting to early December 2016. Following flooding at Murwillumbah in April 2017, that track was only able to run a limited number of meetings during the remainder of the year. Despite this, the number of country TAB meeting increased from the previous year.

Racing NSW's program of capital works, ongoing maintenance and development of apprentice curators will continue to ensure that venues are better placed to manage wet or dry weather conditions into the future.

NSW RACE MEETINGS HELD

SECTOR	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Metropolitan	126	120	124	117	114	116	113
Provincial	122	120	118	134	130	131	130
Country TAB	279	291	315	328	312	304	318
Country Saturday TAB	68	70	65	61	65	64	58
Country Non-TAB	107	109	110	108	100	93	87
Picnic	27	31	28	29	27	27	26
TOTAL	729	741	760	777	748	735	732

The number of races run increased slightly and the NSW Thoroughbred Racing Industry continues to be the largest and most expansive of any Australian State.

NSW RACES RUN

SECTOR	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Metropolitan	951	917	931	890	863	913	929
Provincial	959	934	919	1,037	1,010	1,020	1,010
Country TAB	2,137	2,228	2,391	2,468	2,360	2,291	2,411
Country Saturday TAB	427	443	416	393	416	418	381
Country Non-TAB	575	590	596	584	533	504	481
Picnic	154	174	161	165	159	159	152
TOTAL	5,203	5,286	5,414	5,537	5,351	5,305	5,364

The growth in country TAB race starters was fuelled partly by the increases in prizemoney. The package of \$20,000 TAB races, frequent Showcase meetings with prizemoney of \$30,000 per race, the Country Championships and Highway races make a compelling case to race a horse trained in country NSW.

Total NSW race starters in 2016/17 year again declined slightly against the previous year.

As identified in previous reports, diminishing foal crops have been a factor impacting the total number of horses in work, although the reduction in total race starters has been at a lesser rate than declining foal crops.

NSW RACE STARTERS

SECTOR	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Metropolitan	9,162	8,954	8,925	8,731	8,125	9,082	8,735
Provincial	9,418	9,140	9,124	10,074	9,338	9,176	8,542
Country TAB	23,628	24,787	26,016	26,662	25,226	24,304	25,792
Country Saturday TAB	4,468	4,601	4,317	4,171	4,296	4,289	3,924
Country Non-TAB	4,920	4,942	4,926	4,754	4,356	4,121	3,723
Picnic	948	1,082	994	1,054	993	902	925
TOTAL	52,544	53,506	54,302	55,446	52,374	51,874	51,641

The increase in horses exported to Asia for racing, especially Hong Kong, also impacts the number of starters, especially those of Metropolitan standard.

NSW AVERAGE FIELD SIZES

SECTOR	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Metropolitan	9.63	9.76	9.59	9.81	9.41	9.95	9.40
Provincial	9.82	9.79	9.93	9.71	9.25	9.00	8.46
Country TAB	11.06	11.13	10.88	10.8	10.71	10.61	10.70
Country Saturday TAB	10.46	10.39	10.38	10.61	10.33	10.26	10.30
Country Non-TAB	8.56	8.38	8.27	8.14	8.17	8.18	7.74
Picnic	6.16	6.22	6.17	6.39	6.25	5.67	6.09
TOTAL	10.1	10.12	10.03	10.01	9.81	9.78	9.63

Racing NSW further addressed improving weight spreads in open and benchmark races in late December 2016 by adjusting the minimum weight in Metropolitan handicap races to 53kg from 54kg.

This change targets a weight spread of 8kg or more in Metropolitan benchmark races. In cases where a full weight spread is not achieved at acceptance time, weights have been adjusted down toward the limit weight for the bottom weighted horse in the race to minimise instances where all runners in races unnecessarily carry higher weights.

The policy was amended from mid-March 2017 to contain the reductions in weight to 2kg in any given race and not alter handicapped weights at acceptances where the top-weighted horse has less than 60kg.

Racing Highlights

The Sydney Autumn Carnival and the fourth staging of The Championships highlighted racing in NSW over the past season, despite an incredible run of wet weather.

Racegoers witnessed the champion mare Winx remain unbeaten throughout the season, with her season concluding with victory in the \$4 million Queen Elizabeth Stakes on Day 2 of The Championships.

Seven days earlier, racegoers enjoyed the breathtaking finish of Chautauqua to win a third consecutive \$2.5 million T.J. Smith Stakes.

The inexpensive yearling, She Will Reign, proved again that racing is for everyone when she took out the \$3.5 million Golden Slipper Stakes for her big group of owners.

New Zealand and Victorian-trained horses performed strongly throughout the Autumn Carnival, especially in staying races, taking out feature races such as the Australian Derby (Jon Snow), Rosehill Guineas (Gingernuts), The BMW (Jameka) and Ranvet Stakes (Our Ivanhowe). The Sydney Cup was won by Godolphin's Northern Hemisphere-trained visitor Polarisation.

The Country and Provincial Championships were staged for the third time in 2017. The Country Championships was won by the Coffs Harbour-trained Free Standing, after having been won by horses from the Hunter and North West in the first two runnings.

Although beaten by five lengths when running second in the Northern Rivers heat, the Cathleen Rode-trained gelding showed his liking for Royal Randwick, having won a Highway race there in December 2016.

In a postscript to the 2016 Country Championships, the winner Clearly Innocent progressed to win the Group 1 Kingsford-Smith Stakes at Eagle Farm before running third in the Stradbroke Handicap two weeks later.

To better balance the Country and Provincial Championships series, ACT-trained horses were added to the Provincial Championships for the first time in 2017.

The Canberra-trained Maryore showed that her heat win was no fluke by brilliantly winning the Final on Day 2 of The Championships.

Minimum prizemoney increases took effect from July 2016 with a further set of increases from October 2016.

These were headlined by an increase in Sydney Saturday prizemoney to \$100,000, but were also accompanied by other important changes. This included increases in prizemoney for NSW Group 2, Group 3 and Listed races to minimums of \$200,000, \$150,000 and \$125,000 respectively.

An eighth race was also added to night meetings as an \$80,000 feature race, as well as an eighth race being added to six selected midweek programs leading into the Spring and Autumn Carnivals.

NSW trainers had another outstanding season winning 36 of the 72 Group 1 races during the 2016/17 season.

Chris Waller continued his outstanding achievements by producing nine Group 1 winners.

The Godolphin team had a very productive year with five individual Group 1 winners, including four trained by John O'Shea and one by Darren Beadman.

Kris Lees and Peter and Paul Snowden each prepared four Group 1 winners while the Hawkes stable trained three Group 1 winners.

Global Glamour won two Group 1 races for the partnership of Gai Waterhouse and Adrian Bott, while Gary Portelli had two winners with Rebel Dane and Golden Slipper winner She Will Reign. Seven other individual NSW trainers trained a Group 1 winner during the year.

Once again Champion mare Winx dominated the Group 1 scene recording a staggering six Group 1 wins for the season.

She took her race winning sequence to 17 by winning the WFA \$4m Queen Elizabeth Stakes at Royal Randwick.

Her other Group 1 wins were in the George Ryder Stakes, Chipping Norton Stakes, George Main Stakes, W.S. Cox Plate and Caulfield Stakes.

Egg Tart (Australasian Oaks and Queensland Oaks), Global Glamour (Flight Stakes and Thousand Guineas) and Le Romain (Cantala Stakes and Canterbury Stakes) were the other multiple Group 1-winning horses trained in NSW.

NSW horses were very prominent in the Australian Classifications categories. Top-rated horses were Invader and The Mission (Joint Champion 2yo Male), Yankee Rose (Champion 2yo and 2yo Filly), Astern (Champion 3yo Mile), Global Glamour (3yo Sprinter Filly and Joint 3yo Mile Filly), Lasqueti Spirit (Joint 3yo Filly Mile), Prized Icon (Joint 3yo Long & Extended), Chautauqua (Older Sprinter), English (Older Sprinter Mare), Hartnell (Older Mile, Intermediate and joint Extended Male) and Winx (Older Mile Mare & Older Intermediate Mare). From the 19 separate categories NSW-trained horses were outright or joint winner in 13 categories.

Hugh Bowman won the Metropolitan Jockeys' Premiership coming from well behind in the final two

months to overhaul Brenton Avdulla in a great battle for the title. Tim Clark finished third.

Greg Ryan was the most successful jockey in the NSW State Premiership from Brenton Avdulla and Jeff Penza.

Rachel King was the most successful apprentice rider in NSW, while Andrew Adkins won the Metropolitan apprentices' title, adding to his previous Country and Provincial title wins in previous years.

Rachael Murray must receive a special mention for becoming the first female jockey to ride more than 100 winners in NSW in a season. Chris Waller won his seventh Metropolitan Trainers' Premiership and was also the leading trainer across NSW.

Industry Support

During 2016, further enhancements were made to the Quarantine Approved Premises ('QAP') at Canterbury Racecourse in response to feedback received from international participants during last year's inaugural operations.

These works included increasing the number of stables (up to 12 horses can now be accommodated), expanding tack and gear storage capacity, doubling shower-in/shower-out capacity, turfing of the track crossing and streamlining operations for private veterinarians.

Collectively, these improvements have enhanced the overall effectiveness of the QAP and going forward, provide the capacity to enable additional International horses to contest the Sydney Autumn Racing Carnival including The Championships.

The Department of Agriculture & Water Resources conducted a series of pre and post-quarantine audits with positive results achieved demonstrating the Department's confidence in Racing NSW's ability to successfully manage and operate the QAP.

Racing NSW has continued with its program of racing and training infrastructure improvements and upgrades under the capital works program funded from accumulated Race Fields monies. Among these, highlights include: -

Dubbo: Expansion of the water storage by 40 megalitres, irrigation improvements, construction of a sand training track and partial course proper drainage, with further course proper drainage to be undertaken in November 2017.

Albury: Comprehensive works were undertaken to the course proper to correct negative cambering and improve the shape of turns as well as adding drainage to the course proper. The Club was able to conduct both the Southern Districts Championships Qualifier and the Albury Gold Cup race meeting in March 2017. The track received very heavy rainfall two days prior to the Cup meeting, but the upgrade works enabled the meeting to be staged. The remaining drainage works have since been completed and the track will again resume racing a full schedule of meetings.

Tamworth: Following upgrades to the course proper last year, the new 1000m chute at Tamworth Racecourse was constructed during the year. Fill used to construct the chute also enabled water storage to be expanded which has been supplemented by the acquisition of a water licence, which will prove vital during dry weather periods.

Newcastle: The course proper returned to racing following a full reconstruction with its first full meeting being the Newcastle Newmarket on Friday, 17 March 2017.

The Beaumont-Newcastle Track continues to be used along with the course proper to manage the racing and trialling workload.

Wagga Wagga: A new fast work sand track at Wagga Wagga was constructed during the year providing improved trackwork facilities.

Kembla Grange: Development approval was obtained during the year for upgrade works at Kembla Grange Racecourse.

Sapphire Coast: An updated conceptual design has been completed for a new 16 stall stable block to be constructed at Sapphire Coast Turf Club.

The turf management apprenticeship scheme commenced with 26 new apprentices throughout the state that will be trained to obtain a Certificate III in Sports Turf Management/Greenkeeping through TAFE.

The apprentices are being mentored alongside qualified and experienced track managers as well as by Racing NSW's Racecourse Maintenance Manager.

The scheme provides additional resources to Clubs and also seeks to build the depth of available talent to ensure best possible maintenance and upkeep of racing and training surfaces into the future.

Racing NSW plays an important role in facilitating sound Work Health & Safety (WHS) practices at Race Clubs throughout NSW.

During the year, Racing NSW conducted a series of 15 free WHS Training Seminars for Race Clubs throughout Regional NSW.

These seminars are supported by an online WHS Management System which is in operation at Provincial and Country Race Clubs plus a kit-based version in use at Country Non-TAB and Picnic Clubs.

The content of this system is regularly updated and streamlined where possible to simplify understanding and facilitate its implementation.

This training is critical in providing instruction to new industry participants, as well as providing updates to existing Club Managers.

Outside these programs, Racing NSW also provides ad-hoc support to Race Clubs and liaises with SafeWork NSW as required.

Racing NSW continues its support of racing and training track maintenance programs for course proper and training facilities through its Racecourse Maintenance Manager.

This included the conduct of an annual series of five Regional Racecourse Managers Seminars. In addition, Racing NSW facilitates topsoil and water sampling programs to assist with track maintenance.

Wagering on Racing

Wagering on NSW Thoroughbred racing grew strongly during the 2016/17 financial year. Total turnover on NSW Thoroughbred racing grew by 8%.

Growth in turnover with interstate wagering operators, including corporate bookmakers and betting exchange was particularly strong, while the NSW TAB and interstate TAB turnover was marginally down year to year.

The growth in turnover was achieved despite the negative impact of an unusually wet autumn in Sydney, with March rainfall almost triple the average figure.

INDUSTRY

As such, all but one of the carnival meetings were run on heavy rated tracks from the Royal Randwick Guineas meeting on 4 March 2017 until the rescheduled Sydney Cup on 22 April 2017.

The only exception being the Coolmore Classic meeting on 11 March 2017 which was held on a Soft 7 rated track.

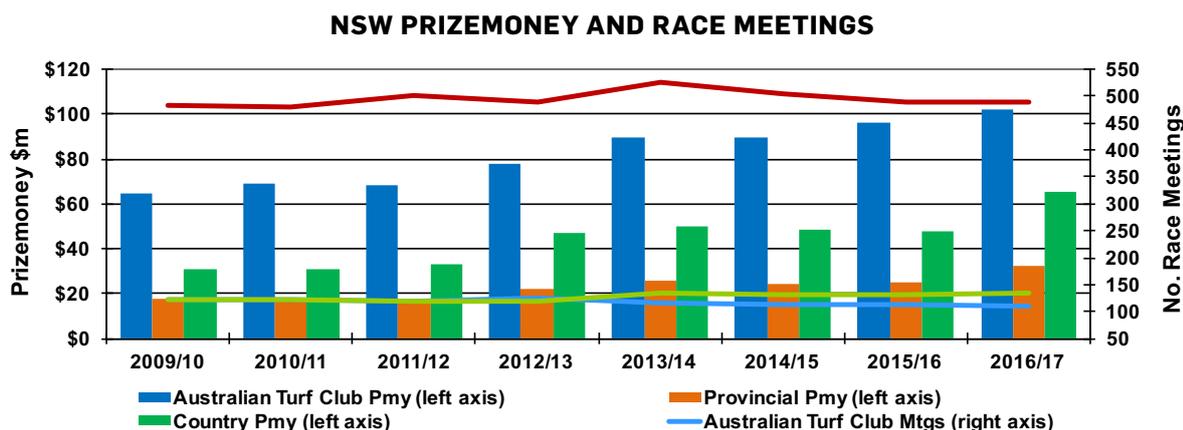
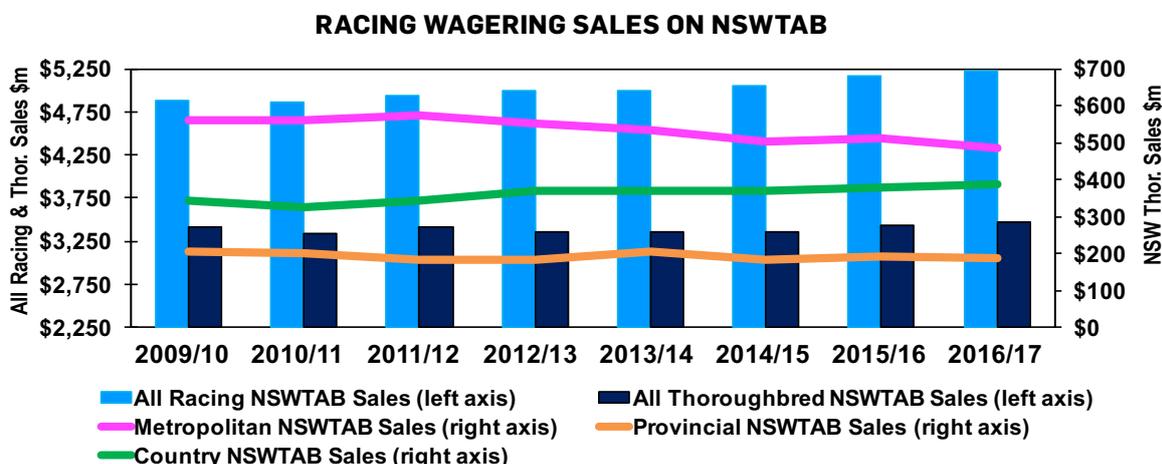
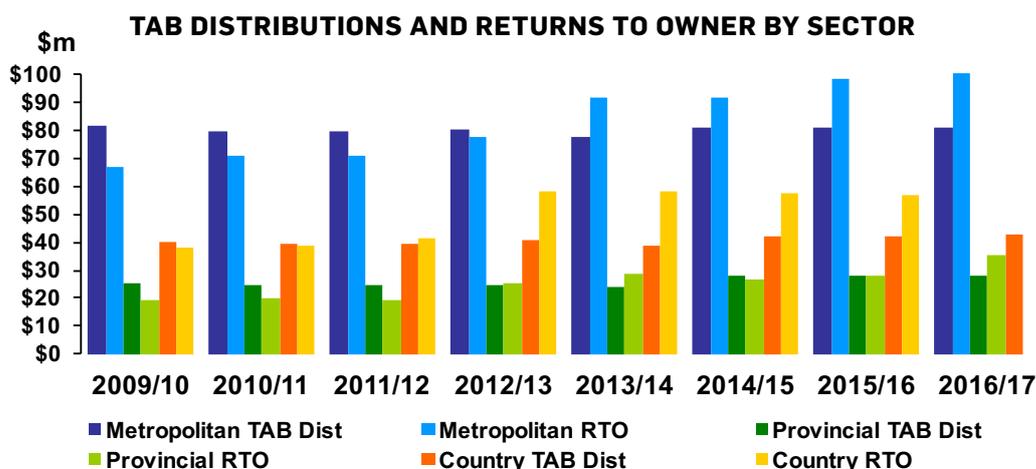
While it is pleasing that all meetings proceeded despite the incessant rainfall, the heavy rated tracks and the impact on field sizes reduced wagering turnover during this important period.

The chart below incorporates both totalizator and fixed odds wagering on the NSW TAB for recent years.

Payments to Race Clubs from TAB Funding and Returns to Owner

Total prizemoney and returns to owners in NSW grew in 2016/17 on the back of widespread increases in minimum prizemoney. The increases in Metropolitan Saturday prizemoney to \$100,000 per races, Provincial racing to \$30,000 per race and country TAB racing to \$20,000 per race were watershed levels.

The total prizemoney of \$199.8 million was a clear new record for NSW Thoroughbred racing. Total returns to owners including BOBS and appearance fees increased to \$227.7 million.





Keith Bulloch
General Manager –
Regulatory

BACKGROUND

The role of the General Manager-Regulatory is to manage the following functions:-

- Race Fields Legislation – Wagering Operators approval to use NSW Race Fields Information, and payment of required fees;
- Licensing Department – licensing of racing industry personnel;
- Registration – NSW functions including changes of horse ownership; transfers, leases and syndicates, racing colours (jockey silks);
- Handicapping;
- Industry Training Department – Australian Racing Equine Academy (Racing NSW partnership with TAFE Western Sydney Institute);
- Syndications, licensed promoters and ASIC communication;
- Stablehand 1.5% prizemoney bonus scheme;
- Welfare funding and support to participants in necessitous circumstances or flood relief;
- Chairman Racing NSW Licensing Committee;
- Trustee, NSW Jockey's Trust;
- Chairman, NSW Jockey's Governance Advisory Committee;
- Alternate Member, NSW Animal Care and Ethics Committee;
- Alternate Director, Racing Australia;
- Member, AREA/TAFE Governance Partnership Committee;
- Rules of Racing, betting and some disciplinary enquiries in conjunction with Stewards;
- Project work as assigned;
- Chairman – number of Racing NSW Show Cause Hearings, and
- Barrier draw auditing.

The GM-Regulatory has senior management responsibility for each area including implementation of Board policy. Department activities are reported under department headings later in this section.

In addition to these, specific project work was undertaken, such as:

ASIC's Key Changes to Horse Racing Syndicates

On 1 January 2017, the ASIC Corporations (Horse Schemes) Instrument 2016/790 replaced three class orders relating to horse racing and breeding, including ASIC Class Order [CO 02/319] Horse Racing Syndicates.

The instrument (and the Class Order before it) provides relief from the full requirements of the Corporations Act 2001 to sell financial products, allowing a simpler process for registered Promoters (syndicators) to sell horses in shares.

Racing NSW is a lead regulator, appointed by ASIC, with its role to co-regulate with ASIC the syndication of racehorses in shares.

Promoters are registered by Racing NSW as either Approved Promoters (in which case the applicant also requires an ASIC Australian Financial Services Licence) or as Authorised Representatives (who operate under the licence of an Approved Promoter).

A Product Disclosure Statement must be prepared for each horse, which is first checked and approved by Racing NSW as is the advertising of the horse, before an offer of shares can commence.

In relation to horse racing syndicates, the new instrument introduced key changes from the previous Class Order:

- The limit on the total amount sought to be raised by a syndicate is increased from \$250,000 to \$500,000;
- The maximum number of members of a syndicate is increased from 20 to 50;
- The information required in the Product Disclosure Statement has been expanded to also now include:
 - ♦ The name of the promoter of the syndicate,
 - ♦ The name of the manager of the syndicate,
 - ♦ Details of any actual or perceived conflict of interest of the promoter or manager in relation to the syndicate,
 - ♦ A statement as to whether the promoter was entitled to a free service to the horse's sire,
 - ♦ The purchase price and the passed-in price (where applicable) of the horse,
 - ♦ If the syndicate participants are to have unencumbered title to the whole of the horse:
 - ♦ A statement from the vendor/auction house confirming the horse has been devolved to the syndicate or syndicate participants with unencumbered title,

- A statutory declaration by the promoter that it has a legally enforceable right to possession of the horse and that it will ensure that syndicate participants will have unencumbered title to the horse.
- If the syndicate participants lease the whole of the horse under a standard form finance lease:
 - A copy of the standard form finance lease agreement,
 - A statutory declaration by the promoter that it will ensure that syndicate participants lease the horse under that agreement.
- A notice that a syndicate participant may elect to have the horse tested for a prohibited substance under the Australian Rules of Racing, with the cost of testing to be borne by all participants (whether or not they elected to have the horse tested).
- The promoter must provide to Racing NSW any finance lease agreement when it is entered into and when any changes are made, and
- Before or on registration of the syndicate with Racing NSW, the promoter must ensure that either the participants have unencumbered title to the whole of the horse, or the participants lease the whole of the horse under a standard form finance lease agreement.

Racing NSW was a leading participant in the Racing Australia working party that was a key contributor in the ASIC consultation process.

To coincide with the release of the new instrument, Racing NSW pro forma documents, guidelines and application forms were amended and advised to Promoters detailing the key requirements.

Racing NSW Race Fields Information Use – Changes to the Standard Conditions

The structure and function of the Race Fields scheme is continually reviewed by Racing NSW and when amended, changes are included in the Standard Conditions and advised to Wagering Operators.

In 2015 there was an amendment to the Race Fields Information Use Standard Conditions to provide for the introduction of the product category: Totalizator Derived Odds.

This product and variations of it is popular with punters and offered by the majority of Corporate Bookmakers and some On-Course Bookmakers.

As a result of the change, bets taken at Totalizator Derived Odds attracts a higher product fee payable by the Wagering Operators to the NSW Racing Industry than regular Fixed Odds bets.

As a result of a 2016 review, the category of 'Premier' meeting category was introduced from 1 July 2016, which applies to race meetings with at least one race carrying advertised prizemoney of \$1 million or greater. The fee for Premier meetings is set at 3.5% for Derivative Bets and 3.0% for other (non-derivative) bets.

As a result of the 2017 review, the scheme has also been amended from 1 July 2017 to increase the rate applied to standard race meetings for other (non-derivative) bets from 1.5% to 2%.

Standard Conditions were amended and advised to Licensed Wagering Operators detailing each effective date.

The changes followed amendments by the NSW Government to the *Betting and Racing Regulation 2012*.

Benchmark Programming and Handicapping Review

Metropolitan field sizes and Country participation

After a detailed review of the Handicapping and Programming changes implemented in October 2015, and following extensive consultation with the NSW Trainer's Association, Racing NSW decided on major changes to the system in December 2016 to be implemented immediately: -

- **Spread of Weights - Benchmark and Open Handicap Weight Scale (Metropolitan Area)**

Introduction of an 8kg weight spread in NSW Metropolitan races with a minimum weight of 53kgs and a topweight of 61kgs.

- **Reduction of Weights - Benchmark and Open Handicap Weight Scale (all sectors)**

A reduction of weights in all NSW non-feature races if there is no horse on the minimum weight in a particular race. For example, if the lowest weighted horse has been allocated 55kgs in a Metropolitan race it would be taken down to 53kgs and if the topweight in that race was allocated 61kgs this would be taken down to 59kgs. All weights in such circumstances would be taken down at declaration of weights until there is a horse on the minimum weight (subject to the minimum topweight requirements of the Australian Rules of Racing).

- **Country Participation in Metropolitan racing**

An additional initiative aimed at increasing the competitiveness of Country horses in the Metropolitan area realised the introduction of an indicative secondary benchmark rating for country horses.

This secondary Country rating provides an indication of the horse's likely rating in the Metropolitan area. Similarly, a Country rating will apply to Metropolitan horses nominating for Country races, providing a truer and fairer indication of the relativity between sectors. This was implemented from 16 January 2017.

Further, the Board determined that the Benchmark System currently being used in NSW will remain in place as a means of providing the most level playing field for all horses. However, it also resolved to implement changes to further improve the Benchmark System, including:

- Setting new criteria for reducing benchmark ratings for unplaced horses, so as to bring the rating down at a quicker rate;
- Setting new criteria for the increase of benchmark ratings, so as a horse's rating is not increased rapidly; and
- Introducing special conditions two-year-old races in the Metropolitan area.

Jockeys Insurances – Renewal of Policies

Racing NSW, as a member of the Racing Australia Jockey Insurance Sub-Committee, reached agreement on the renewals of Jockey Personal Accident and Public Liability Insurance policies. Extensive consultation with the Australian Jockeys Association balances the policy objectives, achieving best coverage for reasonable premium costs.

Trainers Insurances – Renewal of Policies

Different to the National Jockeys' policy, the trainers' policy is NSW centric, held by the NSW Trainers Association. This has been the case since 2008 when the NSWTA formed and sought better insurance cover for NSW trainers.

Racing NSW attended two meetings with the NSWTA and the insurance brokers regarding the renewals of Trainer Personal Accident policy and Public Liability Insurance policy for 2016/17.

Racing NSW's role is to check the terms of each policy with the objective to provide optimum protection possible within favourable terms for all trainers.

After pricing the market and receiving quotes for each type, the policies were renewed with existing underwriters for equal or improved terms to the previous year's coverage.

A minimal increase in premium applies but each is competitive and provides longevity in secure underwriters who are aware and manage the history of claims.

REGULATORY DEPARTMENT REPORTS

LICENSING

The Racing NSW Licensing Department is responsible for the issuing of NSW industry licences. Criteria regarding applicant's qualifications apply, depending on the category of licence sought. Gary Rudge is Licensing Supervisor, assisted by Matinde James.

Licensing decisions are reviewed or made by the Racing NSW Licensing Committee – a panel of managers representing Licensing, Stewards, Legal Division and Industry Training and chaired by the General Manager-Regulatory.

The Licensing Committee met on nine occasions during 2016/2017. Applicants for licenses may also be further interviewed at these meetings.

The role of the Licensing Committee, with oversight of the Chief Executive and Board, is to make recommendations on licence applications and to recommend licensing policy and procedure for Racing NSW.

In 2016/17 the Committee at these meetings:

- Conducted 21 interviews in relation to licence and other applications;
- Considered 43 licence applications that were referred to them by the Licensing Supervisor, of which 21 were approved and 22 refused, and
- Considered 8 other matters that were referred to them including licensee disciplinary matters and proposed amendments to licensing policy and procedures.
- The Committee also reviewed and agreed with the approval of the following new licenses:
 - ♦ 54 Trainer licenses
 - ♦ 7 Trainer Partnerships
 - ♦ 20 Jockey licenses
 - ♦ 18 applications to register an Apprentice Jockey
 - ♦ 15 applications to transfer the indentures of an Apprentice Jockey
 - ♦ 10 applications from an Apprentice Jockey to extend their indentures
 - ♦ 2 Bookmaker licenses
 - ♦ 9 Rider Agent licenses
 - ♦ 447 Stable Employee licenses (171 declined/did not proceed due to the applicant not obtaining the required Police Certificate, or not obtaining their HorseSafe Certificate)
 - ♦ 48 Bookmaker Clerk licenses (7 declined/did not proceed due to the applicant not obtaining the required Police Certificate)

Comparison of Licensing Statistics – 2016/17 vs 2015/16

The total number of trainers licensed compared to last season saw a reduction of 2.5%, from (1026 in 2015/16 to 1000 this year). This represents a similar reduction as experienced in recent seasons as retiring or resigning trainers are replaced by new applicants.

NSW resident jockeys numbers have been reasonably static (150 2015/16 vs 146 this year), whilst apprentice jockey numbers were slightly down (60 2015/16 vs 53 2016/17).

There has been a steady decrease in the number of registered bookmakers over previous seasons (this season down from 157 to 144).

LICENSES WITH THE EXPIRY DATE 30 JUNE 2017 (1/7/2016 TO 30/6/2017)

	Metropolitan		Provincial		Country		Total	
	Total 15/16	Total 16/17	Total 15/16	Total 16/17	Total 15/16	Total 16/17	Total 15/16	Total 16/17
Trainers	89	84	171	169	766	747	1026	1000
Jockeys	96	100	25	28	198	189	319	317
Apprentice Jockeys	24	29	10	10	95	68	129	107
Trial Apprentice	1	1	2	-	7	5	10	6
Approved Rider (Picnic)	-	-	-	-	33	41	33	41
Trial AR (Picnic)	-	-	-	-	9	4	9	4
Bookmakers	44	39	9	9	104	96	157	144
Rider Agents	23	20	7	7	15	17	45	44

NB – All jockeys or apprentices who ride in NSW are required to hold a licence in this state. As such, the above statistics include those who are based interstate. Resident NSW jockeys – (150) 146; Apprentices – (60) 53

LICENSES WITH THE EXPIRY DATE 31 OCTOBER 2017 (1/11/2016 TO 31/10/2017)

	Metropolitan			Provincial			Country			Total		
	YTD 15/16	Total 15/16	YTD 16/17	YTD 15/16	Total 15/16	YTD 16/17	YTD 15/16	Total 15/16	YTD 16/17	YTD 15/16	Total 15/16	YTD 16/17
Bookmaker Clerks	259	265	235	37	37	31	203	212	163	499	514	429
SH-Trackwork	300	349	315	125	128	121	442	476	363	867	953	799
SH-Non Trackwork	759	919	663	329	363	323	973	1038	858	2061	2320	1844
Foreperson	121	123	105	49	49	51	142	154	137	312	326	293

NB – Year to date (YTD) figures as at 30 June. Total figures 15/16 as at 31 October

The licenses for Forepersons, Stablehands and Bookmakers Clerks were extended until 31 December 2016 to assist participants with the adjustment of the new process to renew their licence online.

The amended expiry date makes the comparisons provided in the table and graphs below somewhat misleading as the 15/16 numbers would have included those persons who were newly licensed during the first two months of the previous season.

REGISTRATION

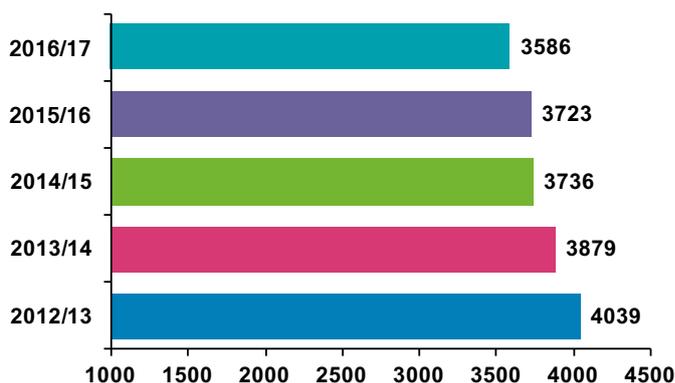
Racing Australia manages the Registrar of Racehorses which processes all new horse registrations nationally. Racing NSW is a stakeholder in Racing Australia.

Racing NSW acts as Deputy Registrar for NSW registration functions, which include Transfers of Ownership, Leases, Syndicates and Registration of Racing Colours (silks).

Horse Registrations – NSW

At the end of the 2016/17 financial year, the Registrar of Racehorses (ROR) had registered 11,321 new horses, of which 3,586 are owned in NSW. NSW remains the largest contributor to the national figure as this number represents 31.6% of the total number of horses registered, as identified having the Manager (first named owner) located in NSW.

NSW REGISTRATION FIGURES



Transfers/Leases/Syndicates – NSW

The Regulatory Department recorded 2,278 Transfers of Ownership for the 2016/17 financial year, an increase of 1.8% from the previous season. 710 Lease Agreements were recorded which is a slight decrease of 2.2% on the previous season.

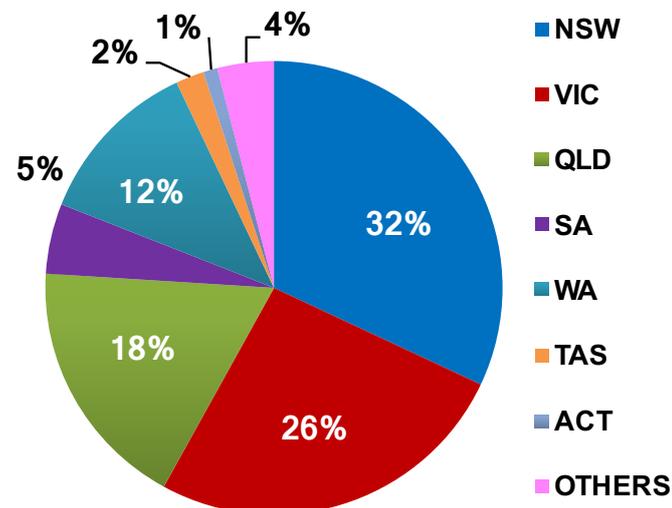
NSW registered 330 Syndicates during the 2016/17 season which is a 21.3% increase on the previous season.

This increase can be partly explained by the introduction of a new instrument for horse schemes which provided an increase in the number of persons permitted to be shareholders in a publicly promoted syndicate from 20 to 50 persons.

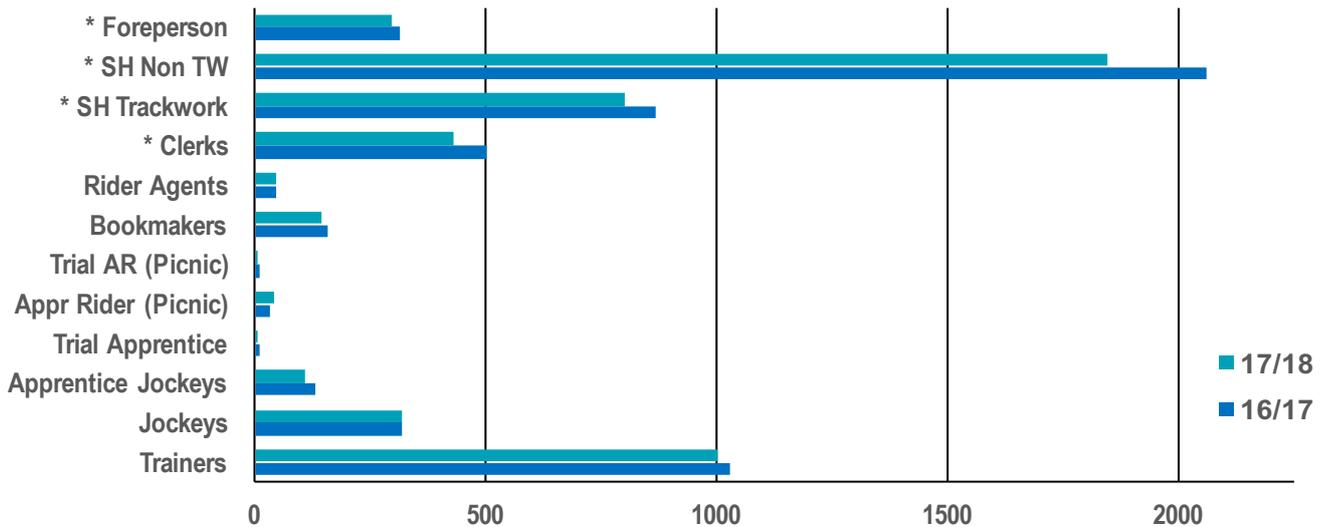
Under the Rules of Racing only 20 identities are able to be registered as an Owner, requiring a syndicate to be formed when over 20 persons purchase a share in a publicly promoted syndication.

Of NSW registered syndicates this season, 86.4% of those were 'ordinary' syndicates made up of a group of up to 20 persons (or up to 50 persons for publicly promoted syndicates). The remaining 13.6% of syndicate registrations comprise Company, Firm or Stud Syndicates.

REGISTRATION FIGURES BY STATE

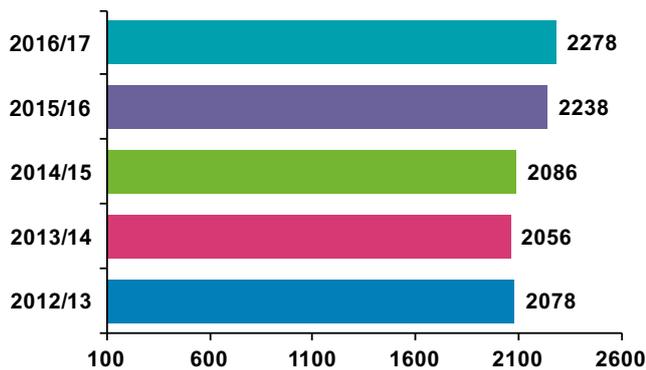


TOTAL LICENCES

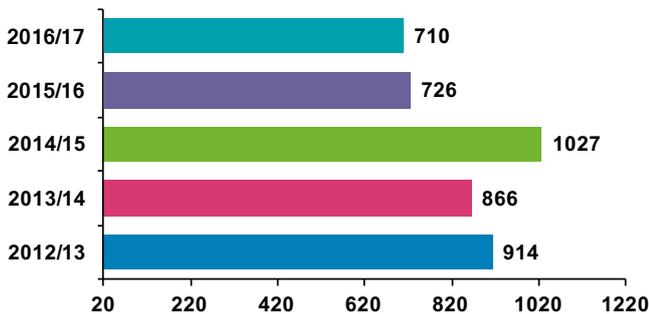


* Denotes – Licenses for these categories expire 31/10/2016 (comparison as at 30/06/2017)

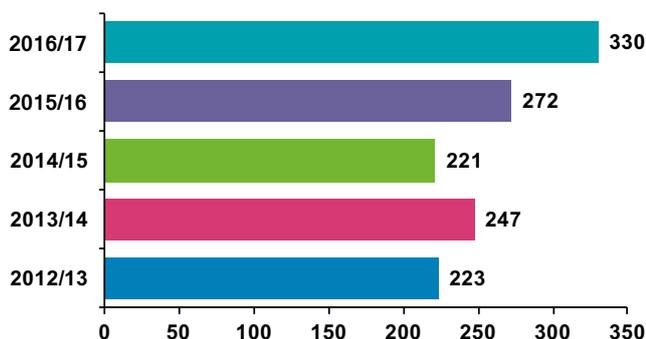
NSW TRANSFERS



NSW LEASES



NSW SYNDICATES

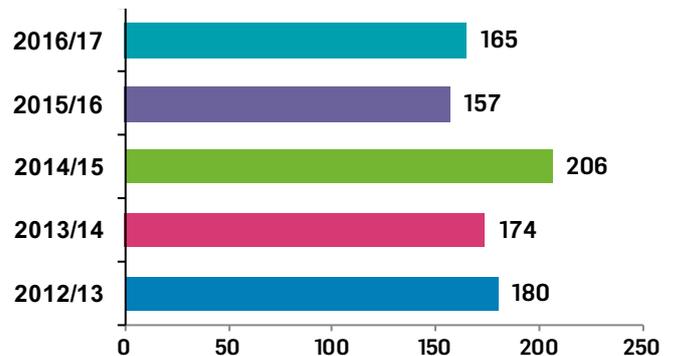


Racing Colours – NSW

Racing NSW registered 165 new sets of jockey silks during the 2016/17 financial year. There is a total of 2,695 sets of colours currently registered in NSW.

Each Principal Racing Authority now registers colours in the Single National System (SNS), a national database developed by Racing Australia.

NSW COLOURS – NEW APPLICATIONS



INDUSTRY TRAINING

The Industry Training Department is responsible for coordinating the delivery and assessment of training to new and existing industry licensees.

The training is managed by TAFE NSW-Western Sydney Institute under a partnership agreement with Racing NSW.

The partnership arrangement sees training conducted by a combination of specialist TAFE staff from the racing and horse industry working with Workplace Trainers and Assessors (“WTA’s”) employed by Racing NSW.

By working under educational supervision of TAFE NSW Western Sydney staff, the WTAs provide training and assessment services to apprentices, trainees and work experience placements which results in the learners gaining a range of qualifications awarded by TAFE NSW.

This highly successful training partnership, the Australian Racing and Equine Academy ("AREA"), has been operating since 2010.

Karlie Triffitt is Training Manager based at Richmond TAFE campus with Dan Power, Amy Breckenridge (Richmond) Jenny Schott (Tamworth) and Jamie Whitney (Canberra) operating as Workplace Trainers and Assessors (full-time) and Michael Donoghue (Wagga) part-time.

Phillip O'Brien, based in Bathurst, manages AREA's eLearning, Web and Digital Media programs (including Horsesafe). AREA's Apprentice Jockey Mentors are Pat Webster and Rodney Quinn.

Both on-the-job and off-the-job training forms an integral part of a participant's future qualifications. In particular, focus applies to new riders and future apprentice jockeys, and racehorse trainers.

TAFE Richmond College-based Trackrider training has been ramped up with new trackwork teachers Thomas Peters (Godolphin) and Tracy O'Hara (Senior Jockey) commencing part-time employment with TAFE NSW.

The AREA partnership has produced several new fee-free taster courses. A Basic Stablehand Skill Set was established to equip new participants with basic skills to safely start working at an entry level.

A Horse Welfare Skill Set was created to provide people with basic skills to assess the general welfare of their horses.

In June 2017, AREA developed a Basic Track Riding Skill Set enabling employers to send new staff to the Richmond Campus to be assessed on their level of riding skills before commencing trackwork.

Across NSW, Apprentice Jockey Schools now include a stronger focus on financial planning and tax education.

Emphasis on jockey health and well-being has been expanded by placing more focus on fitness, nutrition and drug & alcohol awareness.

Additionally, with the assistance of Racing NSW Stewards, the apprentice schools also provide stronger assistance in the areas of protests, enquiries and appeals.

The apprentices themselves requested more on this area and in response, AREA expanded its teaching in these subjects by including more guest speakers and enhancing its mock protest, media and stewards' inquiry scenarios.

In 2015, the CIV in Racing (racehorse trainers) national qualification was linked as a requirement for a NSW Trainer's Licence.

This has proved to be a successful step in providing new racehorse trainers with skills and knowledge of small business, horse welfare and the rules and regulations associated with this career.

Safety is a critical part of the industry training program. The new HorseSafe program commenced at the start of 2016 for all new licence applicants. HorseSafe is an on-line compulsory induction program for new entrants. Since its introduction more than 1200 people have successfully completed the HorseSafe program which has a focus on safety and industry awareness.

The objectives of the Industry Training Department include: -

- Assisting relevant Commonwealth and State education

and training organisations develop training packages and courses to cover all vocations within the racing industry;

- Assisting people entering the racing industry to find their most suitable career path;
- Ensuring participants are informed about the National Racing Industry Training Package;
- Providing equitable training throughout the Country, Provincial and Metropolitan areas;
- Seeking State and Federal funding to assist with the delivery of training for trainees and apprentices in the racing industry, and
- Managing the Rising Star Apprentice race series.

Promotions and Recruitment

This year staff from AREA have endeavoured to raise the profile of careers in the racing industry by attending four school careers markets (each attracting between 2,000 and 7,000 students).

AREA team has also been involved with AgVision and Career Readiness at the NSW Royal Easter Show. AREA trainers attended the Scone Horse Festival with The Hunter Region Breeders Association and Godolphin.

Rising Star Series

The 18th consecutive staging of the Rising Star Apprentice Series was staged between August 2016 and July 2017 with 25 competitive heats held.

One race on the program at each of these 25 race meetings is dedicated to apprentice riders only (with NSW-based apprentices preferred).

In 2016/17, Andrew Adkins won the series for the first time. In the break out season Andrew also won the Metropolitan Apprentice Jockeys' Premiership, encompassing the prestigious Theo Green Award.

APPRENTICE WINNING RIDES

TOTAL	12/13	13/14	14/15	15/16	16/17
Winning Rides	1398	1523	1318	1486	1255

Apprentice Rides

The overall apprentice ride summary for the 13/14, 14/15 and 15/16 seasons is comparable with that of the 16/17 season. This table includes Metropolitan, Provincial and Country statistics.

COMPARISON OF APPRENTICE RIDERS TO TOTAL STARTERS

TOTAL	13/14	14/15	15/16	16/17
Apprentice Rides	17,230	14772	16205	13409
Total Starters	57000	53955	53521	54488
Percentage of Total Rides	30.22%	27.37%	30.27%	24.60%

Other Student Numbers

This year through AREA, the department continued delivering training and assessment services to a range

of qualifications covering many other facets of the racing industry including track maintenance, barrier attendant and approved (picnic) riders.

The year also saw an expansion of online learning resources and an increase in the diverse range of delivery methods for all courses.

Enrolments have remained in line with recent years with a slight increase in advanced stablehands and track riders, although apprentice jockey numbers have experienced a slight reduction.

The recent requirement to be eligible to receive the 1.5% stablehand bonus prizemoney linked to training has seen a positive response.

The Horsesafe Induction Course too has been accepted by the industry and now has had over 1200 participants complete the course.

CIV Racehorse Trainer is steady, however, it is likely that a peak has been reached during the year.

AREA is currently designing a new online resource for students to improve their knowledge of horse health and welfare, the Rules of Racing and operating a small business.

ENROLMENT FIGURES

	11/12	12/13	13/14	14/15	15/16	16/17
Cert II Stablehand	61	13	43	27	10	8
Cert III Advanced Stablehand	31	101	83	105	47	55
Cert III Track Rider	20	77	78	80	34	46
CIV Jockey			63	55	45	40
Cert IV Racehorse Trainer	15	63	97	125	129	118
Cert II Racing Administration	1	0	8	0	0	0
Cert III Racing Administration	4	3	11	3	3	0
Cert CIV Racing Administration	No Stats	No Stats	No Stats	7	0	0
Cert III Racing Steward	1	2	4	3	0	0
Cert CIV Racing Steward	No Stats	No Stats	No Stats	4	4	0
Cert III Track Maintenance	7	8	21	17	16	20
Barrier Attendant Skill Set	0	268	129	67	42	28
Approved Rider (Picnic Race Jockeys) Skill Set	No Stats	No Stats	No Stats	7	14	19

Race Fields Legislation – Management of Legislative Requirements

The Racing Administration Act 1998 (the Act) provides that wagering operators (which includes Bookmakers, TABs, Corporate Bookmakers and Betting Exchanges) must seek the approval of Racing NSW to use NSW Thoroughbred Race Fields information. The approval process came into effect on 1 September 2008.

NSW Thoroughbred Race Fields Information is

considered to be any information that identifies, or can identify, the name/s or number/s of horses that have nominated for, or will take part in, a Thoroughbred race to be held at a NSW race meeting, or that has been scratched or withdrawn from a race meeting.

"Use" includes amongst other things, any oral, visual, written, electronic or other display or communication.

The Act also provides that Racing NSW may impose conditions on Approval Holders who use NSW Thoroughbred Race Fields information. The Standard Conditions that Approval Holders must comply with include: -

- Integrity and quality control processes regarding the recording of betting information and key employee accreditation;
- Payment of a fee determined by the wagering operator's full year net accessible turnover, and
- Other conditions designed to enable Racing NSW to administer the Race Fields Information Use legislation.

Approvals are issued annually for a financial year (or part thereof). After the initial application process, an ongoing reporting process, annual renewal and review monitoring program is a requirement of continued approval to use NSW Thoroughbred Information.

At the end of the 2016/17 period, the total number of Australian wagering operators that had been approved to use NSW Thoroughbred Race Fields Information was 290.

The department is responsible for the administration of the Race Fields area including initial assessments and recommendations to the General Manager-Regulatory regarding applications, the applicable fee for wagering operators, audit and financial reporting.

Collection of venue by venue turnover figures is arranged for critical assessment by the analytical department of Racing NSW.

Certain publications, such as not-for-profit use for social purposes, and certain racing organisations or media bodies are authorised to use NSW thoroughbred Race Fields and are not subject to Racing NSW Standard Conditions.

HANDICAPPING

The Racing NSW Handicapping Department is responsible for the issuing of weights for all races conducted in NSW and the ACT.

Racing NSW handicappers work as a panel, providing the final assessments for each horse in the Metropolitan, Provincial and Country areas.

The panel consists of Handicapping Manager & Senior Handicapper, Damien Hay; Senior Handicapper Ben Dunn and Cadet Handicapper/Racing Assistant's Nathan Bryant, Toby Brown, Sam Reed and Reuben Loughlin.

Racing Liaison Officer, Kerry Jordan, assists the panel by handling all enquiries, allowing handicappers to properly apply their time to the involved assessment process.

The Handicapping Department issued the weights and ballot orders for 6,139 races held across the 834 race meetings which were conducted in the 2016/17 racing season.

Weights were released for the 104,122 nominations at

these meetings with each of the 54,059 starters being individually re-assessed by the panel and given a new Benchmark rating within an average of two business days after the race.

Feature Race Weights

The Handicapping Panel released weights early for the four major Group 1 Handicap races conducted in NSW in the 2016/17 racing season: Doncaster Mile, Sydney Cup, Epsom Handicap and The Metropolitan.

Epsom Handicap – Spring carnival

The 2016 Epsom Handicap run at Royal Randwick over 1600m received 37 entries with 19 horses weighted above the limit weight of 50.0kg (48.0kg for 3yos). A topweight of 58.0kg was given to Black Heart Bart, achieving a 10.0kg weight spread at the time weights were released.

The Metropolitan Handicap – Spring carnival

The Metropolitan of 2016, a 2400m staying test, received 27 entries with 12 horses weighted above the limit weight of 50.0kg (49.0kg for 3yo's). A topweight of 58.5kg was given to Hartnell (GB), achieving an 8.5kg weight spread at the time weights were released (no 3yos were nominated).

Doncaster Mile – Autumn carnival

The Doncaster Mile of 2017 received 151 entries with 49 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 58.0kg was given to Hartnell (GB), achieving a 9.0kg weight spread at the time weights were released.

Sydney Cup – Autumn carnival

The 2017 Sydney Cup over the time-honoured stayers' distance of 3200m received 100 entries with 36 horses weighted above the limit weight of 50.0kg and 49.0kg for 3yos. A topweight of 58.0kg was given to Almandin (Ger), achieving a 9.0kg weight spread.

These Group One races are among those at the pinnacle of racing in our State and their handicap status provides the racing industry with open and competitive races. The result is wide betting markets, in turn promoting public interest and healthy betting turnover for our feature events.

Registered NSW Syndicate Promoters and Authorised Representatives

Racing NSW continues to act in its appointed role as Australian Securities & Investment Commission lead regulator for the syndication of racehorses in NSW.

The rescission of the Class Order CO 02-319 and introduction of the Horse Instrument 2016-790 described above govern the regulatory relationship between Racing NSW and ASIC.

Promoters (Syndicators) are registered by Racing NSW as either Approved Promoters (in which case the applicant also requires an ASIC Australian Financial Services Licence) or as Authorised

Representatives (who operate under the licence of an Approved Promoter).

At the end of 2016/17 there were 14 Approved Promoters and 5 Authorised Representatives on the Racing NSW registers.

When a horse is sold in shares by one of these parties it is described as a promotion, requiring production of a Product Disclosure Statement (PDS) that explains the investment to the purchaser before deciding to buy. Each PDS requires approval by Racing NSW before being released to the public.

There was a total of 175 approved promotions in the 2016/17 period, an increase of forty-one from 2015/16.

NUMBER OF HORSES SYNDICATED BRACKETED ON PRICE PER 10% SHARE

Price Range – 10% Share	16/17	15/16	14/15	13/14	12/13	11/12
<\$10,000	57	31	33	52	49	39
\$10,000 to \$29,999	118	103	105	78	68	65

NUMBER OF HORSES SYNDICATED BASED ON KNOCK DOWN PRICE OF HORSE AT YEARLING SALE (or valuation if private):

Price Range – Horse	16/17	15/16	14/15	13/14	12/13	11/12
<\$10,000	4	0	2	2	2	2
\$10,000 to \$29,999	11	8	7	17	8	7
\$30,000 to \$59,999	44	19	21	27	32	26
\$60,000 to \$99,999	49	44	46	35	38	30
\$100,000 +	67	63	62	49	37	39

There was a significant increase in the number of horses offered for syndication by Promoters this season.

The registration of some new Promoters by Racing NSW and the recent good run of results from horses that have been syndicated by Promoters based in NSW (and the publicity this generates especially following success in some major races) are seen as the most influential factors in this increase.





Marc Van Gestel

General Manager - Integrity/ Chairman of Stewards

Functions

The activities of Stipendiary Stewards include:

- Ensuring the safe conduct and integrity of racing;
- Ensuring the welfare of the racehorse and participants;
- Officiating at all race meetings and official trials in NSW;
- Attending and supervising trackwork;
- Conducting track and stable inspections and audits;
- Administering drug testing operations, including out-of-competition testing;
- Addressing rider, track and horse safety issues;
- Conducting inquiries into race rides and conduct of licensed persons;
- Conducting of sampling of riders and stable employees for banned substances;
- Regulating and investigating wagering activities;
- Investigating the use of illegal substances, and
- Arbitrating on betting disputes.

Personnel Changes

2016/17 saw a number of changes made to the Racing NSW Stewards Panel.

Philip Dingwall was appointed as Deputy Chairman of Stewards after having worked in Asia for 12 years as Chairman of Stewards in Malaysia and on the Hong Kong Jockey Club Stewards Panel.

Raymond Livingstone was promoted to the position of Senior Stipendiary Steward-Training and Development, whereby one of his key roles is to progress the training and development of Trainee Stewards.

Chris Polglase was appointed as Operational Supervisor of the department and recently took up the position of Deputy Chairman of Steward in the SERA whereby he continues to manage operational matters.

Teague McDonald was appointed to the Metropolitan Stewards Panel-Stewards Assistant Counsel after completing his traineeship. Teague recently also completed his Graduate Diploma of Legal Practice and has been issued his practicing certificate from the Law Society of NSW.

Troy Vassallo was also appointed to the Metropolitan Stewards Panel after spending 6 years as Deputy Chairman of Stewards in Wagga.

Other changes included: -

- ♦ Resignation of Ben Gray, Deputy Chief Steward-SERA;
- ♦ Appointment of Jason Shultz, Deputy Chairman of Stewards-SDRA; and

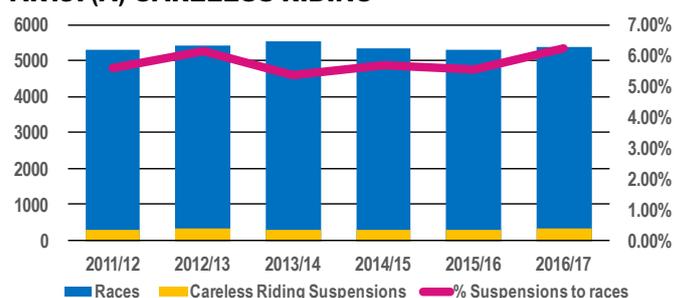
- ♦ Appointments of Nathan Daniels, Tim North, Courtney McIntosh and Ian Grimes as Trainee Stipendiary Stewards.

Stewards Inquiries

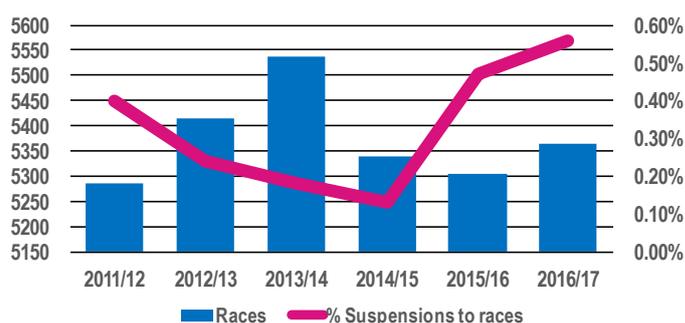
During the 2016/17 year, the Stewards panel presided over a broad range of inquiries involving offences under the Rules of Racing. The following periods of suspensions were issued against jockeys during this period: -

- AR137(a): Careless Riding – 334 suspensions of licence
- AR137(b): Failure to ride horse out to finish – 12 suspensions of licence
- AR137A(5): Whip related offences – 30 suspensions of licence
- AR145: Weighing in overweight – 6 suspensions of licence
- AR135(b): Failure to take all reasonable and permissible measures to win or obtain the best possible placing – 3 suspensions of licence

AR137(A) CARELESS RIDING



WHIP OFFENCE SUSPENSION



On 1 February 2017, AR137A(5) was amended to provide the Stewards with discretion taking into account the totality of whip use over the whole race.

New Developments

Red Shift – 2016/17 saw the implementation of the Red Shift case management system. The system was purchased by Racing NSW to allow Racing NSW Stewards and the Investigations and Surveillance Unit to work together to share information across the State. The system allows users to profile, create associations among participants along with storing important case information.

Stewards Room Vision – Racing NSW commenced the installation of Stewards room cameras across the State to allow Stewards based in the Druiitt Street offices access to communicate and witness inquiries being conducted on course. The system was introduced to allow further development of Stewards and also provide Stewards with assistance on raceday.

Hawk-Eye and Video Storage – Following the introduction of Hawk-Eye in 2015/16, Racing NSW has continued to develop the system to meet the needs of the Stewards. This year enhancements included the introduction of graphics being superimposed on the screen to allow viewers to determine distances at any point on the vision.

In addition to these developments, 2016/17 saw the introduction of the NAS multimedia storage server, which facilitates Stewards Patrol films from around the State to be stored on the one server based in the Druiitt Street offices. Additionally, the system allows networking of the vision to be played at appeals or inquiries.

MAJOR INQUIRIES

James McDonald Betting Inquiry: In November 2016, Racing NSW Stewards commenced an investigation into betting activities of licensed jockey James McDonald following Racing NSW receiving intelligence from the Australian Criminal and Intelligence Commission (ACIC).

The investigation led to a charge issued against James McDonald for a breach of AR83(d) for having an interest in a bet on Astern when the colt raced at Randwick on 5 December 2015 and James McDonald being disqualified for a period of 18 months.

The decision was confirmed by the Racing NSW Appeal Panel and Racing Appeals Tribunal.

The investigation demonstrates the strong association Racing NSW has with the ACIC, due to the Memorandum of Understanding entered into in 2015 and provides the Stewards with important intelligence to assist in the protection of the integrity of the NSW Thoroughbred Racing Industry.

Methylamphetamine Betcha Thinking: In December 2016, Racing NSW Stewards inquired into the finding of methamphetamine being detected in a post-race urine sample taken from Betcha Thinking after finishing second at Canterbury Park on 5 October 2016.

The investigation involved 30 stablehands being sampled by Racing NSW and interviewed along with 67 workplace hair samples being analysed before it's trainer Chris Waller was penalised \$5000 by the Racing NSW Appeal Panel. Betcha Thinking was disqualified from its second placing.

Ketorolac – Yankee Rose: In January 2017, Racing

NSW Stewards inquired into the findings of the ARFL that the post-race urine sample taken from Yankee Rose after running second in the Group 1 Flight Stakes at Randwick on 1 October 2016 was found to contained the prohibited substance ketorolac.

Trainer David Vandyke was fined \$25,000 and Permitted Veterinarian Dr David Garth was fined \$15,000 for administering the substance. Yankee Rose was disqualified from its second placing in the Flight Stakes.

Other matters inquired into during the year included: -

- ♦ ATC Mounted Security Inquiry whereby officials Mr Dennis Mitchell (Appeal pending) was fined \$4000 and Ms Michelle Steele was fined \$5000 for conduct prejudicial to the interests of racing and failing to provide veterinary care to ATC security horses.
- ♦ Breakfast with the Stars Inquiry whereby training partnership Gai Waterhouse & Adrian Bott were fined \$5000 working horses during the Breakfast with the Stars when not nominated to do so.
- ♦ Trainer Con Karakatsanis Raceday Administration Inquiry whereby Mr Karakatsanis was disqualified for a period of 12 months for a breach of AR178E(1).

Drug Testing

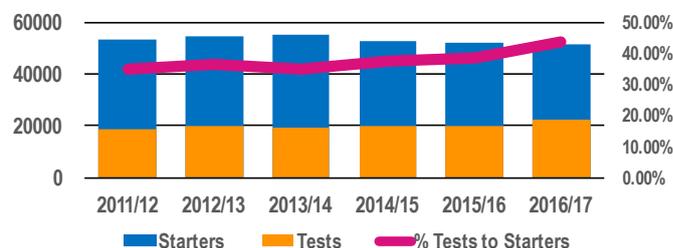
During 2016/17, a total number of 22,656 tests were performed by the ARFL on raceday samples to be analysed for prohibited substances in accordance with the Rules of Racing.

This figure represents a 12% increase on the 2015/16 sampling figures.

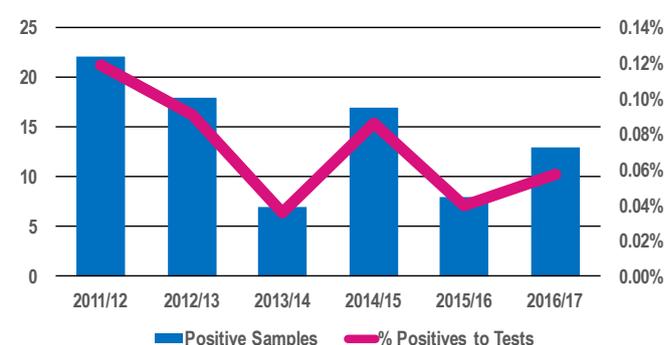
In addition, all Metropolitan and selected Provincial and Country samples were sent to the National Measurement Institute to be analysed for trace metals including cobalt. 13 samples returned positive to prohibited substances, slightly up from the 2015/16 season.

Substances detected in these samples included cobalt, methylamphetamine, ketorolac, clenbuterol, altrensoget, triamcinolone acetonide and caffeine.

ARFL – ANALYTICAL STATISTICS



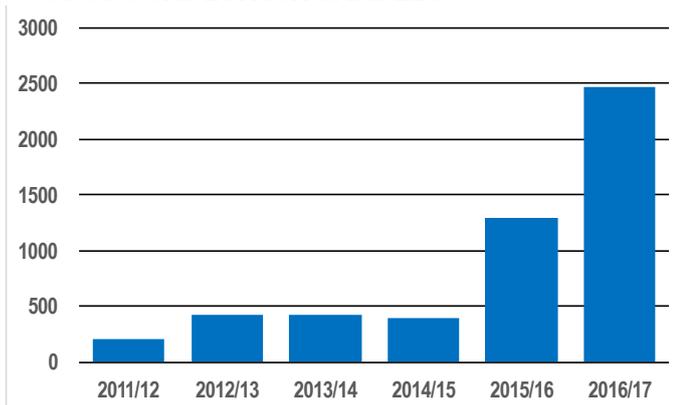
POSITIVE SAMPLES (EQUINES)



In 2016/17, Racing NSW Stewards continued to increase the level of out-of-competition sampling with the analysis of 2,459 (an increase of 1,100 samples on 2015/16) non-raceday samples, whereby Stewards ordered samples to be analysed for substances banned to be in a horse's system at any time in accordance with AR177B.

This figure includes horses placed on the Equine Biological Passport program as well as horses tested at barrier trials and stables whereby Stewards order samples be analysed for compliance with the rules.

OUT OF COMPETITION SAMPLES



Licensee Sampling

The Stewards also maintained a strong presence at trackwork, trials and race meetings with jockey and stablehand testing.

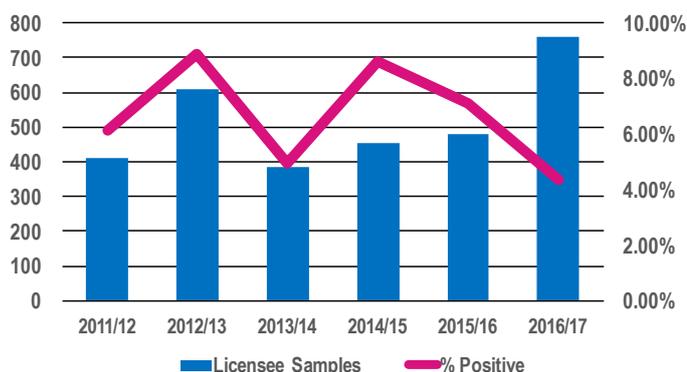
This year 759 samples were taken from licensed persons for a range of banned substances, with 33 offences detected and penalties of suspension or disqualification of licence handed down.

Over 200 breath tests were also carried out on licensed persons at trackwork and on raceday. The 759 samples taken represented a significant increase on last year's figure of 478 samples being taken.

Racing NSW this year purchased three new Alcometers to provide an increased coverage of breath testing for alcohol both at trackwork and race meetings.

In licensee swab cases, emphasis has continued on rehabilitation and educative processes with access to professional counseling provided and encouragement in the form of reduction in penalty being offered. Pleasingly, the percentage of positive tests to samples taken reduced from 7.11% in 2015/17 to 4.35% this year.

LICENSEE SAMPLING



Surveillance and Investigation Unit

The Racing NSW Investigation and Surveillance Unit, headed by Nathan Hayward, was proactive during the year, increasing their presence of raceday stable inspections and of horses competing.

This year further emphasis was placed on inspections of horses within one clear day of racing. In addition, as evidenced in the James McDonald case, the strong relationship with the Australian Criminal and Intelligence Commission and NSW Police was maintained which plays an integral part in the unit providing valuable intelligence to the Stewards.

This year saw the appointment of former NSW Police detective, Matthew Gibson, to the unit.

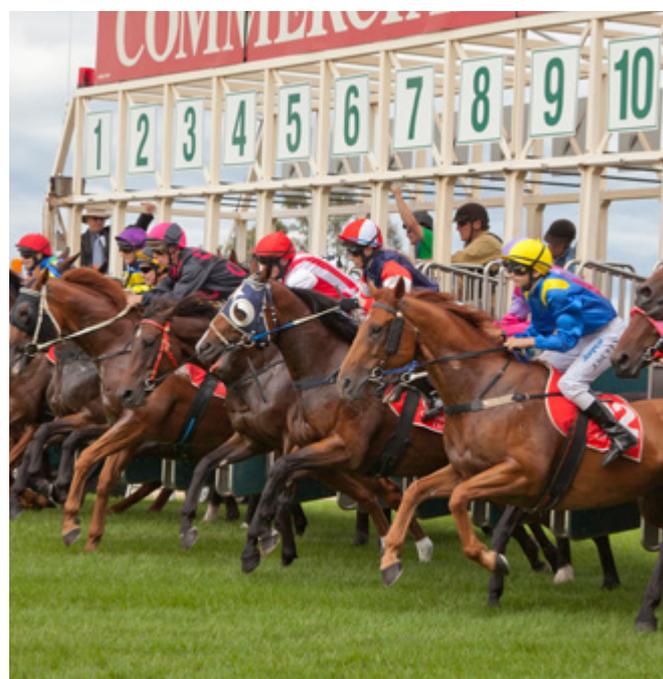
Conferences and Tribunals

During 2016/17, Marc Van Gestel, attended the Racing Australia National Chairman of Stewards Advisory Group (NCOS). The NCOS met in November 2016 in Melbourne.

Liaisons and Contacts

Industry matters continued to be addressed through liaison by the Racing NSW Stewards Panel with a number of bodies, including:

- Australian Criminal and Intelligence Commission
- NSW Police Casino and Racing Investigation Unit
- NSW Racehorse Owners Association
- Racing Australia, including Keeper of the Stud Book
- NSW Trainers and Jockeys' Associations
- NSW Bookmakers' Co-operative Ltd
- Australian Equine Veterinary Association
- Royal Society of Prevention of Cruelty to Animals
- Racing NSW Integrity Assurance Committee
- Veterinary and Analysts Committee
- National Jockey Safety Review Committee
- Australian Racecourse Managers Association
- Interstate and Overseas Principal Racing Authorities
- Australian Jockeys' Association





Dr Craig Suann

BVsc, Dip VSC, Dip LAS, MACVSc

Senior Official Veterinarian – assisted by Dr Tania Selig

Role of the Racing NSW Veterinary Department

- Provide and supervise veterinary services at Metropolitan and Provincial Thoroughbred racetracks, and to oversee and monitor veterinary services provided by local practitioners at NSW Country tracks;
- Implement and monitor the sample collection process at Metropolitan and Provincial racecourses;
- Provide advice to the Racing NSW Board and industry on veterinary and equine health and welfare issues, and on matters relating to prohibited substances and their detection;
- Assist the Australian Racing Forensic Laboratory (ARFL) in developing and improving drug detection methods through the conduct of drug administration trials;
- Represent Racing NSW on national and international groups and committees deliberating on veterinary, equine welfare, emergency animal disease and drug control policy matters;
- Provide expert evidence in Stewards' inquiries, appeals and other hearings, and
- Facilitate veterinary supervision of the Canterbury Park approved quarantine facility, including ensuring compliance with biosecurity procedures and the conduct of mandatory disease testing.

Key Operational Activities and Achievements

Dr Suann: -

- Collaborated with the ARFL and the Stewards in the management of routine and strategic drug control issues, including the implementation of the equine biological passport and the tactical out-of-competition testing program;
- Participated in and coordinated other veterinarians for the out-of-competition and tactical testing program for horses in racing stables, and the testing for anabolic steroids at the Inglis Australian Easter Yearling Sale;
- Continued the ongoing approval process for new veterinarians applying to officiate at race meetings around NSW, including those attending non-TAB meetings, with 19 vets approved during the reporting period, and updated relevant guideline documents;

- Conducted drug administration trials for the ARFL, and managed the operations of the Racing NSW Animal Care and Ethics Committee;
- Participated with ARFL's Science Manager, Dr Adam Cawley, in the Racing Australia-funded, multi-centre 'Gene Doping' project;
- Provided technical advice in a number of matters relating to the detection of elevated levels of cobalt in raceday samples;
- Monitored and reviewed raceday and non-raceday equine injuries and fatalities throughout the state;
- Reviewed the health implications for horses racing in conditions of poor air quality arising from bushfires and controlled burn-offs, and monitored thermal comfort conditions at NSW race meetings during the state-wide summer heat wave which led to changes to race programming during periods of peak adverse conditions, and
- Participated as a trustee of the Racing NSW Equine Welfare Fund, and
- Facilitated the distribution of Kimzey leg saver splints for use at all NSW race meetings, and which are used to stabilise serious, salvageable lower leg injuries.

Racing Australia's Veterinary and Analysts Committee (VAC)

- As Chairman of Racing Australia's Veterinary and Analysts Committee (VAC), Dr Suann convened a meeting of the Committee in Sydney on 15 and 16 August 2016 where the following matters were considered: -
 - ◆ Testing for therapeutic substances, including a review of new screening limits in urine and plasma for therapeutic substances;
 - ◆ Welfare matters, including responses to racing in hot weather, review of injury statistics, retirement of racehorses;
 - ◆ The regulation of the abuse of cobalt, including the application of raceday threshold levels in urine and plasma in out-of-competition samples, and a review of the status of injectable preparations containing cobalt salts;
 - ◆ National racing laboratory research and development;

- ◆ New gene technologies and gene doping;
- ◆ Emerging integrity issues including new drugs and procedures identified by human sports labs;
- ◆ Hendra virus and Hendra vaccination;
- ◆ Review of rules dealing with the regulation of medication and treatment;
- ◆ Additions to the list of substances specified for the purposes of the out-of-competition testing Rule (AR.177B), and
- ◆ Extending the 8-clear day ban on the use of intra-articular corticosteroids prior to competition to all intra-articular medications.
- Dr Suann also facilitated VAC's out-of-session input into the following matters: -
 - ◆ Wholesale review of the Australian Rules of Racing, especially with respect to the regulation of prohibited substances and prohibited practices;
 - ◆ The drafting of industry notices advising of the implications regarding various rule changes, including the 5-clear day pre-race ban for all vaccinations, the revised cobalt threshold level in urine and new cobalt threshold in plasma, and for the facilitation of special requests for blood sampling for health tests within the one clear day, and
 - ◆ The incorporation of new international thresholds and screening limits in urine and plasma for the purposes of the Australian Rules of Racing.

International Federation of Horseracing Authorities (IFHA)

- As one of two international veterinary members on the International Federation of Horseracing Authorities (IFHA) Advisory Council on Equine Prohibited Substances and Prohibited Practices and the IFHA Welfare Committee, Dr Suann represented Racing NSW and Racing Australia at meetings of both committees held during the 21st International Conference of Racing Analysts and Veterinarians (ICRAV) held in Montevideo, Uruguay, in October 2016. Matters considered included: -
 - ◆ Updates to the IFHA list of harmonised International Screening Limits in urine and plasma for a range of therapeutic medications commonly used in horses;
 - ◆ Review of new threshold levels for testosterone in plasma of female horses, cobalt in plasma, and prednisolone in urine;
 - ◆ Further updates to Article 6 (Biological Integrity of the Horse) of the IFHA International Agreement;
 - ◆ International harmonisation of and best practice for testing for anabolic steroids, including the testing of hair samples;
 - ◆ Production of guidelines for the preparation of laboratory documentation packages for positive findings;
 - ◆ 'Residue limits' for environmental and feed contaminants;
 - ◆ The potential adverse effects of bisphosphonates on bone quality, and
 - ◆ Development of international guideline standards

for racehorse welfare practices.

- The ongoing assistance and commitment of veterinary colleagues providing official veterinary services at racetracks around NSW is gratefully acknowledged.

Racing NSW Animal Care and Ethics Committee (ACEC)

The Racing NSW Animal Care and Ethics Committee (ACEC) was established in compliance with the requirements of the NSW Animal Research Act 1985 to monitor and supervise the team of research horses used for drug administration trials conducted as part of the research and development program of the Australian Racing Forensic Laboratory (ARFL), as well as to approve other relevant research and population studies required to maintain the integrity of the drug control process in horse racing.

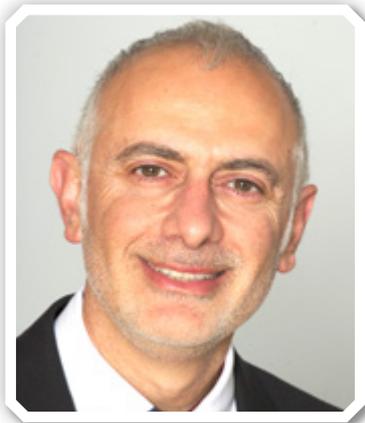
The Committee is chaired by Racing NSW Chief Executive, Mr Peter V'landys AM, and its external members are Mr Tony Gregory (Category C member), Mr John Muir (Category D member) and Mrs Adrienne Clark (horse carer).

Category A member (veterinarian) is Dr Tania Selig and Category B member (researcher) is Mr John Keledjian, ARFL General Manager. Senior Official Veterinarian, Dr Craig Suann, is Executive Officer and ARFL Science Manager, Dr Adam Cawley, provides technical assistance to the Committee.

The Committee approved two research proposals during the reporting period. Included in these proposals was one that facilitated ongoing drug administration trials that would assist the laboratory in improving its drug testing capabilities, as well as a proposal to study the effects of hot weather on racehorse post-race recovery and the tools for assessing same.

Following the successful site inspection of Racing NSW by a panel representing the NSW Animal Research Review Panel (ARRP) and NSW Animal Welfare Unit in the previous year, a number of follow-up recommendations arising from the inspection that followed changes to the national Code of Practice were addressed.

This included the appointment of new Category A and B members, Dr Selig and Mr Keledjian, respectively. The accreditation of Racing NSW as an Animal Research Establishment was also renewed by ARRP for a further three years.



John Keledjian
General Manager - ARFL

Function and Accreditation

The primary role of the Australian Racing Forensic Laboratory (ARFL) is to provide accurate and independent analytical services to Racing NSW Stewards to assist in upholding the relevant rules pertaining to prohibited substances in the sport of Thoroughbred racing.

Similar services may be provided under contract to other racing codes or competitive animal sports organisations. Non-racing contract work may also be procured to augment revenue.

As an arm of the integrity functions of Racing NSW, the laboratory serves to control the use of prohibited substances by the provision of sampling kits and protocols of their use, analysis of received samples, and participation in research programs to improve capabilities, respond to new challenges as they arise and assist veterinarians in the legitimate use of medications.

ARFL is accredited by the National Association of Testing Authorities to ISO/IEC 17025 standard and ILAC G7, and is also a member of the Association of Official Racing Chemists.

It is one of only five laboratories in the world selected as an approved reference laboratory to analyse samples for the Fédération Equestre Internationale (FEI), the others being in the United Kingdom, France, Hong Kong and the United States.

Sampling Kits

Assembling, packaging and dispatch of sample collection kits is performed by Beehive Industries Co-operative. In an enrichment of an already 13-year partnership with Racing NSW, the contract work has allowed Beehive Industries to support a greater number of seniors and persons with a disability.

Sampling kits for urine and blood collection involve several layers of security and are distributed to all racing regional areas in NSW and to other clients around Australia.

Analysis of Samples

Over 25,000 animal samples are tested annually with only a very small percentage found to contain prohibited substances (Table 1).

Negative samples are generally reported within 10 working days of receipt at ARFL. Positive findings are confirmed on the 'A' sample and then by referee analysis of the 'B' sample at another accredited racing laboratory.

TABLE 1 – ANIMAL SAMPLE STATISTICS 1 JULY 2016 TO 30 JUNE 2017

	Total urine	Total Blood	TCO2 tests	*OC tests	Cob tests	Enhanced testing	Prohibited Substances Detected
Metro Th'breds NSW	1,886	5,106	3,085	-	1,698	1,698	3
Provincial Th'breds NSW	1,433	1,520	1,129	-	87	87	0
Country Th'breds NSW	3,564	1,503	683	-	179	179	3
Other clients	7,870	5,608	3,676	-	-	-	82
TOTAL	14,753	13,737	8,573	-	1,964	1,964	88
Out-of-competition Th'breds				2,459			0
Out-of-competition Others				3,105			0
Board initiative re-test	240	51					
TOTAL				5,564	88		

OC – Out of Competition tests, Cob – Cobalt tests

Confiscated special exhibit samples analysed by the ARFL, which included powders, syringe contents, feeds and unregistered products, totaled 123 as received from all clients.

Human urine samples collected from jockeys, track riders and stablehands are also tested for banned substances in accordance with AR.81B and Horse handlers in accordance with AR.81BB.

Sample numbers were up by 58.7% on the previous year with approximately 4.3% of these samples found to contain banned substances (Table 2).

TABLE 2 – HUMAN SAMPLES STATISTICS 1 JULY 2016 TO 30 JUNE 2017

Human Samples	Urine	Banned Substances Detected
Metropolitan NSW	121	5
Provincial NSW	129	4
Country NSW	385	16
Other Racing NSW	88	7
Other clients	36	1
TOTAL	759	33

The ARFL also performs 'B' sample referee counter analyses to confirm the findings of other Australian and international racing laboratories. From 1 July 2016 to 30 June 2017 this totalled 138 confirmatory requests.

Research and Development

The ARFL conducts R&D internally and in collaboration with universities, research institutions and other racing laboratories into the detection of new drugs and the improvement of analytical methodology.

The quality of ARFL research is reflected by publication of five papers in leading international peer-reviewed journals during the past year.

The ARFL R&D portfolio currently has seven major collaborations involving six different institutions and four PhD students. This covers a diverse range of science; from non-targeted mass spectrometry to proteomics and gene doping.

In the area of non-targeted mass spectrometry, the ARFL has partnered with the University of Technology Sydney (UTS) to develop and implement novel strategies for the detection of unknown doping agents in racing on top of the +10,000-drug screen currently in use.

For proteomics, the ARFL has worked with the University of New South Wales (UNSW), which culminated in ARFL Senior Research Scientist, Stacey Richards, being awarded a PhD for her thesis titled "New strategies for the detection of peptide and protein doping agents in the racehorse".

The ARFL is project managing a major national initiative funded by Racing Australia to detect gene doping in racehorses with world-leading research performed in collaboration with the National Measurement Institute and University of Sydney.

Translation of this new test into routine testing will protect the integrity of racing from this sophisticated form of doping in the future.

Quality Assurance

ARFL holds accreditation to ISO 17025 and ILAC G7, and accordingly participates in internal and external quality assurance programs to monitor its performance.

Quality control samples are analysed as part of every sample batch to ensure proper operation, and all analytical data is checked by two analysts to minimise the chance of human error.

Several times a year, accredited racing laboratories in Australia, New Zealand and the United Kingdom exchange batches of anonymous cleared samples to monitor the possibility of prohibited substances failing to be detected.

The ARFL scored 100% in the 2017 International Proficiency Testing Program used to assess all Racing Laboratories worldwide.

Key Milestones

In late June 2017, the National Association of Testing Authorities (NATA) conducted a reassessment of the ARFL to ensure compliance with the requirements for accreditation.

The ARFL was successful in maintaining compliance to ISO/IEC 17025:2005. This was the first NATA reassessment at the new Level 11 premises and is a positive endorsement of quality assurance to regulators and clients utilising the ARFL's analytical services.

To the best of our knowledge, the ARFL was responsible for the world-first reporting of the dopamine receptor agonist pergolide, in an equestrian blood sample.

The presence of pergolide and its metabolite was confirmed at very low levels using one of the instruments purchased by Racing NSW from the proceeds of Race Fields funding.

The scope of testing conducted on blood samples at the ARFL was increased this year with an enhanced testing program implemented for The Championships, Metropolitan meetings, feature Provincial and Country races. Testing to accommodate the rule banning the use of anabolic steroids (AR178H) for both Racing NSW and external clients was again performed.

At the request of Racing NSW Stewards, equine urine and blood samples were analysed by the National Measurement Institute to detect the presence of cobalt in accordance with AR178C. (1)(l) against the threshold level of 100 micrograms per litre in urine and 25 micrograms per litre in plasma.

Additional Clients

ARFL's major external clients during the July 2016-June 2017 period were Harness Racing NSW, Darwin and Alice Springs Turf Clubs and Equestrian Australia. Other clients include Canberra Race Club, Royal Agricultural Society, Australian Endurance Riders Association, Show Horse Council of Australia and Inglis Bloodstock.





Peter Beer
General Manager – Development & Promotions

FUNCTIONS

The Marketing, Media and Digital department is responsible for all marketing, media, digital and public relations activities, with key objectives to: -

- Raise the profile of and generate engagement with NSW racing as a sport;
- Raise the international profile of NSW racing;
- Nurture and develop The Championships into a world-class concept, and
- Generate positive brand identity for Racing NSW.

Developments

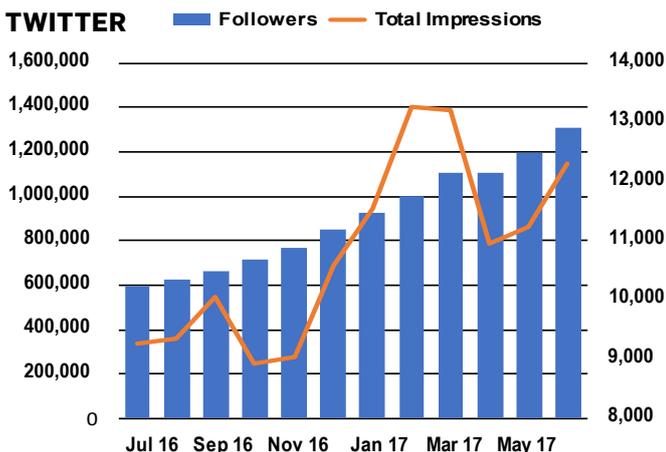
During the year, a new digital strategy was implemented and new staff have been appointed to further promote NSW thoroughbred racing. Racing NSW acknowledges that racing is in a very competitive environment and it is vitally important that the team communicates and promotes the racing industry to the younger demographic to grow the industry over the long term.

ACHIEVEMENTS

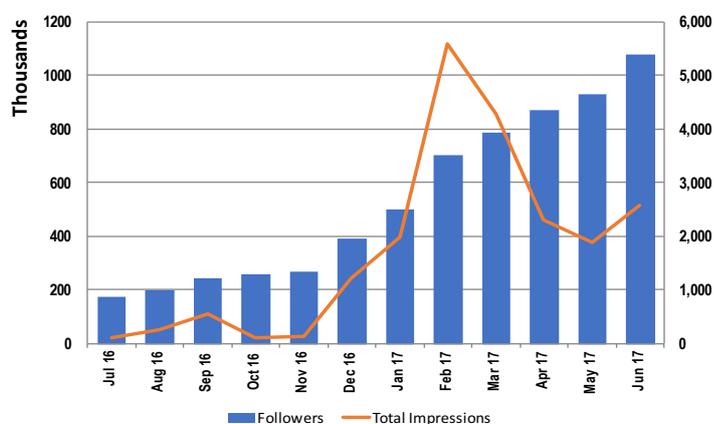
Social Media

The implementation of the new digital strategy has seen significant gains across Twitter, Facebook and Instagram (launched January 2017) driven by posting of regular and improved content.

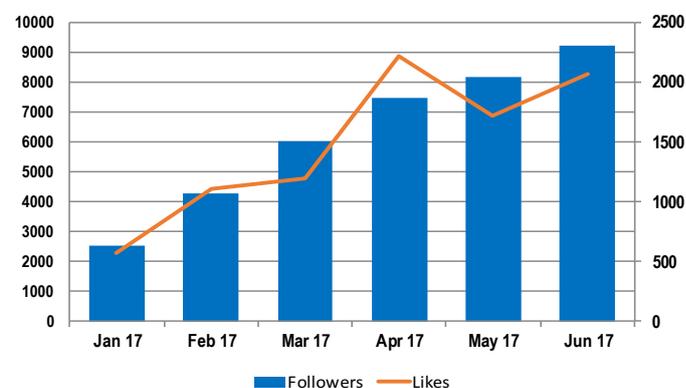
Leading into The Championships the number of impressions reached record highs. They subsequently dropped off during winter, but the yearly growth trend has continued.



FACEBOOK



INSTAGRAM



- Follow Racing NSW News via the handle @racing_nsw
- Racing NSW Stewards also regularly post news and updates on their Twitter account with 3,000+ followers. The Stewards' handle is @RNSWStewards
- Racing NSW Handicapping Department is also part of Twitter enabling fans and participants a 'direct line' to the handicappers with over 1,600 followers. You can find the handicappers via @RNSWHandicappers
- Racing NSW Magazine has more than 750 followers and can be found at @RacingNSWMagaz

Some of the features of the Marketing, Media and Digital team's improved content include: -

- A staff member now present at each Saturday Metropolitan race meeting posting previews, updates and live video throughout the day, and
- Providing live coverage of important events e.g. Winx's

return to racing (barrier trials and important lead-up track gallops) and Chris Waller and Hugh Bowman's post press conferences.

Website and Digital Enhancements

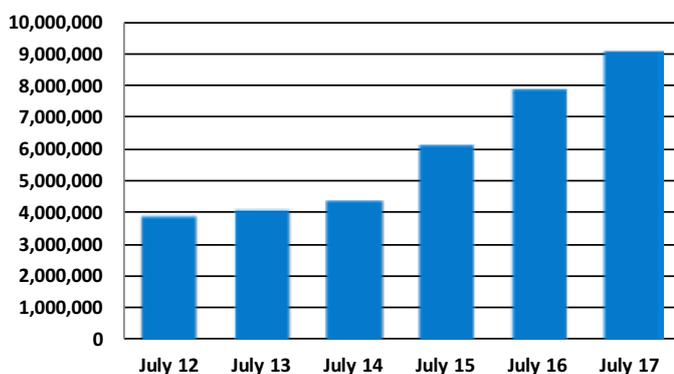
In January, an updated mobile app/mobile site was launched, improving functionality and incorporating new features.

These improvements, along with video form, race replays on all NSW TAB race meetings, barrier trials and the inclusion of live racing integrated on the home page provide punters and interested racegoers with the best possible platform for their endeavours.

Additional and improved content and social media presence has resulted in the continued strong growth in the number of visits during the year.

From 3.8 million visits in 2010/11, the Racing NSW website this year received more than 9.1 million visits.

RACING NSW WEBSITE – TOTAL VISITS



The Championships

'THE GRAND FINALS OF AUSTRALIAN RACING'

The fourth year of The Championships was held at Royal Randwick on the 1st and 8th April 2017 featuring 12 The Championships races of which eight are Group One races. Total prizemoney over the two days totalled \$20.2 million.

The highlight of Day 1 of this year's The Championships was Chautauqua winning the TJ Smith Stakes for the third consecutive year and, on Day 2, champion mare Winx producing her 17th consecutive victory in the Queen Elizabeth II Stakes.

Winx was instrumental in helping establish a record crowd for a The Championships day of 26,801.

The Marketing, Media and Digital team's marketing campaign for The Championships is based on three key objectives: -

- Building The Championships brand;
- Securing increased attendance, and
- Increase interest and awareness to successfully flow through to an increase in wagering.

This was to be achieved by: -

- Providing a dedicated The Championships website with comprehensive information and news;
- Providing dedicated Twitter, Facebook and Instagram accounts:
 - ♦ Facebook followers has increased to 8,050 (6,100 in 2016) with record impressions during March of just

over 2 million,

- ♦ Twitter followers increased to 4,200 (3,500 in 2016),
- ♦ Instagram which was launched for the first time this year has 1,200 followers and reached nearly 3,050 likes during April;
- A 30-second television commercial, produced by the Marketing, Media and Digital department, distributed on Free-to-Air television and various digital platforms during the month leading up to The Championships;
- Additionally, a 30-second television commercial, promoting Winx and her attempt at 17 straight wins was distributed during the week leading up to 8 April;
- A print, radio and social media campaign promoting The Championships;
- A 30-minute podcast produced each week during the Sydney Autumn Carnival, featuring Racing NSW form expert Brad Gray and Tabcorp's Gerard Middleton discussing form and tips and providing a build-up to The Championships;
- Exploring new initiatives aimed at introducing familiar demographics to the raceday experience. This included a print/web advertising campaign in the Sydney-based Chinese media and an EDM campaign with Equestrian Australia, which targeted females aged between 18-35 which was successful with an outstanding open rate of 48%, and
- Working with our partners at Australian Turf Club who provided activations on the two days including a performance from Ronan Keating after the last race on 1 April.

The Country & Provincial Championships

The Country & Provincial Championships goes from strength to strength. In particular, the Country Championships is being embraced by racing participants and the general public and has generated unprecedented interest and coverage.

This was reinforced by the interest shown by Newhaven Park Stud who approached Racing NSW to secure sponsorship of the Country Championships Final.

A series of eight Country and five Provincial qualifying races – each worth \$150,000 (rising from \$100,000 in 2016) – were held in February-March with the qualifying horses competing in the \$400,000 Final at Royal Randwick; up \$100,000 from the previous year.

Unfortunately, the weather was not kind during February and March where NSW felt the full extremities of the weather system.

The first Country heat, due to be run on Sunday 12 February, was postponed to the following day due to expected temperatures of over 40 degrees. Most of the latter meetings were rain-affected with the Wild Card heat due to run at Muswellbrook on Sunday 26 March transferred to Scone on the same day.

The Provincial heats were also subject to wet weather with the meeting due at Gosford on Wednesday 15 March abandoned with the Provincial heat transferred to and run at Rosehill Gardens on Golden Slipper Day, Saturday 18 March.

The meeting that was to be conducted at Kembla

Grange on Thursday 23 March was washed out and transferred to Goulburn on the same day.

The Country Championships Final was taken out by Free Standing trained by Cathleen Rode (Coffs Harbour) and ridden by Blake Shinn.

The Provincial Championships Final was taken out by Maryore trained by Philip Courtney (Canberra) and ridden by Tim Clark.

2017 COUNTRY CHAMPIONSHIPS

DATE	VENUE	DISTANCE	REGION
Sun 12 February <i>(postponed to Mon 13 February)</i>	Grafton	1400m	Northern Rivers
Sat 18 February	Goulburn	1400m	South East
Sun 19 February	Dubbo	1400m	Western
Sun 26 February	Taree	1400m	Mid North Coast
Sun 5 March	Scone	1400m	Hunter & North West
Sun 12 March	Wellington	1400m	Central Districts
Sun 19 March	Albury	1400m	Southern Districts
Sun 26 March	Muswellbrook <i>(transferred to Scone)</i>	1280m (1300m)	Wild Card
Sat 1 April	ROYAL RANDWICK	1400m	FINAL

2017 PROVINCIAL CHAMPIONSHIPS

DATE	VENUE	DISTANCE
Thursday 23 February	Wyong	1350m
Thursday 2 March	Hawkesbury	1400m
Wednesday 15 March <i>(transferred to Sat 18 March)</i>	Gosford <i>(transferred to Rosehill Gardens)</i>	1200m
Thursday 23 March	Kembla Grange <i>(transferred to Goulburn)</i>	1400m
Wednesday 29 March	Newcastle	1400m
Sat 8 April	RANDWICK FINAL	1400m

The Marketing, Media and Digital team's involvement included:

- Producing a 30-second television commercial, tailor-made for the Country Championships;
- Concentrated on social media and print campaigns targeting each geographic area;
- A 30-second Facebook video for each heat, giving a tip and advising of the racecourse activations planned;
- Arranging for Ray Hadley of Radio 2GB to do an outside broadcast on the Friday morning at the racecourse, leading in to the Goulburn, Wellington and Muswellbrook heats, and
- Organising a VIP function at all heats involving the local community and businesses, endeavouring to strengthen the bond and create future opportunities for their involvement in the local racing.



ADDITIONAL PROJECTS

Weekly Communications – Tip Sheet, Front Runner, Media Update & Owners' Emails

- As part of an expanded coverage of racing and form, the team is now producing a weekly Tip Sheet for Saturday's metro meeting. The Tip Sheet is posted on the Racing NSW website and distributed via Electronic Direct Mail. Due to its popularity with over 5,000 page views per week, we have expanded this service by producing a Wednesday metro meeting Tip Sheet;
- The weekly e-newsletter Frontrunner is sent to over 11,000 subscribers each week with a mix of stories, raceday selections and insights into the industry. Open rates of the newsletter have continued to remain strong in 2017 as the team has focused on providing more interesting information delivered in a timely manner each Thursday;
- A weekly media update is sent on Wednesdays to all media and licensed personnel with important industry updates, top news stories and new information relevant to the recipients;
- The owners' email service has been upgraded with the owners of all horses running in NSW receiving an automated results email after the running of each race, linking to a race replay, and
- The nominations email sent prior to each race meeting is now also automated and continues to provide owners with all the information they need when they have a runner in NSW.

Additional Media and Public Relations

The department also handles media calls and inquiries and constantly seeks positive media coverage, providing a range of Metropolitan, Provincial & Country press releases.

The department is also responsible for the monthly Racing NSW Magazine, the Racing NSW Annual Report

and the publication of a wide range of industry media releases and advices throughout the season.

Racing NSW Magazine, with a print run of more than 3000 and boasting a National and International subscriber base, continues to be a vital source of information for stakeholders, participants, breeders and the general public.

Each publication contains entertaining articles and comprehensive information on the NSW Thoroughbred Racing Industry.

The team also collates and maintains the point score of the prestigious Bart Cummings Medal and provides updates on the Racing NSW website and within the Racing NSW Magazine.

The award will forever honour the late Mr Bart Cummings AM, one of Australia's greatest ever racehorse trainers, who passed away in late August 2015, aged 87.

Final standings – 2016/17 BART CUMMINGS MEDAL	
Chris Waller	92
Hugh Bowman	51
Brenton Avdulla	44
Kerrin McEvoy	42
Tommy Berry	40
Peter & Paul Snowden	39
John O'Shea	35
Tim Clark	33
Josh Parr	28
Gai Waterhouse/Adrian Bott	25
Tye Angland, Rachel King	24
Kris Lees	19

Racing NSW also provides other awards such as the TJ Smith Award (top Sydney trainer-Chris Waller), George Moore Award (leading Sydney jockey-Hugh Bowman) and Theo Green award (top apprentice-Andrew Adkins).

Another popular award now into its sixth year is the Sydney Strapper of the Year Award which was won by Riharna Thomson (posthumously) from the Keith Dryden/Scott Collings stable. The award is coordinated by Australian Racing Christian Chaplaincy.

The final two awards given out by Racing NSW at the annual 'Night of Champions' is the BOBS Horse of the Year (won jointly by Memes and Zumbelina each receiving bonuses of \$70,000) and the NSW Racing Writers' Personality of the Year to 'Team Winx'.

The racing writers stated: "The joy of having a champion racehorse has been generously shared around by Team Winx. From owners Peter Tighe, Debbie Kepitis and Richard Treweeke, through to trainer Chris Waller and jockey Hugh Bowman, the group has been open with the public about plans for their champion, even as expectations have risen with every win."

Young Professionals in Racing

Young Professionals in Racing has recorded its most successful year since it was launched in 2012, with 408 financial members for 2016/17.

The Sydney-based not-for-profit organisation engages people aged 18-35 in thoroughbred horse racing firstly with events, then facilitates deeper involvement by encouraging members to purchase a race club membership or a share in a racehorse.

It also functions as a networking group where emerging leaders from all industries can make personal and professional connections.

In the past 12 months, YPR has hosted three cocktail-style raceday parties at Royal Randwick, one at Rosehill Gardens and one at Canterbury Park night races.

The team also took a small group on a day trip to the Country Championships in Goulburn and held a champagne breakfast tour of Todd Rawiller's Warwick Farm stables.

More than 1,100 guests attended these functions including celebrities and athletes such as Julie Snook, Jayne Azzopardi, Jessica Dietrich, Hugo Johnstone-Burt, Adam Reynolds, Robbie Farah and Emma Chow.

YPR also purchased small shares in two racehorses. YPR members have been able to follow the horses' progress via updates on social media and some have also purchased their own small shares in these horses, creating a sense of community.

Once the horses begin racing, owner's privileges will be shared among YPR members to give them a money-can't-buy experience.

As a brand, YPR has cemented its reputation as the destination for young professionals seeking a premium raceday experience at an affordable price.

YPR has a strong presence on social media with more than 7,400 followers on Facebook, Instagram and Twitter.

That's up from 6000 last year, an increase of 23%. Leg Up, an e-newsletter, is also distributed monthly (more in peak carnival times) to a database of close to 2,000 people.

YPR is governed by a small but passionate group of young professionals from a variety of backgrounds and operates thanks to generous sponsorship from Racing NSW and the TAB.

It also has several smaller partners who provide discounts and prizes for members.



BREEDER OWNER BONUS SCHEME (BOBS)

The Racing NSW Breeder Owner Bonus Scheme has become the most popular racing incentive scheme in Australia since it began paying bonus prizemoney back in 2002.

BOBS has entered its 15th year and seems to get stronger each season, having paid out 1301 bonuses for 2016/17; totalling a massive \$8.82 million.

These figures show how successful the BOBS scheme is, but even more impressive when paired with BOBS Extra where last season an extra \$861,250 was distributed to owners of BOBS Extra horses bringing the combined total of bonuses to over \$9.68 million.

BOBS' and BOBS Extra's strength is twofold. First, the scheme continues to grow each season, with more breeders and owners nominating stallions and two-year-old horses. This in turn leads to more bonuses being paid out and therefore, more nominations.

Second, the fact that BOBS bonuses can be won at all NSW tracks (except in Group and some Listed Races), means that trainers and owners racing outside of the Metropolitan tracks can continue to race their horses

closer to home, reducing travel and increasing the competition and class of racing at Provincial and Country racecourses.

The BOBS Mare Bonus Scheme payments commenced in 2014, along with the option to use Double Up vouchers to pay service fees for participating NSW-based stallions during the breeding season. Some quick facts on BOBS: -

- Racing NSW has paid out more than \$117 million in bonus prizemoney since BOBS began 15 years ago;
- Of the BOBS bonuses won, two-year-old horses won 202 (15%) and three-year-old horses accounted for 1099 (85%) wins;
- In 2016/17, BOBS Extra bonuses were won on 121 occasions with a total of \$861,250 having been distributed through BOBS Extra;
- Fifteen of the 18 leading sires by value of bonuses are Australian-bred; and
- Since the Double-Up option was introduced in January 2005, more than \$32 million has been put back into the NSW breeding industry through this scheme, benefiting not just breeders, but also owners and trainers.

BOBS BONUSES WON BY NUMBER PER MONTH

	13/14	14/15	15/16	16/17
August	69	48	43	52
September	68	59	66	63
October	90	83	82	89
November	104	89	85	86
December	112	81	88	92
January	110	99	106	106
February	102	95	110	103
March	127	122	115	99
April	97	109	134	147
May	154	137	139	147
June	150	136	126	155
July	150	120	133	162
TOTAL	1333	1178	1227	1301

BOBS EXTRA BONUSES WON BY NUMBER PER MONTH

	13/14	14/15	15/16	16/17
August	23	16	26	11
September	25	19	11	12
October	21	30	14	19
November	20	26	19	14
December	14	23	15	10
January	16	17	8	15
February	22	11	8	10
March	15	11	14	3
April	13	18	11	6
May	15	19	6	4
June	13	12	5	6
July	14	13	12	11
TOTAL	211	215	149	121

SEASON 2016/17 – BOBS BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
Snitzel	Arrowfield Stud	71	\$675,000
I Am Invincible	Yarraman Park Stud	70	\$506,250
Sebring	Widden Stud	62	\$485,000
Street Cry (Ire)	Darley Australia	40	\$335,000
Fastnet Rock	Coolmore Stud	39	\$325,000
Lonhro	Darley Australia	35	\$260,000
Foxwedge	Newgate Farm	34	\$220,000
Medaglia D'oro (USA)	Darley Australia	29	\$220,000
Redoute's Choice	Arrowfield Stud	28	\$220,000
Hinchinbrook	Yarraman Park Stud	28	\$210,000
More Than Ready (USA)	Vinery Stud	30	\$206,250
Exceed and Excel	Darley Australia	23	\$195,000
Snippetson	Widden Stud	35	\$185,000

SEASON 2016/17 – BOBS EXTRA BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
High Chaparral (Ire)	Coolmore Stud	7	\$95,000
Choisir	Coolmore Stud	5	\$80,000
Casino Prince	Vinery Stud	8	\$70,000
Sebring	Widden Stud	2	\$40,000
Lonhro	Darley Stud	3	\$35,000
Myboycharlie (Ire)	Bowness Stud	3	\$30,000

BREEDER OWNER BONUS SCHEME (BOBS)

SEASON 2016/17 – BOBS BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
Memes	Time Thief	Jason Coyle	5	\$70,000
Zumbelina	Stratum	Chris Waller	4	\$70,000
Arbeitsam	Snitzel	Gai Waterhouse & Adrian Bott	4	\$65,000
Test the World	Testa Rossa	Bjorn Baker	5	\$60,000
Insensata	Beneteau	Jason Coyle	5	\$55,000
Kings of Leon	I Am Invincible	Matthew Smith	4	\$55,000
Just Dreaming	Snitzel	Kris Lees	4	\$50,000
Black on Gold	Sebring	Chris Waller	4	\$45,000
Vaucluse Bay	Al Maher	Chris Waller	3	\$45,000
Conchita	Uncle Mo (USA)	Paul Perry	2	\$40,000
Scarlet Rain	Manhattan Rain	Gai Waterhouse	2	\$40,000
Yankee Rose	All American	David Vandyke	2	\$40,000

SEASON 2016/17 – BOBS EXTRA BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
My Giuliano	Choisir	Chris Waller	3	\$40,000
Embley	High Chapparral (Ire)	Bjorn Baker	2	\$40,000
New Tipperary	High Chaparral (Ire)	Joseph Pride	2	\$40,000
Religify	Choisir	Chris Waller	2	\$40,000
Supply and Demand	Sebring	Gai Waterhouse & Adrian Bott	2	\$40,000
Coolcat Dancer	Tale of the Cat (USA)	Richard Clarke	3	\$25,000
Sofin	Casino Prince	Shannon Fry	2	\$25,000
The Gavel	Al Maher	Ron Quinton	3	\$20,000
Elatus	Star Witness	Gerald Ryan	2	\$20,000
Rosaruby	Casino Prince	Joe Cleary	2	\$20,000
Dowdstown Charlie	Myboycharlie (Ire)	Kim Waugh	1	\$20,000
Flitero	Danzero	Matthew Dunn	1	\$20,000
Hogmanay	Lonhro	Chris Waller	1	\$20,000
Sebrina	Sebring	Bjorn Baker	1	\$20,000
Sweet Fire	Shamardal (USA)	Chris Waller	1	\$20,000

SEASON 2016/17 – LEADING BOBS WINNING TRAINER

Trainer	Location	Bonuses	Value
Chris Waller	Rosehill	85	\$835,000
Peter & Paul Snowden	Randwick	70	\$590,000
Gai Waterhouse & Adrian Bott	Randwick	64	\$585,000
John O'Shea	Warwick Farm	71	\$580,000
Bjorn Baker	Warwick Farm	54	\$360,000
Gerald Ryan	Rosehill Gardens	38	\$305,000
James Cummings	Randwick	35	\$250,000
Jason Coyle	Warwick Farm	24	\$225,000
Darren Beadman	Randwick	21	\$200,000
Paul Perry	Newcastle	37	\$185,000
Michael, Wayne & John Hawkes	Randwick	24	\$185,000

SEASON 2016/17 – LEADING BOBS EXTRA WINNING TRAINER

Trainer	Location	Bonuses	Value
Chris Waller	Rosehill Gardens	9	\$120,000
Gai Waterhouse & Adrian Bott	Randwick	5	\$70,000
Bjorn Baker	Warwick Farm	2	\$40,000
Joseph Pride	Warwick Farm	2	\$40,000
Connie Greig	Cranebrook	6	\$26,250
Richard Clarke	Braidwood	3	\$25,000
Shannon Fry	Bowraville	2	\$25,000

Jockey Safety Officer – Role

In order to improve communication between officials, medical staff and families where jockeys (or apprentices) are injured in a race fall, Racing NSW has the position of Jockey Safety Officer (“JSO”).

In the event of a race accident, the JSO is immediately advised of any injuries by the relevant Stewards. The JSO then contacts the family of any affected jockey(s) to advise them of the accident and to provide any necessary support.

The JSO acts as a liaison between the Stewards, Racing NSW, Race Clubs, treating hospitals, Doctors and the family, to ensure that the family quickly has all possible information about the injured jockey's condition, location and any action that may be required.

The Racing NSW Medical Liaison Officer, Dr David Duckworth, is another important link in the process.

JOCKEY SAFETY OFFICER INCIDENT REPORTS

	14/15	15/16	16/17
August	8	7	13
September	10	9	7
October	10	11	7
November	10	19	4
December	7	24	12
January	11	20	15
February	5	19	13
March	4	9	11
April	5	14	6
May	9	11	10
June	10	11	5
July	4	12	9
Total	93	166	112

Riding Skills Panel

Under the Australian Rules of Racing, each State Principal Racing Authority may form a Riding Skills Panel to review and mentor apprentice jockeys/jockeys who may be referred by Stewards for issues with their riding, which may include issues of safety.

Racing NSW Skills panel members are Ron Quinton, Pat Webster, Rodney Quinn, Jamie Whitney and Malcolm Fitzgerald.

Hearings are convened throughout NSW with the attendance of referring Steward and in accordance with Australian Rule of Racing AR92A.

The Panel may make recommendations to Stewards for a remedial training program or restricted return to riding schedule.

RIDING SKILLS PANEL HEARINGS

	14/15	15/16	16/17
August	0	0	2
September	0	0	0
October	1	0	0
November	1	0	0
December	0	0	1
January	0	0	0
February	1	0	0
March	0	1	0
April	0	0	1
May	1	0	0
June	0	0	0
July	0	2	0
Total	4	3	4

Jockeys Benefit Scheme

As part of Racing NSW's continuing commitment to improving jockey welfare, the Jockeys Benefit Scheme was established to provide financial assistance and other forms of support to NSW and ACT jockeys in need or preparing for a new career.

The Jockeys Benefit Scheme comprises;

- The Jockeys Benefit Scheme Trust, a public charitable trust established to provide financial assistance to former and current NSW and ACT jockeys and their families who are in necessitous circumstances, and
- The JBS Discretionary Fund from which funding is provided for programs and initiatives to benefit jockeys' welfare both during their riding career and upon retirement.

NSW Jockeys Trust

The Jockeys Benefit Scheme Trust was founded by Racing NSW in February 2011 with the aim of relieving financial stress and improving quality of life for NSW and ACT jockeys, ex-jockeys and their families who are in necessitous circumstances, especially (but not limited to) financial hardship caused through a jockey being seriously injured or dying (whether on a racetrack or otherwise) or suffering a severe illness.

The public activities of the Trust are conducted under the name “NSW JOCKEYS TRUST”.

Funding for the Trust is provided from the 1% of prizemoney allocated to NSW Thoroughbred race meetings which is deducted by Racing NSW for the benefit of jockeys' insurance and welfare programs, and through public donations.

Racing NSW also provides secretarial, administrative and marketing support to the Trust at no cost, so that every dollar donated is available to assist jockeys and their families in need.

The Trust is overseen by a distinguished Board of Trustees who devote their time on a voluntary basis. The following Trustees were in office during the 2017 Financial Year:

- Mr Robert Ward AM, *Current Chairman*

- Mr Keith Bulloch, *Current Trustee*
- Mr Ian Craig OAM, *Current Trustee*
- Ms Kylie-Jane Menzies, *Current Trustee*
- Mr John Muir, *Current Trustee*
- Mr Neil Paine, *Current Trustee*

During 2016/17, over \$70,000 was distributed for payment of medical procedures, rental assistance, clothing and education costs, day-to-day living expenses and specialised purchases as determined appropriate.

The Trust continues to raise awareness of its aims and objectives through advertising and marketing strategies. Further information can be obtained by contacting Racing NSW or at www.nswjockeystrust.com.au

JBS Discretionary Fund

The JBS Discretionary Fund provides funding for programs and initiatives to benefit jockeys' welfare both during their riding career and in retirement.

Jockeys may seek Career Assistance and Small Business Start-Up funding contribution once retired, or while riding and edging nearer retirement.

During 2016/17, \$115,000 was distributed from the JBS Discretionary Fund towards providing NSW jockeys with vocational and life skills training, career transition support, business start-up assistance and counselling services. The JBS Discretionary Fund is split into two services:

Jockeys Assistance Program

Since July 2012, the Jockeys Assistance Program has provided NSW and ACT jockeys, apprentices and their families with free face-to-face counselling sessions and also access to 24 x 7 telephone sessions.

Counselling facilities are available in Sydney and throughout NSW. During the year, 48 people accessed this vital service, dealing with a range of problems from relationship breakdowns, depression and anxiety disorders, to drug and alcohol issues.

Career Assistance Funding and Small Business Start-up Assistance

Since 2012, funding has been provided to assist jockeys in finding alternate careers after a career-ending event due to injury or lack of opportunity.

Over \$74,000 in total was distributed from the JBS Discretionary Fund during the 2016/17 Financial Year to jockeys to assist them to undertake career training courses in preparation for their life after racing or to start-up their own small business.

In addition, Paul Colwell, a senior career advisor with TAFE OTEN Counselling & Career Development Service, meets with jockeys and assists them in planning alternate career pathways and selecting training courses to suit those options or to start-up a small business.

The program is gaining momentum each year as jockeys start training in new fields, such as Small Business Management, Aged Care, Child Care, Fitness and Racehorse Trainer.

Seed funding has been provided from the JBS Discretionary Fund to former or current jockeys to start-up a variety of small business ventures to date, including a coffee shop, a horse transport business, an equine coaching school and several new Thoroughbred training operations.



APPEALS

An independent two-tier system of Appeal exists for persons aggrieved by penalties imposed by a Racing Authority in New South Wales.

Appeal Panel Members

Mr Richard Beasley SC (Principal Member)

David Campbell SC	Thomas Carlton	Cliff Clare
Ross Clugston	Mark Daniels	John Fletcher
Tim Hale SC	Kevin Langby	Tony Marney
James Murphy	John Nicholson	Colin Tuck

Executive for Appeal Panel

Peter V'landys AM, *Secretary*
Kathy Reece, *Appeals Coordinator*

Avenue of Appeal

At the first level of Appeal, any person aggrieved by a decision of a Racing Authority has the choice of appealing to either one, but not both, of the following Appeal Bodies:

- The Appeal Panel, constituted under Section 45 of the Thoroughbred Racing Act 1996 (NSW), or

- In limited circumstances, the Racing Association in the region where the decision was made.

The second and final avenue of Appeal, the Racing Appeals Tribunal, is constituted under its own Act and can hear Appeals on certain matters from persons aggrieved by decisions of the Appeal Panel or Racing Authorities.

Appeal Panel

The Sydney-based Appeal Panel sat on 26 occasions during 2016/17, the Panel was chaired on those occasions as follows:

Chaired By	Number of Occasions
Richard Beasley SC (Principal Member)	18
Ross Clugston	4
Tim Hale SC	3
David Campbell SC	1

Within those 26 sittings there were 45 charges Appealed. The Appeal on a further 11 charges were withdrawn either prior to or at the time of hearing.

Appellants are required to lodge a \$200 deposit, which may be refunded at the discretion of the Panel.

Decision on Charges

AREA	UPHELD	DISMISSED	PENALTY VARIED	WITHDRAWN	\$200 REFUNDED	TOTAL
Appeal Panel	14	31	24	11	15	56
Racing Association	-	1	1	-	-	1

Summary of Charges Applicable to Appeal Cases Lodged

RULE	DESCRIPTION	AMOUNT
AR64G(1)(a)	A horse which is engaged to run in any race, official trial or jump-out must not be stomach-tubed without the permission of the Stewards at any time on the day of the scheduled race, official trial or jump-out and prior to the start of such event.	2
AR81A(1)(a)	Any rider commits an offence and may be penalised if a sample taken from him is found upon analysis to contain a substance banned by AR 81B.	2
AR83(d)	Every jockey or apprentice may be penalised if he bet, or has any interest in a bet on any race, or contingency relating to thoroughbred racing involving a race in which he is riding. For the purposes of this rule, bet includes a lay bet (as defined in AR175B(7)).	1
AR135(b)	The rider of every horse shall take all reasonable and permissible measures throughout the race to ensure that his horse is given full opportunity to win or to obtain the best possible place in the field.	3
AR137(a)	Any rider may be penalised if, in the opinion of the Stewards, he is guilty of careless, reckless, improper, incompetent or foul riding.	19
AR137A(5)(a)(ii)	Subject to the other requirements of this rule in a race, official trial or jump-out prior to the 100 metre mark the whip shall not be used on more than 5 occasions.	2
AR137A(5)(a)(ii)	Subject to the other requirements of this rule in a race, official trial or jump-out prior to the 100 metre mark the whip shall not be used on more than 5 occasions save and except where there have only been minor infractions and the totality of the whip use over the whole race is less than permitted under AR137A(5)(a) and (b) and also having regard to the circumstances of the race including distance and context of the race, such as a staying race or a rider endeavouring to encourage his mount to improve.	1
AR145	If a horse carries more than a half a kilogram in any race over the weight imposed or declared, the rider and any other person at fault may be penalised.	1
AR175(a)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person, who, in their opinion, has been guilty of any dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing.	3

APPEALS

RULE	DESCRIPTION	AMOUNT
AR175(g)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who gives at any interview, investigation, inquiry, hearing and/or appeal any evidence which is false or misleading in any particular.	1
AR175(h)(ii)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who administers, or causes to be administered, to a horse any prohibited substance which is detected in any sample taken from such horse prior to or following the running of any race.	2
AR175(l)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who attempts to commit, or conspires with any other person to commit, or any person who connives at or is a party to another committing any breach of the Rules.	1
AR175(n)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who in their opinion commits or commissions an act of cruelty to a horse, or is in possession or control of any article or thing which, in their opinion, has been made or modified to make it capable of inflicting cruelty to a horse.	2
AR175(o)(ii)&(iii)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person in charge of a horse who in their opinion fails at any time to take such reasonable steps as are necessary to alleviate any pain inflicted upon a horse; and/or to provide for veterinary treatment where such treatment is necessary for the horse.	1
AR175(p)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who fails or refuses to comply with any order, direction or requirement of the Stewards or any official.	1
AR175(q)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalise any person who in their opinion is guilty of any misconduct, improper conduct or unseemly behaviour.	3
AR175A	Any person bound by these Rules who either within a racecourse or elsewhere in the opinion of the Principal Racing Authority (or the Stewards exercising powers delegated to them) has been guilty of conduct prejudicial to the image, or interests, or welfare of racing may be penalised.	2
AR177	Subject to AR 177C, any horse that has been brought to a racecourse and a prohibited substance is detected in any sample taken from it prior to or following its running in any race must be disqualified from any race in which it started on that day.	1
AR178	Subject to AR 178G, when any horse that has been brought to a racecourse for the purpose of engaging in a race and a prohibited substance is detected in any sample taken from it prior to or following its running in any race, the trainer and any other person who was in charge of such horse at any relevant time may be penalised.	7
AR178E(1)	Notwithstanding the provisions of AR 178C(2), no person without the permission of the Stewards may administer or cause to be administered any medication to a horse on race day prior to such horse running in a race.	1
Total		56

REPRESENTATION TABLE

	Dismissed	Upheld
Represented by Solicitor/Master	24	14
Represented Self	7	-
Totals	31	14

The Board gratefully acknowledges the time, effort and expertise that Appeal Panel members give towards this important part of the racing industry.

Racing Appeals Tribunal

Racing Appeals Tribunal comprised of:
 Mr David Armati (*Racing Appeals Tribunal*)
 Mr Edward Selwyn OAM (*Acting Racing Appeals Tribunal*)
 Mr Peter V'landys AM, *Secretary Racing Appeals Tribunal*
 Ms Kathy Reece, *Appeals Coordinator*

There were 4 Appeals lodged to the Racing Appeals Tribunal during 2016/17 which comprised 6 charges:

Presided Over By	Dismissed	Upheld	Withdrawn
Mr D Armati	6	-	-
Total	6	-	-



John Galvin
General Manager –
Workers Compensation

WORKERS COMPENSATION

Racing NSW is a specialised insurer licensed under the provisions of the Workers Compensation Act 1987 (NSW) ("the Act") to provide workers compensation insurance to certain employers (racing clubs and licensed trainers) in the NSW Thoroughbred Racing Industry.

Additionally, Racing NSW administers the run-off of claims under the former self-insurance licence, which covered industry participants prior to 30 June 1998.

The Racing NSW Insurance Fund ("the Fund") has been managed internally since 1 July 2006. All claims management, injury management, financial and administrative functions of the Fund are performed by an in-house team.

The object of the Fund is to provide affordable insurance to participants and deliver industry-specific claims, injury and risk management services to assist employers and injured workers in what is a unique and inherently dangerous industry.

2016/17 Performance

During 2016/17 the Racing NSW Workers Compensation Fund received 547 new claims which was a minor increase on the 540 claims received during 2015/16.

The Fund experienced a claims revenue to claims costs surplus of \$587,594 during 2016/17 and it should be noted that the surplus is conservative as it takes into account an allowance of \$750,000 for a claim incurred during 2016/17 but not yet paid.

The actuarial valuation of the possible future liability of the Fund at 30 June 2017 was assessed at \$42.3 million which was a decrease of \$600,000 on the valuation at 30 June 2016 of \$42.9 million and \$1.9 million below the actuarial forecast of \$44.2 million.

The revenue to claims costs surplus combined with the decrease in the outstanding claims liability delivered the Fund an overall profit of \$1.192 million for 2016/17.

The Fund's sound performance during 2016/17 is reflective of the following positive factors: -

- Year on year improvement in claims finalisation as a result of early recovery from injury and return to work;

- Reductions in the average claims cost;
- Improved claims experience for older claims;
- Reductions in the number of open claims;
- Lower case estimates for future claims liability;
- Maximal claims cost recoveries from reinsurance and third parties, and
- An improved actuarial assessment of future liability.

Despite the Fund's strong performance during 2016/17 certain challenges prevail. Legislative amendments in August 2015, particularly significant increases in benefits for permanent impairment and the winding back of limitations on long-term medical expenses, are yet to fully impact.

As previously reported in the years leading up to its collapse, the HIH Group was the Racing NSW workers compensation reinsurer.

The reinsurance recovery of approximately 35c in the \$1 has now been fully recovered but we have a continuing unfunded liability for the still open claims which fell under the HIH reinsurance arrangements.

The Racing NSW Workers Compensation Fund currently maintains an accumulated surplus of \$1.419 million. The Fund has performed soundly over recent years having overcome a deficit which peaked at \$9.2 million at the end of the 2010/11 financial year. The Fund is committed to reaching and maintaining an accumulated surplus of \$5 million.

2016/17 Actuarial Assessment

The 2016/17 actuarial assessment was conducted by Finity Consulting Pty Ltd ("Finity"). The actuarial central estimate of Racing NSW's outstanding workers compensation claims liability as at 30 June 2017 is \$35.2 million (net of reinsurance recoveries and including an allowance for claims handling expenses).

The estimate of the outstanding claims liability includes an allowance for future inflation of claims payments at 3% per annum (unchanged from 2016) and is discounted at 2.8% per annum (an improvement of 0.5% from 2016) to allow for future investment income earned between the valuation date and expected payment date.

SUMMARY OF ACTUARIAL ESTIMATE OF OUTSTANDING CLAIMS LIABILITIES

	Estimate of Liability as at 30 June 2017 (\$m)	Projected Estimate of Liability to 30 June 2017 (2016 Valuation) (\$m)	Estimate of Liability as at 30 June 2015 (\$m)	Projected Estimate of Liability to 30 June 2017 (2016 Valuation) (\$m)
Net Central Estimate ¹	35.3	36.8	35.7	37.4
Risk Margin	7.0	7.4	7.2	7.5
Outstanding Claims Provision ²	42.3	44.2	42.9	44.9

1 - Including claims handling expense and net of reinsurance and other recoveries 2 - Including risk margin of 20% of the net central estimate
 Note: Amounts referred to have been rounded

The increase in the discount rate implies improved investment earnings and reduces the assessed liability.

At 30 June 2017, the net provision for outstanding claims liability inclusive of a mandated 20% prudential margin is \$42.3 million. This represents a decrease of \$1.9 million on the projection of \$44.2 million made in the 2016 valuation.

The valuation of \$42.3 million represents a decrease of \$0.6 million on the Fund's assessed liability of \$42.9 million as at 30 June 2016.

Finity found that the claims experience of the Fund during 2016/17 exceeded expectations.

Average claims costs, the size of the open claims portfolio, the rate of claims finalisation and the aggregate case estimates of outstanding liability improved measurably compared to 2015/16.

Claims Incidence

There were 547 workers compensation claims received during 2016/17 which represented a 1.3% increase on the 540 claims received during 2015/16.

The claims incidence during 2016/17 was 3.4% higher than the average claims incidence of 529 claims across the last five claim years.

The size of the open claims portfolio reduced to 213 claims as at 30 June 2017. This is a reduction of 14.5% on

the 249 claims that were open at 30 June 2016.

Claim Profiles

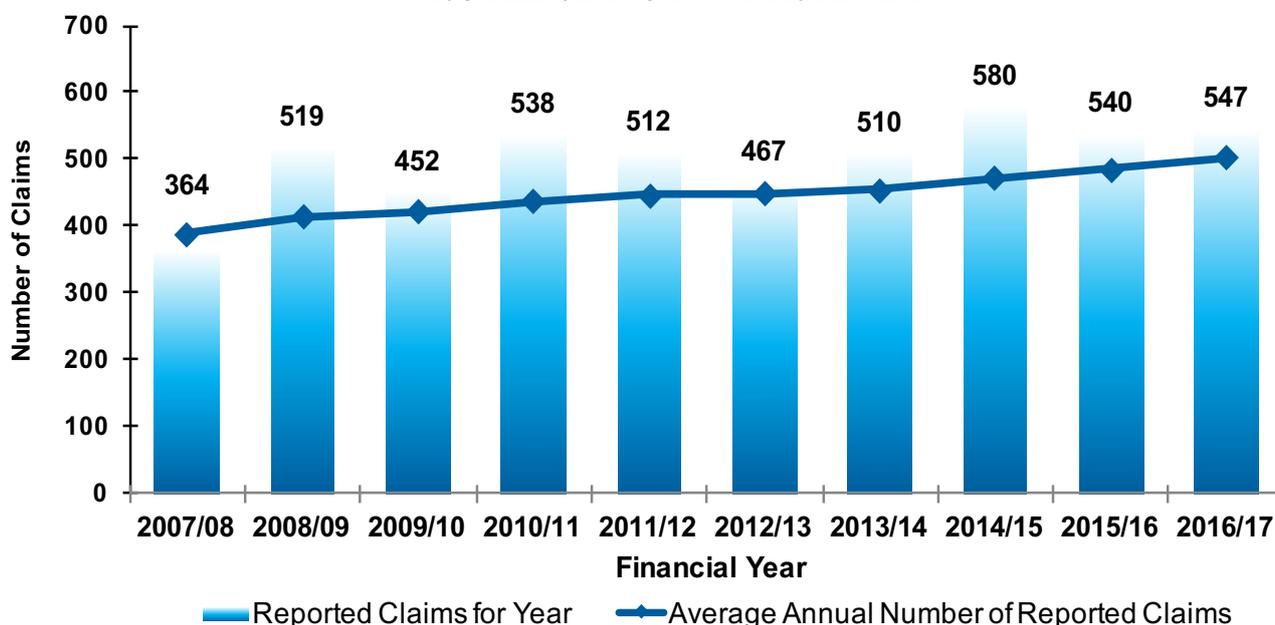
Racing NSW is committed to identifying injury trends and formulating prevention strategies specific to the Thoroughbred racing industry to ensure the welfare and safety of participants.

Analysis of claims data by injury type, claimant characteristics and body part are crucial to Racing NSW's ongoing development of risk mitigation strategies and industry safety standards.

The tables on the following page provide an insight into the nature of workers compensation claims lodged during 2016/17. The profile of the 2016/17 claims portfolio is similar to that of previous years insofar as:

- The highest incidence of injuries arises out of trackwork riding, including trainers riding their own trackwork (43.7% of injuries);
- The most common mechanisms of injury are falls from horses (37.7%) and being struck in some manner by a horse (34%), and
- Injuries most commonly sustained are sprains, strains and soft tissue injuries (28.9% of all injuries) and general fractures (18.8%) implementation of minimum standards.

INCURRED CLAIMS BY FINANCIAL YEAR



INSURANCE

2016/17 CLAIMS BY MECHANISM OF INJURY

Falls from a horse (or other height)	206	37.66%
Being struck by a horse	186	34.00%
Muscular stress while lifting, carrying or handling	58	10.60%
Being trapped between stationary and moving objects	39	7.13%
Contact with machinery or moving objects	18	3.29%
Being bitten by a horse	10	1.83%
Hitting stationary objects	9	1.65%
Being hit by falling objects	9	1.65%
Falls on the same level (slips and falls)	8	1.46%
Workplace conflict	2	0.37%
Contact with electricity	1	0.18%
Contact with hot objects	1	0.18%
TOTAL	547	100.00%

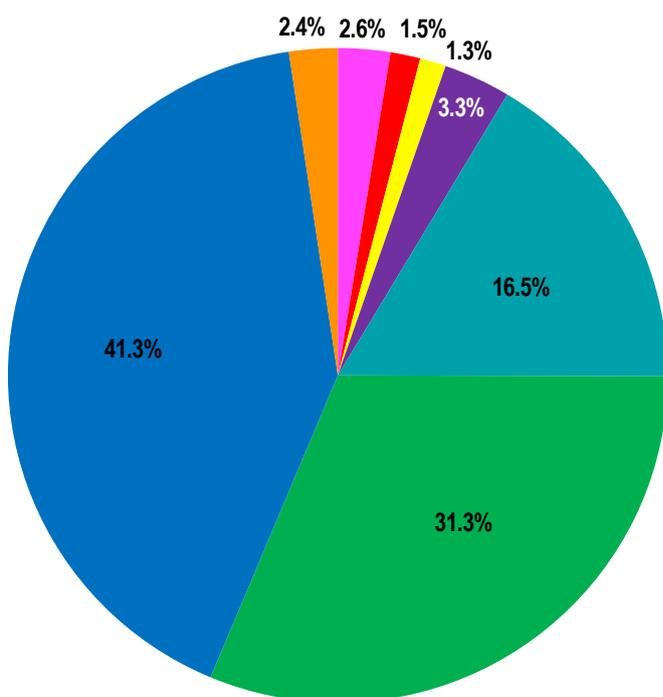
2016/17 CLAIMS BY INJURY TYPE

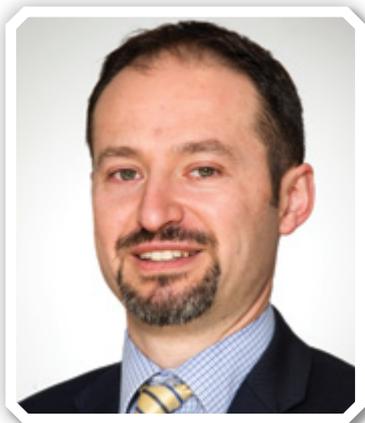
Sprain, Strain or Soft Tissue Injury	158	28.88%
General Fractures	103	18.83%
Trauma to joints and ligaments	76	13.89%
Contusion, bruising and superficial crushing	66	12.07%
Laceration or open wound	32	5.85%
Concussion	22	4.02%
Dislocation	20	3.66%
Trauma to muscles and tendons	19	3.47%
Fractured skull and facial bones (including teeth)	11	2.01%
Superficial injury	11	2.01%
Multiple injuries	11	2.01%
Fractured vertebrae	8	1.46%
Spinal cord and nerve injury	2	0.37%
Psychological injury	2	0.37%
Burns/Electric shock	2	0.37%
Internal injury of chest, abdomen or pelvis	1	0.18%
Infection	1	0.18%
Fatal injuries	1	0.18%
Hernia	1	0.18%
TOTAL	547	100.00%

2016/17 CLAIMS BY BODY PART

Back	70	12.80%
Shoulder	68	12.43%
Hand/Fingers	64	11.70%
Foot/Toes	42	7.68%
Leg	42	7.68%
Knee	37	6.76%
Face/Nose	27	4.94%
Neck	24	4.39%
Wrist	24	4.39%
Head with concussion	22	4.02%
Ankle	20	3.66%
Head (simple frank injury)	16	2.93%
Ribs	15	2.74%
Mouth/Tooth	12	2.19%
Arm	12	2.19%
Elbow	10	1.83%
Hip	10	1.83%
Abdomen	9	1.65%
Chest/Trunk	7	1.28%
Specified multiple locations	6	1.10%
Pelvic Bones, Muscles and Tendons	5	0.91%
Psychological	2	0.37%
Eye	2	0.37%
Brain	1	0.18%
TOTAL	547	100.00%

2016/17 CLAIMS BY OCCUPATION OF INJURED WORKER





Ariel Paez
General Manager –
Information Technology (IT)

Primary Role of Racing NSW Information Technology (Racing NSW IT)

The primary role of the Racing NSW Information Technology (Racing NSW IT) Department is to:

- Provide support to internal and external Racing NSW end users;
- Oversee the integrity and security of the Racing NSW information systems;
- System Development and Maintenance;
- Project co-ordination and implementation;
- Objectives achieved include:
- Network Expansion;
- Cloud-based data backups;
- Cloud-based email;
- Critical System Uninterrupted Battery Supply enhancements and Diesel Generator;
- Migration of key modules to Single National System, and
- Network Security.

Snapshot

Racing NSW IT staff work diligently every day to support the technology needs of its end users that encompass all those involved in the racing industry and the public.

The daily functions of the IT Department play a part in nearly every aspect of racing, from website updates, administration and assisting Stewards on the track.

Network Expansion

Racing NSW has expanded its on-track infrastructure to create a private secure network utilising Telstra's Digital Video Network 2 (DVN2). Predominantly, the DVN2 is used for the broadcasting of the races. There is a data channel that can be utilised for other services.

Racing NSW has deployed Internet Protocol (IP) based cameras with microphones which are operating over the DVN2 network.

These cameras and microphones are part of a mobile kit that travels on the Broadcast Truck. On the day of the race meeting, the broadcast team installs the camera and microphone(s).

The vision/sound is broadcast back to Racing NSW head office and is accessible via software which allows live viewing and recording to a centralised storage server.

Cloud-Based Data Backups

All Racing NSW data is replicated to a cloud-based data backup solution. The solution is hardware based in-house providing hourly, weekly, monthly and yearly backups. Data is backed up locally to the hardware appliance, which then copies the data offsite to the cloud storage.

Cloud-Based Email

Racing NSW migrated its entire email platform to Microsoft Office 365. All of the emails are hosted across two data centres in different states and allows for one data centre to be completely down, without interruption to emails.

An additional layer of security and backup has been implemented allowing Office 365 to be completely down and it will provide access to the emails and allow sending and receiving.

Critical Systems Uninterrupted Battery Supply Enhancements and Diesel Generator Drutt Street

An Uninterrupted Power Supply (UPS) supports Racing NSW's computer room and facilities. Recently upgraded, it has the latest battery cell technology and network monitoring of the battery condition and state.

There is an additional layer of power supply via a diesel generator in case of extended outage with power supplied to the floors at the Drutt Street head office.

Migration of Key Modules to the Single National Systems

Key Racing NSW systems have been migrated to The Single National System (SNS). While working closely with Racing Australia, all of the key components to run a race meeting and then to finalise payments has been in production operation. Further enhancements and modifications have been introduced and applied.

Network Security Update

Core network infrastructure has been replaced with the latest Cisco technology. This new technology has enhanced the core network of the Drutt Street head office.

This technology will also integrate into the new disaster recovery site which is built to house a full replica of the core systems of Racing NSW.

(RACING INDUSTRY CONSULTATION GROUP)

The Racing Industry Consultation Group (RICG) was established by Legislation under the Thoroughbred Racing Act with the main function of consulting with and making recommendations to Racing NSW on matters concerning horse racing in the State.

RICG is comprised of representatives of the following groups:-

- Australian Turf Club – James Heddo (Chairman)
- NSW Racehorse Owners Association – Ray McDowell (Vice-chairman)
- Australian Turf Club – Darren Pearce
- Provincial Racing Association – David Jewell
- Racing NSW Country – Bob Pavitt
- NSW Jockey's Association – Paul Innes
- NSW Trainers Association – Glenn Burge
- Thoroughbred Breeders NSW – Trevor Lobb
- Unions NSW – Russ Collison

During 2016/17 RICG discussions were held on a number of racing topics which included: -

- Racing NSW Strategic Plan;

- Owners and Trainers Agreement;
- Ambulance NSW;
- Horse Welfare;
- Extension of trackwork times;
- Tabcorp and Tatts merger, and
- Racing & Training Infrastructure.

Some of the matters discussed are ongoing and will be further consulted, in particular, the Racing NSW Strategic Plan supporting the ongoing viability of the NSW Thoroughbred Racing Industry.

I would like to thank all members of RICG for their time and valuable input and to Bob Pavitt, the previous Chairman, for his significant contribution.

I also express appreciation to Peter V'landys AM, Racing NSW's CEO, and Russell Balding, Racing NSW Chairman, for their input to RICG and we look forward to continuing to consult with Racing NSW on important industry matters.

- James Heddo (RICG Chairman)



Richard Freyer

Well-known Riverina trainer who was licensed for 47 years and had great success preparing more than 2,500 winners and claimed 16 successive SDR (Southern Districts Racing Association) premierships. He was a prolific cup winner and won eight Albury Cups, 12 Corowa Cups, 10 Berrigan Cups and a National Sprint in Canberra with Prince Tone. Richard was known for his deeds with stayer Leica Falcon who won five of his first eight starts and was fourth in the 2005 Melbourne Cup to Makybe Diva.

John Digby

Former Keeper of the Australian Stud Book and veterinarian, John was appointed Keeper of ASB in 1988 and made many significant changes during his tenure including establishing the stud book records on the website in 1997.

Roy Hinton

Champion trainer and jockey who won multiple Newcastle jockeys and trainers premierships. Roy was one of the men responsible for Newcastle's racing boom in the 1970s and in 1960 after a 20-year riding career and over 600 winners, he began his training career. As a trainer, he trained around 1000 winners and prepared such greats as Swiftly Ann and Manawapoi who won the 1976 Stradbroke Handicap with son-in-law Alan Scorse riding. Roy took out eight Newcastle trainers' premierships and was once referred to as the 'TJ Smith of the North'. Along with his late wife Audrey, Roy established and cared for the Newcastle Racing Museum.

Darren Jones

Died in a tragic racing accident at Warialda in April. Darren, 49, moved to Tamworth in the mid 1980s to commence his riding apprenticeship after growing up in Glen Innes. During a riding career of more than 30 years, he rode more than 800 winners, mainly in country NSW. Darren is survived by his wife Sheridan and two sons, and was greatly admired in the racing community.

Edgar Britt OAM

One of 39 jockeys inducted into the Australian Racing Museum's Hall of Fame and during a distinguished career, won over 2000 races in four continents, competing against champion jockeys. Edgar rode his first winner at Canterbury in 1930 at 16 and first left our shores in 1933 bound for the US with trainer Mick Polson. Edgar rode successfully in California, Seattle and Baltimore before returning to Sydney a couple of years later and among his many victories was the 1934 Sydney Cup on Broad Arrow. In 1935 Edgar ventured to India where he partnered horses for the various Maharajas. Edgar remained in India taking out the jockeys' premiership on eight occasions before heading to England to ride for the Maharajah of Boroda. Edgar was selected as Royal jockey for King George VI and again the big race wins flowed. Edgar retired in 1959 and returned to Australia. In 2004 he was awarded an Order of Australia medal for his service to horse racing as a jockey, commentator and journalist.

Noel Leckie

Noel Leckie was Chairman of Scone Race Club and served on Scone's Committee for 23 years with more than 20 of those years spent as either Vice-Chairman or Chairman. Noel was a prominent racehorse breeder and owner who raced four-time Stakes winner Voodoo Lad (\$670,000 in prizemoney) who ran third in the inaugural Country Championships Final at Royal Randwick. He also bred brilliant Magic Millions 2yo winner, Houtzen.

Riharna Thomson

Riharna Thomson died in a tragic accident whilst riding a horse in trackwork at Thoroughbred Park. Riharna, 22, was a dedicated track rider, rising early every morning to ride work and at the time of her death was promoted to the position of Stable Foreman of the Keith Dryden-Scott Collings training partnership. Riharna was well respected and loved among the local stable fraternity. She was awarded the Strapper of the Year award posthumously.

Valmae Cummings

Widow of the late horse trainer Bart Cummings, Valmae passed away in January aged 86. Bart and Valmae were married for 61 years before Bart's death in 2015. Described as a warm and intelligent businesswoman, Valerie was part of the success of her late husband, and her son and grandsons who have also forged strong reputations in the racing industry, with grandson James appointed as the trainer to Godolphin's Australian racing stable.

Margaret Quinton

Margaret Quinton passed away suddenly following a short illness and was the wife of champion jockey now trainer Ron Quinton. Ron is now one of NSW's best trainers, but Margaret was his strength being a business partner and constant companion.

Graeme Spackman

Graeme Spackman was well known in country NSW as a quiet achiever and enjoyed success across Southern NSW. Among his horses were Wings (seven-time city placegetter), Bush Brandy (seven wins including one Canterbury) and Via Facile (two straight Snake Gully Cups). Graeme's best galloper was Spurcent who finished third to Shamekha in the Gr 3 Furious Stakes at Randwick.

Other notable passings include: -

- John Lundholm snr
- Norm Cowell
- Gary Cooper
- Don Bartlett
- Cyril Watson
- Ian Reid
- Noel Slade
- Lewis Seib
- Mark Macdonald
- Harley Walden
- Merv Maynard
- Bev Booth
- Noel Wright
- Peter Ryan
- Patricia Anderson
- Kathleen Smith
- John Quinlan
- Ron Shirtliff
- Dr Anthea Wright
- Viv Miller

NSW GROUP & LISTED WINNERS

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
1	GOLDEN ROSE STAKES	1400	1,000,000	ASTERN	John O'Shea
1	GEORGE MAIN STAKES	1600	500,000	WINX	Chris Waller
1	EPSOM HCP	1600	1,000,000	HAURAKI	John O'Shea
1	THE METROPOLITAN	2400	750,000	SIR JOHN HAWKWOOD (IRE)	John P Thompson
1	FLIGHT STAKES	1600	500,000	GLOBAL GLAMOUR	G Waterhouse & A Bott
1	SPRING CHAMPION STAKES	2000	500,000	YANKEE ROSE	David Vandyke
1	CHIPPING NORTON STAKES	1600	600,000	WINX	Chris Waller
1	RANDWICK GUINEAS	1600	1,000,000	INFERENCE	M, W & J Hawkes
1	CANTERBURY STAKES	1300	500,000	LE ROMAIN	Kris Lees
1	COOLMORE CLASSIC	1500	600,000	HEAVENS ABOVE	Tim Martin
1	GOLDEN SLIPPER STAKES	1200	3,500,000	SHE WILL REIGN	Gary Portelli
1	GEORGE RYDER STAKES	1500	1,000,000	WINX	Chris Waller
1	RANVET STAKES	2000	700,000	OUR IVANHOWE (GER)	L & A Freedman
1	ROSEHILL GUINEAS	2000	600,000	GINGERNUTS (NZ)	S Autridge & J Richards
1	THE GALAXY	1100	700,000	RUSSIAN REVOLUTION	P & P Snowden
1	THE BMW	2400	1,500,000	JAMEKA	Ciaran Maher
1	VINERY STUD STAKES	2000	500,000	MONTOYA'S SECRET	L & T Corstens
1	DONCASTER HANDICAP	1600	3,000,000	IT'S SOMEWHAT (USA)	John O'Shea
1	T J SMITH STAKES	1200	2,500,000	CHAUTAUQUA	M, W & J Hawkes
1	ATC AUSTRALIAN DERBY	2400	2,000,000	JON SNOW (NZ)	M Baker & A Forsman
1	ATC SIRES PRODUCE STAKES	1400	1,000,000	INVADER	P & P Snowden
1	QUEEN ELIZABETH STAKES	2000	4,000,000	WINX	Chris Waller
1	ATC OAKS	2400	1,000,000	BONNEVAL (NZ)	M Baker & A Forsman
1	SYDNEY CUP	3200	2,000,000	POLARISATION	Charlie Appleby
1	QUEEN OF THE TURF STAKES	1600	1,000,000	FOXPLAY	Chris Waller
1	ALL AGED STAKES	1400	600,000	TIVACI	Michael Moroney
1	CHAMPAGNE STAKES	1600	500,000	THE MISSION	Paul Perry
2	MISSILE STAKES	1200	175,000	TYCOON TARA	P & P Snowden
2	WARWICK STAKES	1400	250,000	WINX	Chris Waller
2	SILVER SHADOW STAKES	1200	175,000	OMEI SWORD	Chris Waller
2	THE RUN TO THE ROSE	1200	175,000	ASTERN	John O'Shea
2	CHELMSFORD STAKES	1600	250,000	HARTNELL (GB)	John O'Shea
2	FURIOUS STAKES	1200	175,000	FOXPLAY	Chris Waller
2	TRAMWAY HCP	1400	175,000	HAURAKI	John O'Shea
2	THEO MARKS STAKES	1300	200,000	MACKINTOSH (NZ)	Chris Waller
2	HILL STAKES	2000	200,000	HARTNELL (GB)	John O'Shea
2	THE SHORTS	1100	200,000	TAKEDOWN	Gary Moore
2	TEA ROSE STAKES	1400	175,000	FOXPLAY	Chris Waller
2	STAN FOX STAKES	1500	200,000	IMPENDING	John O'Shea
2	SHANNON STAKES	1500	175,000	MORAL VICTORY	Tim Martin
2	GOLDEN PENDANT	1400	400,000	TYCOON TARA	P & P Snowden
2	PREMIERE STAKES	1200	300,000	TAKEDOWN	Gary Moore
2	ROMAN CONSUL STAKES	1200	300,000	RUSSIAN REVOLUTION	P & P Snowden

NSW GROUP & LISTED WINNERS

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
2	VILLIERS STAKES	1600	250,000	SENSE OF OCCASION	Kris Lees
2	EXPRESSWAY STAKES	1200	200,000	MUSIC MAGNATE (NZ)	Bjorn Baker
2	BREEDERS' CLASSIC	1200	200,000	IN HER TIME	Benjamin Smith
2	APOLLO STAKES	1400	250,000	WINX	Chris Waller
2	LIGHT FINGERS STAKES	1200	200,000	GLOBAL GLAMOUR	G Waterhouse & A Bott
2	SILVER SLIPPER STAKES	1100	250,000	SHE WILL REIGN	Gary Portelli
2	HOBARTVILLE STAKES	1400	400,000	MAN FROM UNCLE	Anthony Cummings
2	MILLIE FOX STAKES	1300	200,000	IN HER TIME	Benjamin Smith
2	SURROUND STAKES	1400	200,000	LA BELLA DIOSA (NZ)	M & M Brown
2	SKYLINE STAKES	1200	200,000	DIAMOND TATHAGATA	Mark Newnham
2	SWEET EMBRACE STAKES	1200	200,000	ONE MORE HONEY	John P Thompson
2	GUY WALTER STAKES	1400	200,000	DIXIE BLOSSOMS	Ron Quinton
2	CHALLENGE STAKES	1000	500,000	ENGLISH	G Waterhouse & A Bott
2	REISLING STAKES	1200	300,000	FROLIC	Michael Freedman
2	TODMAN STAKES	1200	300,000	GUNNISON	P & P Snowden
2	PHAR LAP STAKES	1500	200,000	FOXPLAY	Chris Waller
2	AJAX STAKES	1500	200,000	IT'S SOMEWHAT (USA)	John O'Shea
2	TULLOCH STAKES	2000	200,000	JON SNOW (NZ)	M Baker & A Forsman
2	EMANCIPATION STAKES	1500	200,000	ZANBAGH	John P Thompson
2	CHAIRMAN'S HANDICAP	2600	300,000	BIG DUKE (IRE)	Darren Weir
2	ARROWFIELD 3YO SPRINT	1200	600,000	DERRYN	D & B Hayes & T Dabernig
2	PERCY SYKES STAKES	1200	600,000	SHOALS	L & A Freedman
2	SAPPHIRE STAKES	1200	300,000	SECRET AGENDA	Mick Price
3	SAN DOMENICO STAKES	1100	150,000	STAR TURN	M, W & J Hawkes
3	UP AND COMING STAKES	1300	125,000	DIVINE PROPHET	M, W & J Hawkes
3	SHOW COUNTY QUALITY HCP	1200	125,000	TYCOON TARA	P & P Snowden
3	TOY SHOW F-&M QLTY HCP	1300	125,000	PEARLS	John O'Shea
3	CONCORDE STAKES	1000	125,000	FELINES	Kris Lees
3	MING DYNASTY QUALITY HCP	1400	125,000	SWEAR	M, W & J Hawkes
3	KINGSTON TOWN STAKES	2000	125,000	McCREERY (GB)	Chris Waller
3	SHERACO STAKES	1200	125,000	HEAVENS ABOVE	Tim Martin
3	SPRING STAKES	1600	150,000	INVINCIBLE GEM	Kris Lees
3	CAMERON HCP	1350	150,000	CHETWOOD	John O'Shea
3	NEWCASTLE CUP	2200	175,000	SACRED MASTER (NZ)	Chris Waller
3	TIBBIE STAKES	1350	125,000	SPIRIT BIRD (NZ)	James Cummings
3	BILL RITCHIE HANDICAP	1400	125,000	SONS OF JOHN	Jason Attard
3	GLOAMING STAKES	1800	200,000	VELADERO	Chris Waller
3	COLIN STEPHEN QUALITY	2400	125,000	ALLERGIC	John O'Shea
3	CRAVEN PLATE	2000	150,000	IT'S SOMEWHAT (USA)	John O'Shea
3	ANGST STAKES	1600	150,000	DIXIE BLOSSOMS	Ron Quinton
3	THE NIVISON	1200	150,000	EGYPTIAN SYMBOL	Bjorn Baker
3	FESTIVAL STAKES	1500	150,000	SWEET REDEMPTION	G Waterhouse & A Bott
3	SUMMER CUP	2000	150,000	RED EXCITEMENT	Gerald Ryan

NSW GROUP & LISTED WINNERS

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
3	BELLE OF THE TURF STAKES	1600	150,000	IMPOSING LASS	Bjorn Baker
3	WIDDEN STAKES	1100	150,000	TEASPOON	Michael Freedman
3	CANONBURY STAKES	1100	150,000	PARIAH	P & P Snowden
3	ESKIMO PRINCE STAKES	1200	150,000	MAN FROM UNCLE	Anthony Cummings
3	SOUTHERN CROSS STAKES	1200	150,000	LE ROMAIN	Kris Lees
3	TRISCAY STAKES	1200	150,000	ZESTFUL	Kris Lees
3	LIVERPOOL CITY CUP	1300	150,000	McCREERY (GB)	Chris Waller
3	ASPIRATION QUALITY	1600	150,000	ELLE LOU	Chris Waller
3	WENONA GIRL QUALITY	1200	150,000	ROCKET COMMANDER	Matthew Dale
3	BLACK OPAL STAKES	1200	300,000	TRAPEZE ARTIST	Gerald Ryan
3	KEITH F NOLAN CLASSIC	1600	200,000	DAWN WALL	Chris Waller
3	MAGIC NIGHT STAKES	1200	175,000	TULIP	D & B Hayes & T Dabernig
3	PAGO PAGO STAKES	1200	175,000	SINGLE BULLET	Gary Portelli
3	SKY HIGH STAKES	2000	350,000	TAVAGO (NZ)	T Busuttin & N Young
3	MAURICE McCARTEN STAKES	1100	150,000	ARTISTRY	P & P Snowden
3	NEWCASTLE NEWMARKET HCP	1400	150,000	HAPPY CLAPPER	Patrick Webster
3	BIRTHDAY CARD STAKES	1200	150,000	RAIMENT	John O'Shea
3	EPONA STAKES	1900	150,000	CONSOMMATEUR (NZ)	Michael Kent
3	N E MANION QUALITY CUP	2400	150,000	BIG DUKE (IRE)	Darren Weir
3	STAR KINGDOM STAKES	1200	150,000	JUNGLE EDGE	Mick Bell
3	T L BAILLIEU HANDICAP	1400	150,000	THE MISSION	Paul Perry
3	NEVILLE SELLWOOD STAKES	2000	150,000	ASSIGN (IRE)	Robert Hickmott
3	DONCASTER PRELUDE	1500	150,000	SPECTROSCOPE (USA)	John O'Shea
3	ADRIAN KNOX QLTY STAKES	2000	200,000	WAKING MOMENT	John P Thompson
3	CARBINE CLUB STAKES	1600	200,000	ACATOUR	P & P Snowden
3	KINDERGARTEN STAKES	1100	200,000	PROPERTY	Robert Smerdon
3	P J BELL STAKES	1200	200,000	DIDDUMS	Gerald Ryan
3	JAPAN RACING ASSOC PLATE	2000	150,000	TOP OF MY LIST	A & E Cummings
3	FRANK PACKER PLATE	2000	150,000	MONGOLIAN WOLF	Darren Weir
3	JAMES H B CARR STAKES	1400	150,000	RAIMENT	John O'Shea
3	HALL MARK STAKES	1200	150,000	REDZEL	P & P Snowden
3	HAWKESBURY GOLD CUP	1600	200,000	FABRIZIO	G Waterhouse & A Bott
3	GODOLPHIN CROWN	1300	175,000	SHILLELAGH (NZ)	Chris Waller
3	HAWKESBURY GUINEAS	1400	200,000	SHAZEE LEE	Scott Singleton
3	DARK JEWEL CLASSIC	1400	200,000	DAYSEE DOOM	Ron Quinton
LR	THE ROSEBUD	1200	100,000	THRONUM	G Waterhouse & A Bott
LR	ROWLEY MILE	1600	100,000	McCREERY (GB)	Chris Waller
LR	PREMIER'S CUP	1900	100,000	SENSE OF OCCASION	Kris Lees
LR	WYONG GOLD CUP	2100	160,000	SLOW PACE (USA)	Kris Lees
LR	MONA LISA STAKES	1350	120,000	FITOU	John O'Shea
LR	HERITAGE STAKES	1100	100,000	GUARD OF HONOUR	Kris Lees
LR	REGINALD ALLEN QLTY HCP	1400	100,000	ZENALICIOUS	Les Bridge
LR	DULCIFY 3YO QUALITY HCP	1600	125,000	MOQUEEN	Anthony Cummings

NSW GROUP & LISTED WINNERS

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
LR	BREEDERS' PLATE	1000	150,000	KHAN	P & P Snowden
LR	GIMCRACK STAKES	1000	150,000	JORDA	John O'Shea
LR	CITY TATT'S CLUB CUP	2400	125,000	JUNOOB (GB)	Chris Waller
LR	CITY TATTS LIGHTNING HCP	1100	150,000	SPIETH (NZ)	Bryce Heys
LR	BRIAN CROWLEY STAKES	1200	150,000	SPRIGHT	Garry Frazer
LR	LADIES DAY CUP	1400	125,000	FAMOUS SEAMUS (NZ)	Noel Mayfield-Smith
LR	STARLIGHT STAKES	1100	125,000	KURO (NZ)	Joseph Pride
LR	ATC CUP	2000	125,000	MALICE	John O'Shea
LR	RAZOR SHARP HCP	1200	125,000	THE MONSTAR	Brett Cavanough
LR	CHRISTMAS CUP	2400	125,000	DESTINY'S KISS	Joseph Pride
LR	CANTERBURY CLASSIC	1200	150,000	LE CORDON BLEU	M, W & J Hawkes
LR	TATTERSALLS CLUB CUP	2400	150,000	DESTINY'S KISS	Joseph Pride
LR	GOSFORD GOLD CUP	2100	150,000	RED EXCITEMENT	Gerald Ryan
LR	TAKEOVER TARGET STAKES	1200	125,000	KURO (NZ)	Joseph Pride
LR	CARRINGTON STAKES	1400	150,000	ECUADOR (NZ)	G Waterhouse & A Bott
LR	AUSTRALIA DAY CUP	2400	150,000	DESTINY'S KISS	Joseph Pride
LR	LONHRO PLATE	1100	125,000	VERANILLO	John O'Shea
LR	PARRAMATTA CUP	1900	125,000	CLASSIC UNIFORM	Gary Moore
LR	FIREBALL STAKES	1100	125,000	SAMANTHA	Gerald Ryan
LR	RANDWICK CITY STAKES	2000	125,000	ASTRONOMOS (GB)	John P Thompson
LR	CANBERRA CUP	2000	200,000	DARK EYES	G Waterhouse & A Bott
LR	NATIONAL SPRINT	1400	130,000	GOLD SYMPHONY	P & P Snowden
LR	CANBERRA GUINEAS	1400	130,000	EUSEBIO	John O'Shea
LR	DARBY MUNRO STAKES	1200	125,000	DERRYN	D & B Hayes & T Dabernig
LR	ALBURY CUP	2000	180,000	GREEN SWEET (USA)	Jean Dubois
LR	GOSFORD GUINEAS	1200	150,000	TRIBAL WISDOM	Michael Moroney
LR	SOUTH PACIFIC CLASSIC	1400	150,000	GENERALISSIMO	Garry White
LR	FERNHILL HANDICAP	1600	150,000	WHISPERED SECRET	James Cummings
LR	WAGGA WAGGA GOLD CUP	2000	150,000	STAMPEDE	G Waterhouse & A Bott
LR	LORD MAYOR'S CUP	2000	150,000	TOP OF MY LIST	A & E Cummings
LR	SCONE CUP	1600	200,000	DUCA VALENTINOIS (IRE)	Darren Beadman
LR	LUSKIN STAR STAKES	1300	150,000	CLEARLY INNOCENT	Kris Lees
LR	WOODLANDS STAKES	1100	150,000	DEBONAIRLY	G Waterhouse & A Bott
LR	DENISE'S JOY STAKES	1100	150,000	MISS DEBUTANTE	G Waterhouse & A Bott
LR	ORTENSIA STAKES	1100	150,000	QUATRONIC	Matthew Dunn
LR	W J MCKELL CUP	2400	150,000	ALLERGIC	Darren Beadman
LR	JUNE STAKES	1100	150,000	THE MONSTAR	Brett Cavanough
LR	WINTER CUP	2400	125,000	GALLIC CHIEFTAIN (FR)	Darren Weir
LR	CIVIC STAKES	1350	150,000	GOLD SYMPHONY	P & P Snowden
LR	RAMORNIE HANDICAP	1200	160,000	CALANDA	P & P Snowden
LR	GRAFTON CUP	2350	160,000	SUPPLY AND DEMAND	G Waterhouse & A Bott
LR	WINTER STAKES	1400	150,000	SLIGHTLY SWEET	Jason Coyle
LR	WINTER CHALLENGE	1500	150,000	SHIRAZ	Kim Waugh



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GENERAL ACTIVITIES - REVENUE AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	Note	2017 \$	2016 \$
REVENUE			
Revenue from Operating Activities			
Sale of Goods - Publications	4(i)	379,327	407,111
Sale of Services	4(ii)	5,920,514	6,334,191
		6,299,841	6,741,302
Revenue from Non Operating Activities			
Interest - General	4(viii)	882,710	1,794,135
		882,710	1,794,135
First Charge	4(iv)	9,118,897	8,933,316
Share of Racing Australia ("RA") Profit	10	1,321,127	1,027,619
REVENUE		17,622,575	18,496,372
EXPENSES			
Board	4(xxiii)	649,410	710,015
Analytical	4(xxiv)	191,006	187,211
Finance	4(xxv)	559,396	396,191
Administration and Executive	4(xxvi)	4,588,490	4,071,991
Legal	4(xxvii)	161,044	92,163
Licensing	4(xxviii)	294,979	288,150
Race Fields	4(xxx)	121,979	96,916
Race Results	4(xxxi)	15,622	15,535
Publications	4(xxxii)	389,583	392,387
Laboratory	4(xxxiii)	2,635,960	3,129,294
Handicapping	4(xxiv)	508,798	596,635
Stewards & Integrity	4(xxxv)	4,304,008	4,142,469
Veterinary	4(xxxvi)	788,737	677,627
Syndicates	4(xxxvii)	151,023	146,462
Stakes Payments	4(xxxviii)	316,851	242,478
Information Technology	4(xxxix)	737,775	641,985
Racing Office	4(xl)	152,870	106,453
Marketing and promotions	4(xli)	677,307	716,379
Financing Costs	4(xliv)	14,944	15,934
Racing Australia	4(xlvii)	-	(52,758)
(Gain)/Loss on Disposal of Assets	4(ix)	(40,690)	7,594
EXPENSES		17,219,092	16,621,111

WORKERS' COMPENSATION FUND PROFIT/LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	Note	2017 \$	2016 \$
REVENUE			
Revenue from Operating Activities			
Workers Compensation Premiums & Revenue	4(iii)	11,999,616	12,450,401
		11,999,616	12,450,401
Revenue from Non Operating Activities			
Rent received/ Outgoings recovered	13	182,400	131,039
Interest received Workers Compensation	4(viii)	1,040,839	1,196,199
		1,223,239	1,327,238
		13,222,855	13,777,639
REVENUE			
EXPENSES			
Workers Compensation Payments	4(xliii)	10,215,269	9,035,144
Workers Compensation, Administrative, Regulatory & Reinsurance	4(xliii)	1,778,980	2,009,018
Financing Costs	4(xliv)	106,497	123,214
Investment Property Expenses	13	105,898	65,966
Investment Property Depreciation Expense	13	428,617	136,379
		12,635,261	11,369,721
Funds surplus before allocation of additional provision for possible future liabilities		587,594	2,407,918
(Reduction) / Addition in provision for possible future liabilities.		(605,221)	4,390,467
Funds Transferred to Reserves		1,192,815	(1,982,549)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	Note	2017 \$	2016 \$
REVENUE FROM CONTINUING OPERATIONS			
Sale of Goods - Publications	4(i)	379,327	407,111
Sale of Services	4(ii)	13,096,688	6,734,191
Workers Compensation Fund Premiums & Rental income	4(iii)	12,182,016	12,581,440
First Charge	4(iv)	9,118,897	8,933,316
Race Fields Interest	4(v)	1,629,278	1,440,162
Race Fields Fees	4(v)	91,055,051	79,337,441
Appearance Fee Receipts	4(vi)	1,077,600	1,154,400
TAB distribution - Prizemoney Subsidies	4(vii)	5,922,400	5,845,600
Interest other parties	4(viii)	1,923,549	2,990,334
Tax Parity Revenue	4(x)	35,760,485	18,531,227
Outside Broadcast	4(xlvi)	5,062,249	1,541,146
TOTAL REVENUE AND OTHER INCOME		177,207,540	139,496,368
EXPENSES			
Management of Race Fields Capital Expenditure	4(xxi)	511,970	539,665
Board	4(xxiii)	649,410	710,015
Analytical	4(xxiv)	191,006	187,211
Finance	4(xxv)	559,396	396,191
Administration and Executive	4(xxvi)	4,588,490	4,071,991
Legal	4(xxvii)	161,044	92,163
Licensing	4(xxviii)	294,979	288,150
Payments made to sustain minimum prizemoney, promotions, horse welfare and other strategic commitments	4(xxix)	131,498,264	110,862,099
Race Fields	4(xxx)	121,979	96,916
Race Results	4(xxxi)	15,622	15,535
Cost of Goods Sold - Publications	4(xxxii)	389,583	392,387
Laboratory	4(xxxiii)	2,635,960	3,129,294
Handicapping	4(xxxiv)	508,798	596,635
Stewards & Integrity	4(xxxv)	4,304,008	4,142,469
Veterinary	4(xxxvi)	788,737	677,627
Syndicates	4(xxxvii)	151,023	146,462
Stakes Payments	4(xxxviii)	316,851	242,478
Information Technology	4(xxxix)	737,775	641,985
Racing Office	4(xl)	152,870	106,453
Marketing	4(xli)	677,307	716,379
The Championships	4(xlii)	2,414,412	2,060,294
Outside Broadcast	4(xlvi)	5,336,157	1,490,566
Workers Compensation Fund Expenses	4(xliii)	12,528,765	11,246,506
Financing Costs	4(xliv)	121,441	139,148
Racing Australia Contributions	4(xlvii)	-	(52,758)
Redevelopment monitoring costs - Rosehill	4(xlv)	14,480	85,500
(Gain) / Loss on Disposal of Assets	4(ix)	(40,690)	7,594
Increase / (Drawdown) on Race Fields provision	17(b)	8,687,338	(7,394,093)
Write back of Race Fields Provision	17(b)	(5,394,785)	(6,067,000)
(Reduction in) / Additional provision for possible future Workers' Compensation liabilities	18	(605,221)	4,390,467
TOTAL EXPENSES		172,316,969	133,958,329
Share of profit of associate (Racing Australia "RA")	10	1,321,127	1,027,619
PROFIT BEFORE INCOME TAX		6,211,698	6,565,658
INCOME TAX EXPENSE		-	-
PROFIT AFTER INCOME TAX		6,211,698	6,565,658
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		6,211,698	6,565,658

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	52,995,687	36,899,081
Trade and Other Receivables	7	21,093,585	19,180,780
Other Current Assets	8	172,770	39,692
Other Financial Assets	9	95,131,021	94,108,562
TOTAL CURRENT ASSETS		169,393,063	150,228,115
NON-CURRENT ASSETS			
Investment Accounted for Using the Equity Method	10	8,612,536	7,291,409
Other Non-Current Receivables	14	6,116,784	6,916,288
Property, Plant and Equipment - Land & Buildings	11	14,036,480	8,310,788
Property, Plant and Equipment - Other	12	17,699,093	15,262,736
Investment Property	13	1,497,087	2,086,931
TOTAL NON-CURRENT ASSETS		47,961,980	39,868,152
TOTAL ASSETS		217,355,043	190,096,267
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	39,727,302	28,526,163
Breeder Owner Bonus Scheme	16	19,835,651	20,603,683
Employee Provisions	17(a)	1,334,821	1,350,591
Race Fields Provisions	17(b)	14,000,000	19,000,000
Workers Compensation Provisions	18	8,894,152	11,062,016
Other Current Liabilities	19	7,716,069	507,237
TOTAL CURRENT LIABILITIES		91,507,995	81,049,690
NON-CURRENT LIABILITIES			
Breeder Owner Bonus Scheme	16	6,796,148	4,746,376
Employee Provisions	17(a)	305,659	231,102
Race Fields Provisions	17(b)	35,887,856	27,595,303
Workers Compensation Provisions	18	40,314,501	40,122,877
Other Non-Current Liabilities	19	118,622	138,355
TOTAL NON-CURRENT LIABILITIES		83,422,786	72,834,013
TOTAL LIABILITIES		174,930,781	153,883,703
NET ASSETS		42,424,262	36,212,564
EQUITY			
Reserve	20	42,424,262	36,212,564
Accumulated Surplus	21	-	-
TOTAL EQUITY		42,424,262	36,212,564

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	Note	Reserves \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2015		29,646,906	-	29,646,906
Profit for the year		-	6,565,658	6,565,658
Total Comprehensive Income for the Year		-	6,565,658	36,212,564
	20	6,565,658	(6,565,658)	-
Balance at 30 June 2016		36,212,564	-	36,212,564
Profit for the year		-	6,211,698	6,211,698
Total Comprehensive Income for the Year		-	6,211,698	6,211,698
	20	6,211,698	(6,211,698)	-
Balance at 30 June 2017		42,424,262	-	42,424,262

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		290,771,846	245,371,810
Payments to suppliers and employees		(264,969,074)	(275,563,180)
Interest received		4,883,159	5,501,933
Finance costs		(121,441)	(139,148)
NET CASH PROVIDED/ (USED) BY OPERATING ACTIVITIES	5(b)	30,564,490	(24,828,585)
CASH FLOW FROM INVESTING ACTIVITIES			
Short term (Investment)/ Redemptions		(1,022,460)	16,688,495
Payments for property, plant and equipment		(10,495,877)	(11,614,833)
Proceeds from sale of plant and equipment		297,818	238,941
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES		(11,220,519)	5,312,603
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans (from)/to related parties including ATC		(3,247,366)	17,397,645
NET CASH (USED)/ PROVIDED BY FINANCING ACTIVITIES		(3,247,366)	17,397,645
NET INCREASE/ (DECREASE) IN CASH		16,096,606	(2,118,337)
Cash at beginning of the year		36,899,081	39,017,418
CASH AT THE END OF THE YEAR	5(a)	52,995,687	36,899,081

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements cover Racing NSW as an individual entity. Racing NSW is a not-for-profit entity established by the Thoroughbred Racing Act, 1996 of the NSW State Parliament.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take account of the changing values of money, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors. The financial statements are presented in Australian dollars.

(b) Accounting Policies

Material accounting policies adopted in the preparation of these financial statements are presented below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(c) Property, Plant and Equipment

Each class of Property, Plant and Equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

At each end of reporting period, the directors review a number of factors affecting plant and equipment, including their carrying values, to determine which of these assets, grouped into cash-generating units, may be impaired. If impairment indicators exist, the recoverable amount of the assets, being the higher of the assets' "fair value less costs to sell" and "value in use", are compared to the carrying values. Any excess of the assets' carrying value over their recoverable amount is expensed as an impairment expense.

As the future economic benefits of Racing NSW's assets are not primarily dependent on their ability to generate net cash inflows and if deprived of the asset, Racing NSW will replace the asset's remaining future economic benefits, "Value in use" is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciation

The depreciable amount of all fixed assets is calculated on a straight line basis over their estimated useful lives to Racing NSW commencing from the time the asset is held ready for use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

	Depreciation Rate
Laboratory Equipment	10.00-33.33%
Building Fitout, Furniture & Equipment	10.00-33.33%
Office & Other Equipment	2.50-33.33%
Motor Vehicles	20.00%
Land and Buildings	2.00%

Leases: Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are charged as expenses on a straight line basis over the lease term in the period in which they are incurred.

(d) Financial assets

Classification

Racing NSW classifies its financial assets in the following categories: financial assets at fair value through the profit or loss and loans and receivables. The classification depends on the purpose for which the financial

assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial Assets designated at Fair Value through the Profit or Loss:

Cash on Deposit is a financial asset designated at fair value through the profit or loss. This financial asset supports the Workers Compensation and Race Fields Capital Development provision and Retained Earnings. In line with AASB 1023 'General Insurance Contracts', fair valuing these assets through the profit or loss eliminates recognition inconsistencies that would arise if the assets were classified as available for sale or measured at amortised cost.

(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. They are included in current assets. Loans and receivables are included in Trade and Other Receivables (Note 7) in the statement of financial position.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Racing NSW commits to purchase or sell the asset. Financial Assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit or loss. Financial assets carried at fair value through the profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Racing NSW has transferred substantially all the risks and rewards of ownership.

Subsequent Measurement

Loans and receivables are carried at amortised cost using the effective interest method. Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets designated at fair value through the profit or loss' category are presented in the profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets designated at fair value through the profit or loss is recognised in the profit or loss as part of revenue from continuing operations when Racing NSW's right to receive payments is established. Details of how the fair value of financial instruments is determined is disclosed in Note 29.

Impairment

Racing NSW assesses at each end of reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

(e) Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. All trade receivables, with the exception of those relating to Breeder Owner Bonus Scheme "BOBS", are due for settlement no more than 30 days from the date of recognition. BOBS receivables are able to be deferred for 12 months.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that Racing NSW will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the provision.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

(f) Investment in Associates

Associates are those entities over which Racing NSW is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that Racing NSW controls jointly with one or more other investors, and over which Racing NSW has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which Racing NSW has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising Racing NSW's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to Racing NSW's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise Racing NSW's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of Racing NSW.

Unrealised gains and losses on transactions between Racing NSW and its associates and joint ventures are eliminated to the extent of the Racing NSW's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(g) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable on the date the invoice is paid.

(h) Employee Benefits

Provision is made for Racing NSW's liability for employee benefits arising from services rendered by employees to end of reporting period. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by Racing NSW to accumulation employee superannuation funds and are charged as expenses when incurred.

A liability or asset in respect of defined benefit superannuation is recognised in the provision for employee benefits, and is measured as the difference between the present value of employee's accrued benefits at the reporting date and the net market value of the superannuation fund's assets at that date. The present value of accrued benefits is based on expected future payments which arise from membership of the fund to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees' departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows. The amount charged to the profit or loss in respect of superannuation represents the contributions made by Racing NSW to the superannuation fund, adjusted by the movement in the liability.

(i) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(j) Revenue

Revenue is measured at the fair value of the consideration received or

receivable, where in most cases, the consideration is in the form of cash or cash equivalents. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised using the effective interest rate method applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Please refer to note 4(v) in respect of Race Fields revenue recognition. All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade, Stakes Payments and Other Payables

These amounts represent liabilities for goods and services provided to Racing NSW prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Breeder Owner Bonus Scheme

Racing NSW administers the Breeder Owner Bonus Scheme ("BOBS"). BOBS is an incentive scheme designed to develop the NSW racing and breeding industry. Stallions standing in New South Wales and their progeny conceived in New South Wales are eligible to be nominated for the scheme. Stallion owners pay a fee to nominate their stallion to participate in BOBS. Owners of eligible progeny of participating stallions also pay nomination fees in respect of each eligible progeny which participates in the scheme. Racing NSW supplements the scheme funds with a First Charge from the TAB distributions.

Where a participating progeny of a participating stallion wins a race at a registered meeting in New South Wales, a BOBS bonus is paid to the owners of the horse and of the stallion according to published criteria. Owners may supplement the amount of the bonus by electing to credit the bonus towards the purchase of BOBS - eligible yearlings at designated sales rather than receive a cash payment. A management fee is applied to cover the costs of administering BOBS. Any deficit in the funds allocated to BOBS as at the end of a financial year is covered by increasing the funding to BOBS in the next financial year. Any surplus at the end of a financial year is carried forward to be applied under the scheme in future periods.

(m) Finance Costs

Finance costs are expensed when incurred.

(n) Workers Compensation Insurance

Premiums received are recognised from the attachment date and are measured over the period of insurance in a pattern in accordance with the incidence of risk. Liabilities for outstanding claims are recognised for direct and inwards reinsurance business and measured as the central estimate of the present value of the expected future payments for claims incurred with an additional risk margin to allow for the inherent uncertainty in the central estimate. The expected future payments include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and costs, including claims handling costs, which the insurer expects to incur in settling these incurred claims. The outstanding claims liability is discounted for the time value of money using risk-free discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the costs of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Government Grants

Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received and Racing NSW will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

(q) Provisions

Provisions for Race Fields Infrastructure, legal claims, service warranties and make good obligations are recognised when Racing NSW has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(r) Critical Accounting Estimates and Judgements

No critical accounting estimates and judgements have been required to be made in the preparation of the financial report other than:

- (i) Estimation of Insurance Liabilities (Refer Note 30)
- (ii) Control of Workers' Compensation Fund: Management have determined that Racing NSW ultimately has the underwriting risk of the workers compensation fund and therefore has control of the fund (Refer Note 18).
- (iii) Race Fields provision (Refer Note 17(b))

(s) Investment Property

Investment Properties are held to generate long-term rental yields and/or for capital appreciation. All tenants' leases are on an arm's length basis. Investment properties are carried at cost less accumulated depreciation calculated at a straight line depreciation rate of 2.00% (Refer Note 13).

The investment properties were purchased as an investment that will be held by the Racing NSW Workers' Compensation fund and were purchased with the intent of diversifying the Workers' Compensation fund asset base away from cash and increasing the asset base held.

(t) New and revised standards effective for these financial statements

The entity has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

Accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

New/revised pronouncement	Impact on the financial statements
AASB 9 Financial Instruments	The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
AASB 15 - Revenue from Contracts	When this Standard is first adopted for the year ending 30 June 2018, there will be no material with Customers impact on the transactions and balances recognised in the financial statements
AASB 16 - Leases	The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.
AASB 2014-10 Amendments to Australian Accounting Standards - Sale of Contribution	When these amendments are first adopted for the year ending 30 June 2019, there will be no material impact on the financial statements.
AASB 1058 - Income of Not-for-Profit Entities	The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
IFRS 17 - Insurance Contracts	The entity is yet to undertake a detailed assessment of the impact of IFRS 17. However, based on entity's preliminary assessment, the Standard is not expected to have a material impact on the transaction and balances recognised in the financial statements when it is first adopted for the year ended 30 June 2021.

NOTE 2: CONSOLIDATED OPERATIONS

Racing NSW - Administration includes the administrative functions of Racing NSW in accordance with the Thoroughbred Racing Act 1996. Racing NSW provides the independent integrity functions of the NSW Thoroughbred Racing Industry including Licensing, Stewards, Veterinary and Laboratory. In addition it provides the co-ordination of the NSW Thoroughbred Racing Industry including race programming, stakes payments and industry training. Also included are Racing Colours Registration, NSW Racing Magazine, Syndicates, Leases and Transfers and the Racing NSW Insurance Fund separately. The consolidated results encompass all divisions noted above.

NOTE 3: INCOME TAX

Racing NSW being a non-profit organisation established for the promotion of thoroughbred racing is exempt from Income Tax pursuant to the provisions of Section 50-45 of the Income Tax Assessment Act (1997), as amended.

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME

- (i) Sale of Goods - Publications represents income derived from the sale of advertising space in the NSW Racing Magazine as well as subscriptions to NSW Racing Magazine by industry participants and customers.
- (ii) Sale of Services represents income derived from the sale of services to the racing industry - including stewards, handicapping, laboratory, veterinary, race results, syndicates and stakes payments.
- (iii) Workers Compensation Fund Premiums and Rental income represents premiums, charges, reinsurance recoveries and other revenues of the Racing NSW Workers Compensation Fund other than those disclosed elsewhere in the profit or loss. (Refer to Note 30).

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME (CONT.)

(iv) First Charge represents a charge to the industry based on the budgeted expenditure for the year.

(v) Race Fields fees and interest - the approved holder to whom the Race Fields Information Use Approval is granted by Racing NSW, must pay Racing NSW a fee between 1 July 2016 to 30 June 2017 in respect of the approved period as follows:

- First \$5 million of turnover: a 1% fee on turnover under this amount (or applicable threshold if there are related wagering operators)

- Standard Race Meetings:

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at odds other than totalizator odds: remains at 1.5%

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at totalizator derived odds: 2.5%

- Premium Race Meetings:

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at odds other than totalizator odds: 2.5%

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at totalizator derived odds: 3.0%

- Premier Race Meetings: (New category was introduced on 1 July for meetings which has at least one race with a prizemoney of at least \$1million)

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at odds other than totalizator odds: 3%

• Above \$5 million (or applicable threshold if there are related wagering operators) for turnover derived from wagers laid at totalizator derived odds: 3.5%

Revenue is recognised by Racing NSW when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to Racing NSW. Race Fields interest income is recognised using the effective interest rate method.

	2017 \$	2016 \$
Total Race Fields fees received	91,055,051	79,337,441
Total Race Fields interest received	1,629,278	1,440,162
Total Race Fields fees & interest received	92,684,329	80,777,603

(vi) Appearance Fee Receipts represents a charge to the industry based on expected starters, to fund a \$200 per starter payment to the owners of all horses not receiving prizemoney.

(vii) TAB distribution - prizemoney subsidies is the amount of industry charge that is used to subsidise increased prizemoney levels in accordance with changes effective 1 July 2012.

(viii) Interest other parties represents interest income as follows:

Interest from Cash at Bank	556,375	1,467,800
Interest from Loans to Clubs	326,335	326,335
Interest from Cash on Deposit	1,040,839	1,196,199
	<u>1,923,549</u>	<u>2,990,334</u>

The total interest income for Racing NSW is comprised as follows:

Interest other parties - general	882,710	1,794,135
Interest other parties - Workers' Compensation	1,040,839	1,196,199
Interest Race Fields	1,629,278	1,440,162
	<u>3,552,827</u>	<u>4,430,496</u>

(ix) (Gain)/Loss on Disposal of Assets represents net amounts received on sale or trade in of assets, less the carrying value of these assets.

(x) The tax parity received from NSW Government.

(xi) Management of Race Fields capital expenditure includes staff, motor vehicles and travel expenses associated with the management of Race Fields Capital expenditure and other capital expenditure on race tracks throughout New South Wales.

(xii) Horse Rehabilitation includes staff, office costs, horse feed, veterinary and horse welfare costs associated with the retraining and sale of thoroughbred horses. From 1 October 2016 the costs of Horse Rehabilitation is funded by 1% of the prizemoney, thus included in payments to sustain minimum prizemoney. (Refer to Note 4(xxix)).

(xiii) Board includes directors' fees and office costs associated with the board of Racing NSW.

(xiv) Analytical includes staff, software and office costs associated with providing specialised analytical information.

(xv) Finance includes staff, software and office costs associated with providing finance and accounting support.

(xvi) Administration and Executive represent the administrative costs of Racing NSW including executive, property, human resources, appeals, consultants as well as support to the Provincial Association and Racing NSW Country.

(xvii) Legal represents the cost of managing legal matters and litigation, including staff costs and external representation.

(xviii) Licensing expenditure represents staff and office costs associated with the derivation of this income stream.

(xix) Payments made to sustain minimum prizemoney, promotions, horse welfare and other commitments.

(xx) Race Fields expenditure represents staff and office costs associated with the management of Race Fields information use and collection of fees.

(xxi) Race Results expenditure represents staff, consultants and office costs associated with the deriving of income for the provision of race result information.

(xxii) Publications expenditure includes staff and office costs as well as all production, distribution and selling costs.

(xxiii) Laboratory expenditure includes staffing, depreciation of capital expenditure, consumables and occupancy costs.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME (CONT.)

(xxxiv) Handicapping expenditure includes staff and office costs.

(xxxv) Stewards' expenditure includes staffing costs, shorthand writers and office costs.

(xxxvi) Veterinary expenditure includes staff, research horses, consumables and office costs.

(xxxvii) Syndicates expenditure includes staffing and office costs.

(xxxviii) Stakes Payments costs include staffing, consultants, system development, bank charges and office costs.

(xxxix) Information Technology represents the cost of providing an IT platform to Racing NSW and supporting staff costs.

(xl) Racing Office represents the cost of coordinating race dates and programming throughout NSW.

(xli) Marketing costs include staff, consultants and promotional costs.

(xlii) The Championships costs including staff, administration, promotion and quarantine costs.

(xliii) Workers Compensation Insurance Fund. This Fund is designed to provide workers compensation insurance cover for employees of NSW Racing Clubs, Associations, owners and trainers of racehorses against liability relating to injury, loss or damage either sustained or caused by jockeys, apprentices, stable hands, workers, servants, employees or agents in their employment or acting on their behalf pursuant to NSW Work Cover legislation. Effective from 1 July 2006 the fund has been managed in-house by Racing NSW. (Refer to Note 30).

(xliv) Financing costs include interest expense, bank charges and bank guarantee fees.

(xlv) Redevelopment monitoring costs represents expenditure for quantity surveyors to review costings of Rosehill Redevelopment.

(xlvi) Outside broadcast includes staffing, travel costs associated with the set-up of Broadcasting facilities. Outside broadcast revenue includes revenue from clubs for providing broadcasting services, revenue from Sky Racing television and revenue from providing broadcasting services and equipment for hire.

(xlvii) Racing Australia represents the contribution Racing NSW makes to the ongoing operations of Racing Australia.

The profit has been determined after:

	2017 \$	2016 \$
Finance Costs		
Bank Charges	20,359	21,168
Bank Guarantee	101,082	117,980
Total Finance Costs	121,441	139,148
Depreciation and impairment expense of non-current assets		
- Land and Building Depreciation Expense	244,454	192,372
- Plant and Equipment Depreciation Expense	2,355,525	1,486,590
- Investment Property Depreciation Expense	66,565	64,482
Total Depreciation and Impairment Expense	2,666,544	1,743,444
Bad and Doubtful Debts		
- Trade Debtors written off / (recovered)	82,199	19,861
Total Bad and Doubtful Debts	82,199	19,861
Rental Expense on Operating Lease		
Total Gain/(Loss) on disposal of non-current assets:		
- Property, Plant and Equipment	(40,690)	7,594
Total Gain/(Loss) on disposal of non-current assets	(40,690)	7,594
Remuneration of Auditor		
- Audit Services	95,500	94,800
Total Remuneration of Auditor	95,500	94,800
Employee Benefits Expense (excluding Superannuation)	13,628,605	12,180,579
Defined Contribution Superannuation Expense	1,491,598	835,112
Defined Benefit Superannuation Expense	(183,276)	(361,835)
Insurance Claim Liability Expenses (Refer Note 18):		
Gross (Decrease)/ Increase in Provision relating to Insurance Claims Liability as recommended by the Actuary	(1,976,240)	163,060
Less Gross Decrease/(Increase) in Reinsurance Recoveries relating to Insurance Claims Liability as recommended by the Actuary	1,371,019	4,227,407
Net (Decrease)/Increase in Provision relating to Insurance Claims Liability as recommended by the Actuary	(605,221)	4,390,467

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	2017 \$	2016 \$
NOTE 5: CASH FLOW INFORMATION		
a) Reconciliation of Cash		
Cash and Cash Equivalents	52,995,687	36,899,081
	52,995,687	36,899,081

As at 30 June 2017, Racing NSW had no credit facilities in place.

b) Reconciliation of Cash Flow from Operating Activities

Profit after Income Tax	6,211,298	6,565,658
(Profit)/ Loss on Sale of Assets	(40,690)	7,594
Depreciation	2,666,544	1,743,444
Share of (profit) in associate (RA)	(1,321,127)	(1,027,619)
	7,516,425	7,289,077
Decrease/ (Increase) in Trade Debtors	1,343,359	(1,781,244)
(Increase)/ Decrease in Prepayments	(133,078)	13,590
Decrease/ (Increase) in Other Non-Current Receivables	799,505	6,899,390
Increase/ (Decrease) in Trade Creditors and Other Creditors	11,192,340	(26,710,123)
Increase/ (Decrease) in Breeder Owner Bonus Scheme	1,281,740	2,901,182
Increase/ (Decrease) in Race Fields Provision	3,292,553	(13,461,093)
(Decrease)/ Increase in Workers Compensation Provision	(1,976,240)	163,060
Increase/ (Decrease) in Other Liabilities	7,189,099	74,557
Increase/ (Decrease) in Other Provisions	58,787	(216,981)
	23,048,065	(32,117,662)
Cash Flows from operating activities	30,564,490	(24,828,585)

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at Bank	22,688,053	16,463,122
Cash at Bank - Redevelopment Grant (Restricted)	17,742	982,240
Cash at Bank - Term Deposits (Maturity of less than 90 days at time of investment)	30,289,892	19,453,719
Total Cash and Cash Equivalents	52,995,687	36,899,081

The Cash at Bank bears floating interest rates between 0.65% and 2.70% (2016: 1.05% and 2.40%). Cash at bank - Redevelopment Grant (Restricted) bears interest rates of between 0.60% and 2.00% (2016: 1.05% and 1.90%). The Cash on Deposit - Workers Compensation are pledged as security for the Commonwealth Bank of Australia Limited ("CBA") to Work Cover (Note 18).

NOTE 7: TRADE AND OTHER RECEIVABLES

Trade Debtors	7,778,379	6,316,510
Provision for Doubtful Debts	(381,478)	(299,339)
Sundry Debtors	5,577,590	5,436,957
Amounts receivable from associated entities:		
- Racing NSW Country Limited	5,950,045	2,693,881
Reinsurance Recoveries Receivable	1,252,097	1,793,460
Amounts receivable - Loans to Clubs	220,000	220,000
Stakes Payment Debtors	696,952	3,019,311
Total Receivables	21,093,585	19,180,780
Sundry Debtors includes outstanding Race Fields fees, accrued interest, accrued Tabcorp receipts.		
Amounts Receivable - Loans to Clubs is made up of the following:		
- Loan to Ballina Jockey Club	180,000	180,000
- Loan to Lismore Turf Club	40,000	40,000
	220,000	220,000

NOTE 8: OTHER CURRENT ASSETS

Prepayments	172,770	39,692
	172,770	39,692

NOTE 9: OTHER FINANCIAL ASSETS

Cash on Deposit - Workers' Compensation Insurance (maturity of greater than 90 days at time of investment)	40,082,689	39,041,850
Cash on Deposit - (maturity of greater than 90 days at time of investment)	55,048,332	55,066,712
	95,131,021	94,108,562

Other financial assets include term deposits with maturity of greater than 90 days. A portion of this balance is subject to bank guarantees as stated in Note 23.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	2017 \$	2016 \$
NOTE 10: INVESTMENT IN RACING AUSTRALIA PTY LIMITED ("RA")		
Investment in RA	8,612,536	7,291,409
	8,612,536	7,291,409

Racing NSW has one material joint venture

Name of the Joint Venture	Country of Incorporation & Principal Place of Business	Principal Activity	Proportion of Ownership Interests Held by the Group	
	Australia	Maximising benefits of racing information		
Racing Australia Limited			35%	35%

The investment in RA is accounted for using the equity method in accordance with AASB 128.

Summarised financial information for RA is set out below:

Current assets (a)	8,494,572	7,289,801
Non-current assets	27,560,081	27,237,621
Total assets	36,054,653	34,527,422
Current liabilities (b)	6,184,243	5,961,480
Non-current liabilities (c)	5,307,723	7,777,903
Total liabilities	11,491,966	13,739,383
Revenue	13,949,937	13,074,866
Profit for the year	3,774,648	2,936,055
Depreciation and amortisation	1,049,545	851,076
Interest income	47,540	76,816
a) Includes cash and cash equivalents		
b) Includes financial liabilities (excludes trade and other payable provisions)		
c) Includes financial liabilities (excluding trade and other payables and provisions)		
Movement in carrying amounts:		
At the beginning of the financial year	7,291,409	6,263,790
Adjustment to RA profit prior year	-	-
Share of RA profit current year	1,321,127	1,027,619
At the end of the year	8,612,536	7,291,409

NOTE 11: PROPERTY, PLANT and EQUIPMENT - BUILDINGS

Land and Buildings - at cost	15,578,870	9,608,724
Less accumulated depreciation	(1,542,390)	(1,297,936)
Total Land and Buildings	14,036,480	8,310,788
Movement in carrying amounts:		
Balance at beginning of year	8,310,788	8,503,160
Additions	5,394,785	-
Transfers from investment to owner-occupied property	575,361	-
Depreciation expense	(244,454)	(192,372)
Carrying Amount at the end of the year	14,036,480	8,310,788

Level 7 of the Drutt Street property was purchased on 29 September 2006.

NOTE 12: PROPERTY, PLANT and EQUIPMENT - OTHER

Plant and Equipment - at cost	27,454,508	22,921,164
Less accumulated depreciation	(9,755,415)	(7,658,428)
Total Plant and Equipment	17,699,093	15,262,736
Movement in Carrying Amounts		
Balance at Beginning of Year	15,262,736	5,650,398
Additions	3,086,705	10,179,401
Disposals	(310,128)	(246,536)
Depreciation Expense	(2,355,525)	(1,486,590)
Transfer from WIP	1,021,176	1,600,962
Movement in WIP	994,129	(434,899)
Carrying Amount at the end of the year	17,699,093	15,262,736

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	2017 \$	2016 \$
NOTE 12: PROPERTY, PLANT and EQUIPMENT - OTHER (CONT.)		
Plant and equipment above is comprised of the following categories:		
Laboratory Equipment - at cost	5,300,278	5,228,318
Less accumulated depreciation	(4,526,867)	(4,192,020)
Total Laboratory Equipment	773,411	1,036,298
Movement in carrying amounts		
Balance at beginning of year	1,036,298	552,961
Additions	71,960	787,160
Disposals	-	-
Depreciation expense	(334,847)	(303,823)
Carrying Amount at the end of the year	773,411	1,036,298
Building Fit-out, Furniture and Fittings - at cost	3,820,213	3,752,954
Less accumulated depreciation	(1,497,346)	(1,163,466)
Total Building Fit-out, Furniture and Fittings	2,322,867	2,589,488
Movement in carrying amounts		
Balance at beginning of year	2,589,488	1,955,408
Additions	67,261	984,702
Depreciation expense	(333,882)	(350,622)
Carrying Amount at the end of the year	2,322,867	2,589,488
Office and Other Equipment - at cost	2,397,984	2,022,532
Less accumulated depreciation	(1,764,777)	(1,518,493)
Total Office and Other Equipment	633,207	504,039
Movement in carrying amounts		
Balance at beginning of year	504,039	362,737
Additions	375,452	343,521
Disposals	-	-
Depreciation expense	(246,284)	(202,219)
Carrying Amount at the end of the year	633,207	504,039
Outside broadcast Equipment - at cost	11,900,242	9,078,856
Less accumulated depreciation	(1,471,227)	(368,678)
Total Outside Broadcast Equipment	10,429,015	8,710,178
Movement in carrying amounts		
Balance at beginning of year	8,710,178	-
Additions	2,821,386	9,078,856
Disposals	-	-
Depreciation expense	(1,102,549)	(368,678)
Carrying Amount at the end of the year	10,429,015	8,710,178
Motor Vehicles - at cost	1,875,599	1,672,442
Less accumulated depreciation	(495,198)	(415,772)
Total motor vehicles	1,380,401	1,256,670
Movement in carrying amounts		
Balance at beginning of year	1,256,670	1,178,330
Additions	771,822	586,124
Disposals	(310,128)	(246,536)
Depreciation expense	(337,963)	(261,248)
Carrying Amount at the end of the year	1,380,401	1,256,670
Capital Works in Progress - at cost	3,181,368	2,767,025
Less Transfer from WIP	(1,021,176)	(1,600,962)
Total WIP	2,160,192	1,166,063
Movement in carrying amounts		
Balance at beginning of year	1,166,063	1,600,962
Additions	2,015,305	1,166,063
Disposals	-	-
Transfer from WIP	(1,021,176)	(1,600,962)
Carrying Amount at the end of the year	2,160,192	1,166,063

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	2017 \$	2016 \$
NOTE 13: INVESTMENT PROPERTY (COST MODEL)		
Level 6, 51 Druitt St Sydney NSW 2000 - at cost	575,361	575,361
Less accumulated depreciation	-	(40,575)
Transfers from investment to owner-occupied property	(575,361)	-
	<u>-</u>	<u>534,786</u>
Level 11, 51 Druitt St Sydney NSW 2000 - at cost	1,683,539	1,683,539
Less accumulated depreciation	(186,452)	(131,394)
	<u>1,497,087</u>	<u>1,552,145</u>
Total Investment Property - at cost	<u>1,497,087</u>	<u>2,086,931</u>
Level 6, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	534,786	546,293
Depreciation expense	(11,507)	(11,507)
Transfers from investment to owner-occupied property	(523,279)	-
Carrying Amount at the end of the year	<u>-</u>	<u>534,786</u>
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	1,552,145	1,335,750
Transfers from owner-occupied property to investment	-	269,370
Transfers from investment to owner-occupied property	-	-
Depreciation expense	(55,058)	(52,975)
Carrying Amount at the end of the year	<u>1,497,087</u>	<u>1,552,145</u>

Level 11 was originally purchased with the intent of leasing out to external parties, however due to a change in circumstances, the Australian Racing Forensic Laboratory was relocated from Royal Randwick to Level 11. Accordingly, in 2015 level 11 was reclassified from solely being an investment property to 77% of floor being classified as PPE for operational purposes. The remaining 23% of Level 11, is leased to Racing Australia on arm's length terms and classified as an investment property. Level 6 is no longer leased to Racing Australia and is occupied by Racing NSW.

The Level 6 suite and whole floor on Level 11 were purchased on the 20 December 2012 and 21 September 2012 respectively for a combined cost of \$6,819,204.

NOTE 14: OTHER NON CURRENT RECEIVABLES

Non Current Reinsurance Recoveries Receivable	5,675,375	6,505,031
Loan to Bookmakers Co-op	350,000	170,000
Employee provisions	91,409	241,257
	<u>6,116,784</u>	<u>6,916,288</u>

NOTE 15: TRADE AND OTHER PAYABLES

Trade Creditors	1,626,639	1,908,406
Other Creditors and Accruals	18,672,093	10,844,645
Amounts payable to associated entities:		
- Racing Australia	70,891	70,891
- RacingCorp Pty Limited	30,916	(74,327)
- Jockey's Benefit Scheme Trust	-	96,444
Employee Leave	1,301,206	1,265,324
Jockeys Welfare Fund	3,042,769	2,733,948
Equine Welfare Fund	957,828	-
Stakes Payment Creditors	13,247,053	9,982,135
Rosehill Redevelopment Fund	17,742	982,241
Benevolent Fund	760,165	716,456
Total Creditors and Accruals	<u>39,727,302</u>	<u>28,526,163</u>

The Jockeys Welfare Fund represents amounts held in trust to be applied to payment of Jockey Public Liability and Personal Accident Insurances and welfare and career benefit schemes.

The Equine Welfare Fund represents unspent fund in relation to the 1% of prizemoney held for the rehabilitation of thoroughbred horses.

Stakes Payments Creditors represent balances owed to industry participant accounts that are due to be paid out.

Redevelopment Fund represents amounts received in relation to redevelopment Rosehill race courses, less progress payments made to 30 June 2017.

	Rosehill \$
Redevelopment funds received to 30 June 2014	24,000,000
Less: Progress payments made to 30 June 2017	(23,982,258)
Balance of Redevelopment liability	<u>17,742</u>

The Benevolent Fund is an amount held in trust to be applied to eligible industry participants under significant financial hardship.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

2017
\$

2016
\$

NOTE 16: BREEDER OWNER BONUS SCHEME

Current

Breeder Owner Bonus Scheme	19,835,651	20,603,683
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Non-Current

Breeder Owner Bonus Scheme	6,796,148	4,746,376
	26,631,799	25,350,059

BOBS current liabilities are those amounts expected to be settled within the next 12 months or within Racing NSW's normal operating cycle. BOBS is funded by stallion owners who pay a fee to nominate their stallion to participate in BOBS and owners of eligible progeny of participating stallions who also pay nomination fees in respect of each eligible progeny which participates in the scheme. Racing NSW supplements the scheme funds with a First Charge from the TAB distributions. (Refer Note 1(l))

NOTE 17(a): EMPLOYEE PROVISIONS

Current

Employee Benefits	1,334,821	1,350,591
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Non-Current

Employee Benefits	305,659	231,102
	1,640,480	1,581,693

Total Employee Provisions

Superannuation Fund

Two employees of Racing NSW are entitled to benefits on retirement, disability or death from the Racing NSW Superannuation Plan.

The fund provides target lump sum benefits based on years of service and final average salary.

Present value of employees accrued benefits	1,285,328	2,232,155
Net market value of assets held by the fund to meet future benefit payments	(1,468,604)	(2,593,990)
Excess of the present value of employees accrued benefits over assets held to meet future benefit payments. (included within employee benefits provision)	(183,276)	(361,835)

NOTE 17(b): RACE FIELDS PROVISIONS

Current

Race Fields provision	14,000,000	19,000,000
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Non-Current

Race Fields provision	35,887,856	27,595,303
	49,887,856	46,595,303

Total Race Fields Provisions

Balance at beginning of the year	46,595,303	60,056,396
Provisions made during the year	98,606,730	86,623,202
Provisions used during the year	(89,919,392)	(94,017,295)
Provisions reversed during the year	(5,394,785)	(6,067,000)
Balance at end year	49,887,856	46,595,303

Of the \$98,004,216 Race Fields provision raised as at 30 June 2012, the following amounts were subsequently written back due to the assets being provided for the development of the Industry by Racing NSW rather than part of the Race Fields Capital development program.

Purpose	Amount \$	Year
Purchase of Outside Broadcast Equipment & Laboratory Equipment	13,250,000	2015
Tracking & Timing system for tracks throughout NSW	6,067,000	2016
Purchase of Horse Welfare Land	5,394,785	2017
Total	24,711,785	

Refer to Note 31 for further information.

NOTE 18: WORKERS COMPENSATION PROVISION

Current

Provision for Insurance Outstanding Claims	8,894,152	11,062,016
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Non-Current

Provision for Insurance Outstanding Claims	40,314,501	40,122,877
	49,208,653	51,184,893

Total Provisions for Workers Compensation

Workers Compensation Provisions

Opening Balance of Workers Compensation Provisions	51,184,893	51,021,833
Gross Movement in Workers Compensation Provisions	(1,976,240)	163,060
Closing Balance of Workers Compensation Provisions	49,208,653	51,184,893

The movement in the Workers Compensation Provision is shown at a Gross of any Reinsurance Recoveries.

Gross Movement in Workers Compensation Provisions	(1,976,240)	163,060
Less Decrease/ (Increase) in Reinsurance Recoveries	1,371,019	4,227,407
Net Movement in Workers Compensation Provisions	(605,221)	4,390,467

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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2017
\$

2016
\$

NOTE 18: WORKERS COMPENSATION PROVISION (CONT.)

Provision for Insurance Outstanding Claims

An actuarial valuation of the Insurance Funds' outstanding claims was performed by independent actuaries, Finity Consulting Pty Limited, as at 30 June 2017 in the amount of \$42,300,000. The CBA Bank had issued guarantees amounting to \$42,900,000 as at 30 June 2017 (2016: \$38,600,000) in favour of WorkCover Authority of NSW. This guarantee is required under the terms of Racing NSW's insurance licence. In accordance with the Workers Compensation Act 1987 Clause 7.3.6 and actuarial recommendations, Racing NSW has provided for a prudential margin of 20% (2016: 20%) in respect of the net central estimate of liabilities relating to the specialised insurer's license and a prudential margin of 20% (2016: 20%) in respect of the net central estimate of liabilities relating to the self insurer's license.

The decrease in provisions for outstanding claims has been predominantly due to increasing interest rates.

The directors have determined that these prudential risk margins are appropriate to increase the likelihood that the provision will be adequate to meet the cost of claims. Due to the small amount of claim data and the difficulties in determining a mathematical distribution appropriate to Racing NSW, the probability of adequately corresponding to the margin cannot be reliably estimated.

The movement in Workers Compensation Provision is recognised as either income or an expense of the period.

NOTE 19: OTHER LIABILITIES

Current

Deferred Income	7,716,069	507,237
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Non-Current

Deferred Income	118,622	138,355
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Total Other Current Liabilities

7,834,691	645,592
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Monies received by Racing NSW at the end of the reporting period for products or services to be provided in more than 12 months time are classified as non current deferred income. These items include subscriptions received for registration of racing colours, license fees, Workers Compensation Insurance premiums and subscriptions to NSW Racing magazine.

NOTE 20: RESERVES

The following reserves have been set aside in accordance with a resolution of Racing NSW.

Reserves

General Reserve	19,269,906	18,058,686
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Industry Distribution Reserve	21,735,181	17,927,518
-------------------------------	------------	------------

Workers Compensation Reserve	1,419,175	226,360
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Total Reserves

42,424,262	36,212,564
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Movement in Reserves

General Reserve

Balance at the beginning of the year	18,058,686	14,187,997
--------------------------------------	------------	------------

Transfers to accumulated surplus	1,211,220	3,870,689
----------------------------------	-----------	-----------

Balance reserve at the end of the year	19,269,906	18,058,686
--	------------	------------

Industry Distribution Reserve

Balance at the beginning of the year	17,927,518	13,250,000
--------------------------------------	------------	------------

Payments to Industry Participants	-	-
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Transfers to accumulated surplus	5,394,785	6,067,000
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Transfers from accumulated surplus	(1,587,122)	(1,389,482)
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Balance reserve at the end of the year	21,735,181	17,927,518
--	------------	------------

Workers Compensation Reserve

Balance at the beginning of the year	226,360	2,208,909
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Transfers to accumulated surplus	1,192,815	(1,982,549)
----------------------------------	-----------	-------------

Balance reserve at the end of the year	1,419,175	226,360
--	-----------	---------

Total Reserves

42,424,262	36,212,564
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The Industry Distribution Reserve, General Reserve represent monies that have progressively been accumulated by Racing NSW from its operation since inception, to fund different areas of its general activities segment. The Workers Compensation Reserve represents accumulated profit/ (losses) from Racing NSW Workers Compensation segment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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	2017 \$	2016 \$
NOTE 21: ACCUMULATED SURPLUS		
Accumulated surplus at beginning of the financial year	-	-
Total Funds transferred (to)/from Reserves	6,211,698	6,565,658
Transfer (to)/from General Reserve	(1,211,220)	(3,870,689)
Transfer (to)/from Industry Distribution Reserve	(3,807,663)	(4,677,518)
Transfer (to)/from Workers Compensation Reserve	(1,192,815)	1,982,549
Accumulated surplus at end of the financial year	-	-

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Operating lease Commitments		
Non-cancellable operating lease contracted for but not capitalised in the Financial statements	-	-
Payable not later than 1 year	49,596	55,654
Payable later than 1 year and not later than 5 years	49,596	55,654

Capital commitments

As shown in Note 31 Racing NSW Board has approved to spend up to \$13.25 million from the accumulated Racefields provision on the Outside Broadcast Equipment and Laboratory Equipment. The board has also approved to spend \$6.067 million on tracking/timing project equipment.

	2017 \$	Cumulative spending total \$	Remaining Commitment as at 30 June 2017 \$
Laboratory Equipment	51,526	3,198,474	-
Outside Broadcast Equipment	161,279	9,794,577	-
Tracking/timing project Equipment	3,704,916	4,818,937	1,248,063
Horse Welfare Land	255,000	255,000	-
Total	4,172,721	18,066,988	1,248,063

NOTE 23: CONTINGENT LIABILITIES

Of the \$24,000,000 received from the New South Wales Government for the purpose of the Rosehill Gardens Racecourse development, \$17,742 remained on hand as at 30 June 2017 and is due to be paid out during subsequent periods. The accounting treatment will be on a cash basis to reflect when economic benefits and obligations will be received. Payments to the Australian Turf Club (owner of the aforementioned Rosehill Racecourse) will be made on receipt of certified progress claims.

There are currently guarantees provided by the CBA in favour of WorkCover Authority of NSW amounting to \$42,900,000 (2016 \$38,600,000) at the end of the reporting period, against a facility of \$40,082,689 (2016 \$39,041,850). Based on the most recent actuarial valuation, Racing NSW expects WorkCover NSW to vary the guaranteed amount to \$42,300,000 a decrease of \$600,000 subsequent to year end. Unused facilities at the end of the reporting period amount to \$0 (2016: \$0). Racing NSW has pledged to CBA to maintain a minimum balance of 100% cash cover security for the WorkCover NSW bank guarantee (2017 \$42,900,000)

NOTE 24: KEY MANAGEMENT PERSONNEL

a) Key Management Personnel

The following persons were key management personnel of Racing NSW during the financial year:

Name	Position Held
Russell Balding AO	Chairman from 1 January 2017, previously Vice-Chairman
Anthony Hodgson AM	Vice-Chairman from 1 January 2017
Saranne Cooke	Board Member
The Hon Kevin Greene	Board Member
Carole Molyneux-Richards	Board Member
Simon Tuxen	Board Member (commenced 4 November 2016)
Tony Shepherd AO	Board Member (commenced 1 January 2017)
John Messara, AM	Chairman (retired 31 December 2016)
Jennifer Owen	Board Member (resigned 14 September 2016)
Peter V'landys AM	Chief Executive Officer
Marc Van Gestel	Chairman of Stewards
Scott Kennedy	General Manager - Industry & Analytical
Pete Sweney	Legal Counsel
Keith Bulloch	General Manager - Regulatory
Graeme Hinton	Chief Operating Officer
John Keledjian	Laboratory Director - Operations
Adam Cawley	Laboratory Director - Scientific
Craig Barnes	General Manager - Finance
Ariel Paez	General Manager - Information Technology
John Galvin	General Manager - Workers Compensation
Maurice Logue	General Manager - Training (resigned 4 August 2017)
Matthew Orr	Assistant Legal Counsel (resigned 19 March 2017)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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	2017 \$	2016 \$
NOTE 24: KEY MANAGEMENT PERSONNEL (CONT.)		
b) Key Management Personnel Compensation		
Salary, Bonuses and Fees	3,530,797	3,552,381
Non-Cash Benefits	153,500	142,359
Other Long Term Benefits	63,555	62,758
Superannuation	272,693	288,082
Total	4,020,545	4,045,580

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

c) Policy for determining the nature and amount of key management personnel compensation

The remuneration of Board Members is established by the Thoroughbred Racing Act, 1996.

The remuneration of the Chief Executive is subject to a contract for executive services, with the level of remuneration subject to annual review by the Board of Racing NSW. The remuneration of the other key management personnel is determined by the Chief Executive Officer, with the level of remuneration subject to annual review by the Chief Executive Officer.

Remuneration whilst being performance based, is not tied to the achievement of specific objectives and no formal bonus structure is in place.

Due to the nature of Racing NSW as an entity, no Board Member or employee receives compensation in the form of equity instruments.

There are no loans to key management personnel and their related parties.

NOTE 25: ENTITY DETAILS

Racing NSW was established as the NSW Thoroughbred Racing Board, an entity under the Thoroughbred Racing Act 1996. As such it is an entity incorporated and domiciled in Australia.

The registered office and principal place of business of the Board is: Level 7, 51 Drutt Street, Sydney, NSW, 2000.

NOTE 26: SEGMENT REPORTING

	2017			2016		
	Racing NSW	Insurance	Total	Racing NSW	Insurance	Total
Primary Reporting - Business Segments						
Revenue						
External Sales	163,142,665	12,182,016	175,324,681	123,917,000	12,581,440	136,498,440
Other Revenue	842,020	1,040,839	1,882,859	1,801,729	1,196,199	2,997,928
Share of profit of associate (Racing Australia "RA")	1,321,127	-	1,321,127	1,027,619	-	1,027,619
Total Segment Revenue	165,305,812	13,222,855	178,528,667	126,746,348	13,777,639	140,523,987
Expenditure						
Depreciation	158,049,002	11,601,423	169,650,425	116,591,076	15,623,809	132,214,885
	2,237,927	428,617	2,666,544	1,607,065	136,379	1,743,444
Total Segment Expenditure	160,286,929	12,030,040	172,316,969	118,198,141	15,760,188	133,958,329
Segment Result	5,018,883	1,192,815	6,211,698	8,548,207	(1,982,549)	6,565,658
Assets						
Segment Assets	158,441,465	50,301,042	208,742,507	131,067,897	51,736,961	182,804,858
Investments in Assets Accounted for using the Equity Method	8,612,536	-	8,612,536	7,291,409	-	7,291,409
Total Assets	167,054,001	50,301,042	217,355,043	138,359,306	51,736,961	190,096,267
Liabilities						
Segment Liabilities	125,583,728	49,347,053	174,930,781	102,559,610	51,324,093	153,883,703
Total Liabilities	125,583,728	49,347,053	174,930,781	102,559,610	51,324,093	153,883,703
Net Assets/(Liabilities)	41,470,273	953,989	42,424,262	35,799,696	412,868	36,212,564
Purchase of Non-Current Assets	10,496,795	-	10,496,795	11,614,834	-	11,614,834
Impairment Losses	-	-	-	-	-	-
Significant Non Cash Expenses other than Depreciation	-	(1,976,240)	(1,976,240)	-	163,060	163,060

The primary business activity of Racing NSW is provision of racing services to the industry. The secondary activity is the Workers Compensation Fund. All income and expenditure is incurred within the thoroughbred racing industry within the state of New South Wales, Australia.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

The entity operates in one geographical segment, being NSW Australia.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 27: RELATED PARTIES

(a) Key Management Personnel

The key management personnel of the entity are disclosed in note 24(a).

The names of the key management personnel who were members of the Board at any time during the year were as follows:

J. Messara AM	R. Balding AO
J. Owen	A. Hodgson AM
S. Cooke	P.N. V'landys AM
The Hon K Greene	C Molyneux-Richards
S. Tuxen	T. Shepherd AO

Mr R Balding and Mr P N V'landys, both board members of Racing NSW, are also directors of Racingcorp Pty Limited and each beneficially own for Racing NSW one Class A1 share unit in Racingcorp Pty Limited.

Mr R Balding is also a director of Racing Australia.

(b) Other Related Parties

Racing NSW undertakes accounting, administrative, banking and payroll services and support for Racing NSW Country Limited, NSW TRB Training Limited, Racingcorp Pty Limited, Jockeys Benefit Scheme Trust and NSW Thoroughbred Rehabilitation Trust. Refer to Notes 7 and 15 for amounts due from/payable to these related entities. Amounts disclosed below detail transactions with these related entities during the year. These transactions are on normal commercial terms. These are summarised as follows:

	2017 \$	2017 \$
	Expenses Paid on behalf of entity	Receipts taken on behalf of entity
- Racing NSW Country Limited	93,158,298	93,508,296
- Racing Australia	-	-
- Racingcorp Pty Limited	129,542	139,097
- NSW TRB Training Limited	680,445	654,865
- The Jockeys Benefit Scheme Trust	70,063	1,089
- Thoroughbred Horse Rehabilitation Trust	-	36,950

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

a) General objectives, policies and processes

Activities undertaken by Racing NSW may expose the business to a variety of financial risks: credit risk, liquidity risk, market risk and insurance risk. The Board has overall responsibility for the determination of Racing NSW's financial risk management objectives and policies. Racing NSW's financial risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of Racing NSW where such impacts may be material.

Racing NSW has a central treasury function which implements the financial risk management policies approved by the Board of Directors.

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

b) Credit risk

Credit risk is the risk that the other party to the financial instrument will fail to discharge their obligations resulting in Racing NSW incurring a financial loss.

Racing NSW trades only with recognised, credit worthy third parties. Receivable balances are monitored on an ongoing basis with the result that Racing NSW's exposure to bad debts is not significant.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the end of the reporting period to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

	2017 \$	2016 \$
Trade Debtors	7,396,901	6,017,171
Other Receivables	19,116,516	17,060,586
Other Financial Assets	95,131,021	94,108,561
Stakes Payment Debtors	696,952	3,019,311
Cash at Bank	52,995,687	36,899,081
	175,337,077	157,104,710

Whilst Racing NSW has a material credit risk exposure to Other Receivables through amounts receivable from NSW Country Racing Council Limited the Board is of the view that this risk is negligible due to control over the funding stream through the Racing Distribution Agreement, Inter-Code Agreement and Intra-Code Agreements.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Policies require that Cash at Bank and Cash on Deposit be placed with major banks approved by the Board.	No changes to investments are made without Board approval. Deposits and term investments are placed with major banks with rating AA or above.	The holdings and performance of Cash at Bank and Cash on Deposit are reported to the Board on a monthly basis.
Debtors are assessed as to likely recovery prior to advancing credit. Stakes Payment Debtors and Trade Debtors are reviewed and treated separately.	Debtors are reviewed on an ongoing basis depending on type of debt. Collectability is assessed on a regular basis.	Aged Debtors Balances are reviewed on a regular basis.
Policies require that all Investments be placed with major institutions approved by the Board.	No changes to investments are made without Board approval.	The holdings and performance of Investments are reported to the Board on a monthly basis.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

b) Credit risk (Cont.)

Concentration of Debtors

Racing NSW determines the credit risk from the type of debtor and type of debt. Stakes Payment debtors are recoverable as Racing NSW has significant control over industry funding and acts as the facilitator between industry participants for the distribution of these funds.

BOBS trade debtors as at 30 June 2017 were \$1,906,300 (2016: \$1,095,000). The Board believes the credit risk is negligible due to control over future winnings attributable to these debtors.

A significant proportion of Trade and Other Receivables comprise amounts receivable from the associated entities as at 30 June, 2017 including Racing NSW Country Limited \$5,949,990 (2016: \$2,693,881). The Board believes the credit risk is negligible due to control over the funding through the Racing Distribution Agreement, Inter-Code Agreement and the Intra-Code Agreement.

Impairment

Impairment is determined based on the type of debtor and the type of debt. Normal trading terms are 30 days from date of invoice, however in respect of Stakes Payment debtors this may vary depending on the debtor type. In general the major Stakes Payment debtors have 30 working days following the fortnightly prize money pay run to clear their accounts. This is generally automatic as Racing NSW facilitates distribution of the TAB Product Fees to Stakes Payment debtors.

Unpaid Trade debtor's accounts over 90 days are reviewed for impairment. Outstanding Other Receivables are reviewed for impairment on an individual basis. The provision for impairment is based on the likelihood of recovery after contact with the debtor and assessment of recourse action available.

	Total \$	Current \$	30 days \$	60 Days \$	90 Days \$
2017 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	7,778,379	6,224,504	1,366,612	8,825	178,439
Maximum Exposure - Stakes Payment Debtors	696,952	167,317	167,317	167,317	195,000
Maximum Exposure - Other Receivables	19,116,516	19,116,516	-	-	-
Maximum Exposure - Other Financial Assets	95,131,021	95,131,021	-	-	-
	122,722,868	120,639,358	1,533,929	176,142	373,439
Amount past due but not considered Impaired	1,702,032	-	1,533,929	176,142	(8,039)
Amount past due considered Impaired	381,478	-	-	-	381,478
	2,083,510	-	1,533,929	176,142	373,439
Impairment provision	(381,478)	-	-	-	(381,478)
2016 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	6,316,510	5,811,601	182,744	164,452	157,714
Maximum Exposure - Stakes Payment Debtors	3,019,311	2,173,903	452,897	150,966	241,545
Maximum Exposure - Other Receivables	17,060,586	17,060,586	-	-	-
Maximum Exposure - Other Financial Assets	113,562,280	113,562,280	-	-	-
	139,958,687	138,608,370	635,641	315,418	399,259
Amount past due but not considered Impaired	1,366,396	315,418	635,641	315,418	99,920
Amount past due considered Impaired	299,339	-	-	-	299,339
	1,665,735	315,418	635,641	315,418	399,259
Impairment provision	(299,339)	-	-	-	(299,339)

Trade debtor amounts are unsecured. Stakes Payment debtor and Other Receivable amounts are primarily Racing Clubs and are indirectly secured through industry agreements.

Trade debtors are primarily Race Fields fees receivable and are subject to 'Information Use' agreements. The Board does not believe there is any material credit risk on the debtor balances that are past due but not considered impaired due to the mutually beneficial ongoing business associations in place.

Allowance for Impairment Loss

Trade Receivables and stakes debtors are non-interest bearing and are generally required to be settled with 30 days. BOBS receivables may be deferred for 12 months. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Movements in the provision for impairment loss were as follows.

	2017 \$	2016 \$
Opening Balance	299,339	279,622
Bad Debts written off during year	60	75
Provision for Doubtful Receivables	100,703	45,065
Add back money recovered	(18,564)	(25,423)
Closing Balance	381,538	299,339

Concentration of Investments

Racing NSW determines the credit risk from the bank or institution that retains funds of the business. There is a concentration of credit risk with respect to current bank deposits and investments in the following institutions.

Institution

Commonwealth Bank (A-1+ rated by S&P)	86,714,459	79,796,948
National Australia Bank (A-1+ rated by S&P)	61,311,754	51,210,199
Total	148,126,213	131,007,147

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

c) Liquidity Risk

Liquidity risk is the risk that Racing NSW may encounter difficulties raising funds to meet commitments associated with financial instruments.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW maintain adequate cash reserves to meet the liquidity demands when due and payable.	Racing NSW monitors liquidity risk by daily monitoring of the cash position and regular review of the annual cash flow.	Racing NSW manages purchases and staff remuneration within an expenditure budget.
Borrowings are not generally undertaken by the Board. Any borrowing must be approved by the Board.	Borrowings must be 100% supported by the investment.	
Trade Creditors are assessed as to quality of service provided and paid within due date following General Manager Authorisation.	Trade Creditors are paid weekly based on due date and managerial authorisation.	Trade Creditors' ledger is reviewed on a monthly basis.
Stakes Payment Creditors are paid on a fortnightly basis.	Stakes Payment Creditors are paid fortnightly in arrears following authorisation by the Chief Executive.	Industry Creditors are reviewed every fortnight when they are paid.

Concentration of Creditors

Racing NSW determines the credit risk from the type of creditor and type of payable. Stakes Payment creditors are generally offset by Stakes Payment debtors. Racing NSW acts as the facilitator between industry participants for the distribution of these funds.

There is no concentration of credit risk with respect to current payables.

	Carrying Amount	Contractual Cash Flows	< 6 Months	6-12 Months	1-4 years
	\$	\$	\$	\$	\$
Maturity Analysis for Financial Liabilities - 2017					
Trade and Other Payables	25,161,301	25,161,301	25,161,301	-	-
Stakes Payment Creditors	13,247,053	13,247,053	13,247,053	-	-
Breeder Owner Bonus Scheme	26,631,799	26,631,799	2,759,662	17,075,989	6,796,148
Redevelopment Funds	17,742	17,742	17,742	-	-
Total	65,057,895	65,057,895	41,185,758	17,075,989	6,796,148

Maturity Analysis for Financial Liabilities - 2016

Trade and Other Payables	16,296,463	16,296,463	16,296,463	-	-
Stakes Payment Creditors	9,982,135	9,982,135	9,982,135	-	-
Breeder Owner Bonus Scheme	25,350,059	25,350,059	2,108,237	18,495,447	4,746,376
Redevelopment Funds	982,241	982,241	982,241	-	-
Total	52,610,898	52,610,898	29,369,076	18,495,447	4,746,376

Economic Dependency

Racing NSW received 5.15% (2016: 5.97%) of its income via a First Charge on the TAB distributions to the Thoroughbred Racing Industry. This distribution is governed by the NSW Racing Distribution Agreement as entered into by Racingcorp Pty Limited and TAB Limited. Consequently, Racing NSW is economically dependent on TAB Limited.

d) Market Risk

Market Risk includes interest rate risk and price risk and arises from the use of interest bearing financial instruments. Racing NSW is exposed to fluctuations in interest rates on its cash holdings and cash deposits. Racing NSW is exposed to price risk on its investments.

Racing NSW is exposed to fluctuations in interest rates on its cash at bank balances. Cash on Deposit have short term fixed interest rates. There are no interest bearing financial liabilities. The effective weighted average interest rate on financial assets is shown below.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW review and negotiate interest rates on Cash at Bank on a regular basis in order to maximise their return.	Racing NSW negotiates an interest rate in line with market rates.	Racing NSW checks interest rates received against market leading interest rates offered by competing financial institutions of a similar credit rating.
Board policies require that Racing NSW review and negotiate interest rates on Cash on Deposit on roll-over of the deposit.	Racing NSW negotiates an interest rate in line with market rates at the time of roll-over.	Racing NSW checks interest rate received against market leading rates offered by competing financial institutions of a similar credit rating.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

d) Market Risk (Cont.)

2017	Effective Weighted Average Rate	Floating Interest Rate \$	Fixed Interest Maturing < 1 year \$	Non Interest Bearing \$	Total \$
Financial Assets:					
Cash at Bank	1.300%	52,995,687	-	-	52,995,687
Other Financial Assets	2.600%	-	95,131,021	-	95,131,021
Other Receivables - including Loan to Bookmakers co-op	2.000%	350,000	-	26,860,369	27,210,369
Total Financial Assets		53,345,687	95,131,021	26,860,369	175,337,077
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	26,631,799	26,631,799
Trade and Other Payables	-	-	-	38,426,096	38,426,096
Total Financial Liabilities measured at amortised cost		-	-	65,057,895	65,057,895
Net financial assets/(liabilities)		53,345,687	95,131,021	(38,197,526)	110,279,182
2016					
Financial Assets:					
Cash at Bank	1.500%	36,899,082	-	-	36,899,082
Other Financial Assets	2.950%	-	94,108,561	-	94,108,561
Receivables	2.400%	170,000	-	25,927,068	26,097,068
Total Financial Assets		37,069,082	94,108,561	25,927,068	157,104,711
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	25,350,059	25,350,059
Trade and Other Payables	-	-	-	27,260,839	27,260,839
Total Financial Liabilities measured at amortised cost		-	-	52,610,898	52,610,898
Net financial assets/(liabilities)		37,069,082	94,108,561	(26,683,830)	104,493,813

Interest Rate Sensitivity

Racing NSW performs a sensitivity analysis to measure market risk exposures at the time of each maturity of the investment to assess the reinvestment opportunities. There is no interest rate sensitivity for trade receivables or payables. Interest rate sensitivity only applies to Racing NSW Cash at Bank, Cash on Deposit, other financial assets and loans.

Based on the calculations as at 30 June 2017, the net profit impact for a 100 basis points movement in interest rates would be \$1,484,767 (2016: 1,311,777)

2017	Current Weighted Average Rate	Amount \$	100 basis points Increase in Interest \$	100 basis points Decrease in Interest \$
Cash at Bank	1.300%	52,995,687	529,957	(529,957)
Other Financial Assets	2.600%	95,131,021	951,310	(951,310)
Loan to Bookmakers Co-op	2.000%	350,000	3,500	(3,500)
Total		148,476,708	1,484,767	(1,484,767)
2016				
Cash at Bank	1.500%	17,445,363	174,454	(174,454)
Cash on Deposit	2.950%	113,562,280	1,135,623	(1,135,623)
Other Receivables - including Loan to ATC	2.400%	170,000	1,700	(1,700)
Total		131,177,643	1,311,777	(1,311,777)

The method used in determining the sensitivity was to evaluate the interest revenue based on the timing of the interest repricing on the deposits for the next 12 months. The following assumptions were applied:

- the rate at the beginning of the 12 month period would apply for the whole period.
- the cash on deposit would all reprice to the new interest rate at the same time.
- the base rate is the weighted average across the cash on deposit.

Insurance Risk

Pursuant to section 13(1)(d) of the Thoroughbred Racing Act 1996 (NSW), Racing NSW's functions include "insuring of participants in the horseracing industry". Racing NSW holds a specialised insurer's licence issued by WorkCover NSW that permits it to offer compulsory workers compensation insurance for employers and employees engaged in activities incidental to thoroughbred horse racing.

The rights and obligations of Racing NSW as a specialised insurer, are regulated by the Workers Compensation Act 1987 (NSW) and the Workplace Injury Management and Workers Compensation Act 1998 (NSW). These Acts define the circumstances in which an employer has a liability to an injured worker, the manner and timing of any decision by Racing NSW as to the granting of indemnity, and the quantum of benefits payable in response to a claim.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

d) Market Risk (Cont.)

Insurance Risk (Cont.)

Racing NSW provides an annual actuarial report to WorkCover NSW for the period to 30 June in each financial year that covers issues such as:

1. The quantum of outstanding liabilities.
2. The predicted development of such liabilities, payments on new claims and other expenses during the subsequent financial year.
3. The number of new claims expected and an estimate of Incurred but Not Reported (IBNR) claims for the preceding financial year.
4. The amount of the bank guarantee that Racing NSW must arrange to be executed by an established financial institution in favour of WorkCover NSW to support its ability to fund the thoroughbred racing industry's accumulated and expected workers' compensation liabilities. (Refer Note 18)

Racing NSW is committed to managing legal, operational and financial risk in the conduct of its workers' compensation activities.

Financial payments made by the fund are initially approved by the relevant claims manager. Payments are then entered by a different department and returned to the Insurance Manager for authorisation before being randomly audited and processed by the General Manager – Finance and the Chief Executive.

Established practices and procedures govern the internal management of claims, the selection and remuneration of service providers and the manner in which critical decisions are made in relation to individual claimants (such as decisions to contest liability and/or litigate appropriate cases). These practices and procedures are regularly reviewed and, in conjunction with the Occupational Health & Safety and Workers Compensation summary publicly available on Racing NSW's website, are available for review and comment by WorkCover NSW upon request.

Racing NSW's General Manager, Workers' Compensation is a highly experienced workers' compensation professional with qualifications in general insurance. He has held senior workers' compensation positions with WorkCover, NSW Police Service and Deloitte Touche Thomatsu. Racing NSW also engages external legal and medical specialists and other independent experts as and when needed in the administration or litigation of claims.

NOTE 29: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value has been determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset and liability.

The information is only relevant to circumstances at balance date and will vary depending on market rates and conditions at the time. The carrying value less impairment provisions for trade receivables and payables approximates their fair values due to their short term nature. The carrying value of other short term financial assets and liabilities is assumed to approximate their fair value due to their short term nature. The fair value of financial liabilities, that are maturing in more than 12 months, for disclosure purposes, has been estimated by discounting the future contractual cash flows at the current market interest that is available to Racing NSW. Significant assumptions used in determining the cash flows are that they will be consistent with the contracted cash flows under their respective contracts. Other specific assumptions used are:

- a) the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2017: 8.71% (2016: 8.71%)
- b) payments are made evenly throughout the period.
- c) BOBS has been discounted over 2 years (2016: 2 years) due to the nature of the BOBS agreement.

	Fair Value	2017 Carrying Value	Variance	Fair Value	2016 Carrying Value	Variance
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash at Bank	52,995,687	52,995,687	-	17,445,363	17,445,363	-
Receivables - term deposits	95,131,021	95,131,021	-	113,562,280	113,562,280	-
Other Receivables	27,210,369	27,210,369	-	26,097,068	26,097,068	-
Total Financial Assets	175,337,077	175,337,077	-	157,104,711	157,104,711	-
Financial Liabilities:						
Breeder Owner Bonus Scheme	26,332,959	26,631,799	(298,840)	25,141,351	25,350,059	(208,708)
Trade and Other Payables	38,426,096	38,426,096	-	27,260,839	27,260,839	-
Total Financial Liabilities measured at amortised cost	64,759,055	65,057,895	(298,840)	52,402,190	52,610,898	(208,708)

NOTE 30: INSURANCE ACTIVITIES

	2017 \$	2016 \$
Premium revenue	11,512,653	11,179,554
Reinsurance recoveries and other recoveries revenue	322,678	1,140,398
Other Income	346,685	261,488
	12,182,016	12,581,440
Interest Income	1,040,839	1,196,199
	1,040,839	1,196,199
Underwriting expenses	2,094,992	1,984,577
Direct claims expense	10,215,269	9,035,144
Outwards reinsurance premium expense	325,000	350,000
	12,635,261	11,369,721

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

	2017 \$	2016 \$
NOTE 30: INSURANCE ACTIVITIES (CONT.)		
Underwriting result for the financial year excluding investments revenue and expense	(453,245)	1,211,719
Investments		
Investment Property	1,497,087	2,086,931
	1,497,087	2,086,931
Operating Assets		
Bank	41,876,483	41,351,539
Reinsurance recoveries	6,927,472	8,298,491
	48,803,955	49,650,030
Total Assets	50,301,042	51,736,961
Liabilities		
Outstanding claims	49,208,653	51,184,893
Unearned Premiums	138,400	139,200
Investment Property costs funded by General Activities	-	-
	49,347,053	51,324,093

Refer to Note 18 for bank guarantee and other information relating to Workers Compensation Provision.

a) Outstanding Claims

Gross undiscounted claim liability	52,723,174	52,543,056
Discount to present value	(10,561,385)	(8,505,896)
Third party recoveries	(2,861,801)	(3,009,013)
Reinsurance recoveries	(4,065,670)	(5,289,478)
Central estimate of the expected present value of future payments for claims incurred	35,234,318	35,738,669
Prudential margin	7,046,863	7,147,733
	42,281,181	42,886,402
Current	7,642,055	9,268,556
Non-current	34,639,126	33,617,846
	42,281,181	42,886,402

The average weighted term to settlement of the outstanding liabilities is 8 years (2016: 7.6 years).

The following average inflation rates and discount rates were used in measuring the liability for outstanding claims:

	2017		2016	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	3.50%	3.50%	3.00%	3.00%
Discount Rate	2.84%	2.84%	2.29%	2.29%

b) Net claims incurred for current year and change in incurred for prior years.

	2017		2016	
	Current Year Incurred \$	Reassess Prior Years \$	Current Year Incurred \$	Reassess Prior Years \$
Gross undiscounted incurred claims	16,174,346	(5,150,135)	15,620,646	(9,932,802)
Undiscounted reinsurance & other recoveries	(477,976)	1,107,000	(760,188)	4,150,354
Net undiscounted incurred claims	15,696,370	(4,043,135)	14,860,458	(5,782,448)
Discounting of incurred claims	(2,090,783)	(180,334)	(1,648,121)	6,100,972
Discounting recoveries	130,790	211,302	110,313	(621,580)
	(1,959,993)	30,968	(1,537,808)	5,479,392
Gross discounted incurred claims	14,083,563	(5,330,469)	13,972,524	(3,831,831)
Discounted reinsurance & other recoveries	(347,186)	1,318,302	(649,876)	3,527,773
Net discounted incurred claims	13,736,377	(4,012,167)	13,322,648	(304,058)

The claim cost incurred consists of paid to date plus estimate of outstanding liabilities plus claim management expenses, being 9% of the gross discounted liability.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 30: INSURANCE ACTIVITIES (CONT.)

- a) the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2017: 8.71% (2016: 8.74%)
 b) payments are made evenly throughout the period.

c) Claim Development

Claims cost estimate	Prior \$	Accident Year										Total
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
At the end of accident year	n/a	8,853	13,327	10,768	14,058	12,900	11,168	11,499	11,661	11,693	12,561	
One year later	n/a	10,454	14,600	10,269	13,382	10,839	10,719	9,786	11,123	11,078		
Two years later	n/a	10,586	14,003	9,558	12,415	9,567	8,198	8,987	10,913			
Three years later	n/a	10,793	13,500	9,517	10,588	8,602	7,261	8,742				
Four years later	n/a	11,084	12,233	7,620	10,343	8,192	7,128					
Five years later	n/a	9,904	12,585	7,338	10,061	7,696						
Six years later	n/a	9,944	11,590	7,291	9,863							
Seven years later	n/a	9,754	10,926	7,093								
Eight years later	n/a	9,652	10,796									
Nine years later	n/a	9,720										
Current estimate of claims cost	-	9,720	10,796	7,093	9,863	7,696	7,128	8,742	10,913	11,078	12,561	95,590
Cumulative payments	-	(8,766)	(10,151)	(5,448)	(7,752)	(5,356)	(5,680)	(4,738)	(5,636)	(4,906)	(4,159)	(62,593)
Undiscounted central estimate	6,517	954	645	1,645	2,111	2,340	1,448	4,004	5,277	6,172	8,402	39,513
Effect of discounting	(1,115)	(199)	40	(283)	(444)	(465)	(556)	(725)	(953)	(1,122)	(1,367)	(7,188)
Discounted central estimate	5,402	755	685	1,362	1,667	1,875	891	3,280	4,323	5,051	7,035	32,325
Claims handling expense	486	68	62	123	150	169	80	295	389	455	633	2,909
Risk margin	1,178	165	149	297	363	409	194	715	942	1,101	1,534	7,047
Present value recognised in the statement of financial position	7,066	988	896	1,782	2,180	2,452	1,166	4,290	5,655	6,606	9,201	42,281

d) Maturity Analysis for Outstanding Claims

	2017					2016				
	All Years	< 1 year	1-2 years	2-5 years	> 5 years	All Years	< 1 year	1-2 years	2-5 years	> 5 years
Workers' Compensation Claim Payments - Undiscounted	\$ 39,513,284	\$ 5,924,933	\$ 4,330,736	\$ 8,755,067	\$ 20,502,548	\$ 38,332,345	\$ 7,162,602	\$ 5,047,689	\$ 8,290,786	\$ 17,831,269

This table shows the maturity analysis for the remaining contractual maturities of the workers' compensation liabilities. The management of insurance risk and liquidity risk are disclosed in Note 29. Amounts shown are undiscounted and exclude claims handling expenses.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

RACING NSW ABN 86 281 604 417

NOTE 31: RACE FIELDS DEVELOPMENT PROGRAM

As result of Race Fields High Court case decision of 30 March, 2012 the Board of Racing NSW commenced a capital development program for the State's racecourses over a sustained period. The focus of the program is improvements to racing surfaces and training facilities at major provincial and country racecourses throughout the State. In the year ended 30 June, 2017 the following clubs benefited from the program in the current financial year and since the High Court case as follows:

	2017	Cumulative Total	Racing NSW Board approved project balance remaining
	\$	\$	\$
- Albury Racing Club	1,030,269	1,073,205	176,795
- Australian Turf Club (Kensington Track)	320	1,697,940	2,060
- Quarantine facility	1,718	1,003,208	6,996,792
- Ballina Jockey Club	91,585	245,055	1,924,945
- Bathurst Thoroughbred Racing	-	577,843	172,157
- Coffs Harbour Racing Club	-	1,175,434	2,566
- Dubbo Turf Club	1,033,167	1,043,167	506,833
- Goulburn & District Racing Club	119,513	989,070	1,960,930
- Gosford Race Club	-	238,600	21,400
- Hawkesbury Race Club (Home Straight)	-	4,503,495	246,505
- Hawkesbury Race Club (Polytrack)	-	-	4,000,000
- Illawarra Turf Club	61,819	168,771	9,331,229
- Muswellbrook Race Club	-	463,188	86,812
- Murrumbidgee Turf Club	538,654	1,112,708	187,292
- Newcastle Jockey Club	86,502	11,209,960	-
- Racing Orange	12,870	1,258,733	41,267
- Port Macquarie Race Club	48,030	3,663,366	36,634
- Scone Race Club	-	294,295	185,705
- Tuncurry Forster Jockey Club	-	871,582	28,418
- Taree-Wingham Racing Club	-	43,346	1,156,654
- Tamworth Jockey Club	873,792	2,072,413	77,587
- Wyong Race Club	7,902	1,098,763	401,237
- ATC - Capital Development fund	-	4,000,000	-
- Sapphire Coast Turf Club	-	-	360,000
- Clarence River Jockey Club	-	-	90,000
	3,906,140	38,804,143	27,993,817
- Quantity Surveyor & monitoring costs incurred by Racing NSW	14,480	116,380	-
	3,920,620	38,920,523	27,993,817
Total Accumulated Race Fields Funds as at June 2012		98,004,216	
Total written back in the 2015 Financial Year to spend on Laboratory equipment and Outside Broadcast equipment (Refer Note 17(b))		(13,250,000)	
Total written back in the 2016 Financial Year to spend on Tracking/ Timing system project (Refer Note 17(b))		(6,067,000)	
Total written back in the 2017 Financial Year to purchase horse welfare land (Refer Note 17(b))		(5,394,785)	
Less future fund		(10,000,000)	
Net Accumulated Race Fields funds		63,292,431	
Less:			
- Actual Capital Expenditure incurred above		(38,920,523)	
- Expenditure commitments approved by Racing NSW board		(27,993,817)	
- Expenditure commitments under consideration by Racing NSW board		-	
Total Race Fields capital expenditure and commitments		(66,914,340)	
Total Race Fields funds available for spending		(3,621,909)	

The Race Fields funding to clubs was provided by way of interest free interminable loans with certain conditions attached allowing Racing NSW to recover these funds should these conditions be breached. The above amounts have been utilised from the Racefields provision for the year ended 30 June 2017 on the basis that it is not probable that these loans will ever be recovered by Racing NSW.

NOTE 32: RACECOURSE DEVELOPMENT FUND LOANS TO THE ATC

On 1 July 1998, the operations of the Racecourse Development Fund were transferred to Racing NSW, including the right to interminable loans from the former Australian Jockey Club for \$43,036,000 and former Sydney Turf Club for \$53,671,000 (subsequently combined within the Australian Turf Club for \$99,707,000). These interminable loans are repayable only on the sale of properties which have benefited from the expenditure of the funds, or in the event of the Company ceasing to perform its current operations. As such, the aforementioned amounts were expensed in the respective year on the basis that it is not probable that these loans will ever be recovered by Racing NSW.

NOTE 33: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no circumstances that have arisen since the end of the financial year which will significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

DECLARATION BY MEMBERS OF THE BOARD

The Members of the Board declare that:

- (1) the financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes:
 - (i) give a true and fair view of the financial position of Racing NSW as at 30 June 2017 and its performance for the year ended on that date.
 - (ii) are in accordance with the *Thoroughbred Racing Act 1996 (NSW)* and comply with Accounting Standards.
- (2) as at the date of this declaration there are reasonable grounds to believe that Racing NSW 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 Members of the Board and is signed for and on behalf of Racing NSW.

Mr R Balding AO
Chairman

Mr P N Vlandys AM
Chief Executive

Dated at Sydney this 16 October 2017



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING NSW BOARD

Report on the audit of the financial report

Opinion

We have audited pages 53 to 76 of the accompanying financial report of Racing NSW (the Entity), which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Declaration by Members of the Board. In our opinion, the accompanying financial report of Racing NSW:

- a presents fairly, in all material respects, the Entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards and the Thoroughbred Racing Act 1996.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Information Other than the Financial Report and Auditor's Report Thereon

The Members of the Board are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit of otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Thoroughbred Racing Act 1996. This responsibility includes such internal controls as the Members of the Board determine are necessary to

enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members of the Board are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Members of the Board are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance
Sydney, 16 October 2017

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THE 2017 CHAMPIONSHIPS – WINNERS



Longines Queen Elizabeth Stakes (Gr 1)
Winner: WINX
Jockey: Hugh Bowman / Trainer: Chris Waller



The Star Doncaster Mile (Gr 1)
Winner: IT'S SOMEWHAT (USA)
Jockey: Zac Purton / Trainer: John O'Shea



Darley TJ Smith Stakes (Gr 1)
Winner: CHAUTAUQUA
Jockey: Tommy Berry / Trainer: Team Hawkes



BMW Australian Derby (Gr 1)
Winner: JON SNOW (NZ)
Jockey: Damian Lane / Trainer(s): Murray Baker & Andrew Forsman

THE 2017 CHAMPIONSHIPS – WINNERS

James Boag's Premium Australian Oaks (Gr 1)
Winner: BONNEVAL (NZ)
Jockey: Hugh Bowman / Trainer(s): Murray Baker & Andrew Forsman



Inglis Sires' (Gr 1)
Winner: INVADER
Jockey: Hugh Bowman / Trainer: Peter & Paul Snowden



Schweppes Sydney Cup (Gr 1)
Winner: POLARISATION (GB)
Jockey: Corey Brown / Trainer: Charlie Appleby



Coolmore Legacy Stakes (Gr 1)
Winner: FOXPLAY
Jockey: Kerrin McEvoy / Trainer: Chris Waller



THE 2017 CHAMPIONSHIPS – WINNERS



Arrowfield 3yo Sprint (Gr 2)

Winner: DERRYN

**Jockey: Mark Zahra / Trainer: David & Ben Hayes /
Tom Dabernig**

IG Share Trading Percy Sykes Stakes (Gr 2)

Winner: SHOALS

**Jockey: Mark Zahra / Trainer: Lee & Anthony
Freedman**



Provincial Championships Final

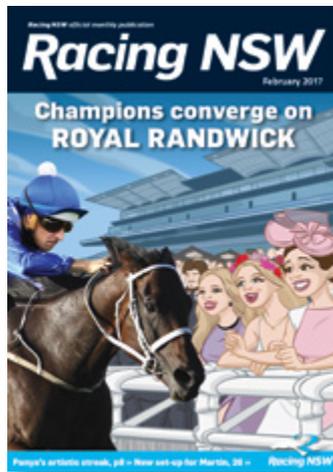
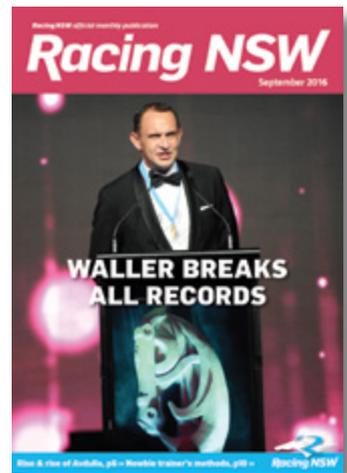
Winner: MARYORE

Jockey: Tim Clark / Trainer: Philip Courtney

Newhaven Park Country Championships Final

Winner: FREE STANDING

Jockey: Blake Shinn / Trainer: Cathleen Rode





Distinctive Look (Koby Jennings, checked cap) sails down the outside to claim this year's Country Championships Qualifier at Wellington. Picture by Janian McMillan



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