

MISSION STATEMENT

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N T "To provide independent, strong and united leadership in the development and enhancement of the NSW thoroughbred racing industry, which will

lead to the maintenance and confidence in the integrity of the industry, in its competitive position and increased financial returns to constituent stakeholders."



Functions of the Board

Under section 14(1) of the Thoroughbred Racing Board Act 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,
- (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 AJC 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 the Board 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.

Members of the Board

1 July 2001 – 30 June 2002



A G Hartnell AM (Tony)

CHAIRMAN
Appointed 12 June 2000 for 4 years
Attended 11 meetings



M J Cusick (Malcolm)

PROVINCIAL ASSOCIATION OF NSW NOMINEE
(retired 18 February 2002)
Appointed 13 March 2000 for 2 years
Attended 8 meetings



B J Reardon (Brian)

PROVINCIAL ASSOCIATION OF NSW NOMINEE
Appointed 18 March 2002 for 4 years
Attended 4 meetings



W H Rutledge (Bill)

VICE CHAIRMAN
(retired 18 February 2002)
AUSTRALIAN JOCKEY CLUB NOMINEE
Appointed 13 March 2000 for 2 years
Attended 7 meetings



R M Lapointe (Bob)

OWNERS AND BREEDERS NOMINEE
Appointed 13 March 2000 for 4 years
Attended 11 meetings



D P R Esplin (Phillip)

AUSTRALIAN JOCKEY CLUB NOMINEE
Appointed 18 March 2002 for 4 years
Attended 4 meetings



R W Lucas (Ralph)

SYDNEY TURF CLUB NOMINEE
(retired 24 June 2002)
Appointed 13 March 2000 for 4 years
Attended 12 meetings



J B Costigan (John)

LICENSED PERSONS NOMINEE
Appointed 13 March 2000 for 2 years
Re-appointed 12 March 2002 for 4 years
Attended 11 meetings



D E Hopkins (Don)

VICE CHAIRMAN
from 20 May 2002
NSW Country Racing Council Nominee
Appointed 13 March 2000 for 4 years
Attended 12 meetings



M J Hill (Merv)

RACING NSW CHIEF EXECUTIVE
Appointed October 1999
Attended 12 meetings

Member's Deputies

Richard Turnley

OWNERS AND BREEDERS MEMBER'S DEPUTY
Attended 1 meeting on behalf of Mr Lapointe

Treve Williams

AUSTRALIAN JOCKEY CLUB MEMBER'S DEPUTY
Attended 1 meeting on behalf of Mr Rutledge

Chairman's Report



Tony Hartnell

1 October 2002

The Hon J Richard Face
Minister for Gaming and Racing
Level 13
55 Hunter Street
Sydney NSW 2000

Dear Minister,

In accordance with Section 29 of the Thoroughbred Racing Board Act 1996 as amended, I submit to you the sixth Annual Report of the NSW Thoroughbred Racing Board (TRB), covering the period from 1 July 2001 to 30 June 2002.

The vast amount of work performed in the IT sector is beginning to reap dividends. IT has long been high on our list of priorities and the improvements in effectiveness and cost savings will ultimately flow on from the improved technology. One such initiative is the Trainers Service Centre which enables the rapid processing of racing transactions as well as improving the flow of information. The centralisation of the TSC also provides administration savings to race clubs and regional offices.

Last financial year, NSW thoroughbred racing offered \$92.8million in prizemoney and staged 20 of the top 50 races (by value) in Australia. With the exception of the Melbourne Cup, NSW is home to the next three richest races in the nation – the AAMI Golden Slipper Stakes, the San Miguel Doncaster Handicap and the San Miguel AJC Australian Derby.

These three races are major world races and illustrates the strength of this State's autumn racing carnival. Accordingly, I must congratulate the metropolitan race clubs for each providing highly successful autumn carnivals.

Naturally, the Provincial Association of NSW and the Country Racing Council must also be commended on some marvellous racing throughout the year – providing 869 race meetings across the State.

Merv Hill and I continue to serve as NSW nominees on the Australian Racing Board, the peak body for the national administration of racing. The ARB has been determined to implement an

Australian racing information system and to work with a Government Task Force to tackle the big issue of Cross Border Betting.

Following extensive consultation, the ARB widened the powers of Stewards to adopt 'Out of Competition Testing' which allows them to take samples from horses in training – to provide a drug-free environment for horse racing.

And on that subject, we must give ample recognition to the ARFL (Australian Racing Forensic Laboratory) – part of the TRB which, last October, announced a "World's First" with the ability to detect erythropoietin (EPO). The lab soon fielded inquiries from America and England underlining the importance of this breakthrough.

The dispute between NSW Racing and TAB Limited was resolved with both parties signing a commercial resolution ending all outstanding disputes. The settlement was a victory for all industry participants and it was agreed by both parties to move forward together for the betterment of the industry.

It would be remiss not to acknowledge the tremendous efforts of former Board members Bill Rutledge, Ralph Lucas and Malcolm Cusick. Each gentleman made great contributions to both the Board and to the racing industry throughout their long commitment (not yet finished) to racing administration.

To all industry participants and stakeholders, your dedication and tireless efforts throughout the year are gratefully acknowledged.



A G HARTNELL AM
CHAIRMAN



Chief Executive's Report



Merv Hill

The conclusion of the year under review saw the TRB reach the milestone of 5 years at the peak of racing administration in NSW. That anniversary required that a review of the TRB Act 1996 be undertaken, in accordance with S.53 of that Act, and a report resulting from that review was tabled in Parliament in June, 2002.

Some minor legislative changes will flow from that report, but substantially the current structure and arrangements will stand.

The management team was seriously restructured during the year and new general manager positions in Finance & Admin, Racing Services & Corporate Affairs being filled by Michael Beith, Keith Bulloch and Stephen Ferguson respectively. Greg Perfrement, the original Chief Financial Officer left us, as did Wayne Pollock, formerly Chief Operating Officer and these two positions were not continued.

Also, our Official Analyst Shawn Stanley succumbed to the temptations of the East and took up a position with the Singapore Turf Club. Fortunately, Allen Stenhouse, a scientist of great equine experience, was appointed to this position.

Our thanks go to those gentlemen who put in great efforts at the senior management level and who have now moved on.

The management team's efforts were heavily focused on developments in Information Technology during this year.

New systems for the Registrar of Racehorses and many of our racing functions were under development during the year – these will put us on a contemporary IT platform which will enable greater efficiencies.

During the year we found a suitable building for TRB headquarters; on a financial analysis it was clear that we could buy this building and move from rented accommodation and gain savings for the industry.

Following completion of purchase negotiations in January, the operations of the TRB moved from the original base of rented premises in Rosebery to our own building in Mascot. The move was made with a minimum of disruption to staff, our customers, and our operations, and was a credit to the team involved. Our fit-out and relocation advisers, Kinetic Holdings, were instrumental in making the move successful, and the IT team handled the considerable technology aspects superbly, all managed by our internal Project Management Team and of Michael Beith and Victoria Ramirez.

The TRB continues to show a strong lead in OH&S matters, and our handbook is in keen demand from other racing entities. Our progress in OH&S matters also came under the spotlight at the 28th Asian Racing Conference held in Bangkok in November 2001, when other nations joined in a workshop which I chaired to discuss this important issue.

It must also be pointed out that the Industry Workers Compensation Insurance Fund has had a difficult year where it incurred financial losses of \$4.46 million due to the following issues:

- The final position on the HIH collapse is now known and the cost to the fund was \$3.2 million;
- A change in Government legislation was introduced in late 2001 which had the effect of bringing forward a number of claims which would have previously been spread over a number of years; and
- Investment returns were negative during the year due to the poor performance of the world equity markets.

The above points have significantly affected the financial position of the Fund and combined with additional prudential margin requirements of WorkCover have led to the TRB's decision to contribute the additional amount of \$0.45 million to the fund

and increase all Industry Workers Compensation charges by 20% effective 1 July 2002. A further review of premiums will be carried out in the second half of the 2002 year.

The regulatory side of TRB operations ran smoothly during the year. Once again the Board sought independent assessment of its effectiveness and efficiency, and following that review has now embarked on a revision of its strategic processes.

The Board is placing more and more emphasis on racing operational matters, such as programming.

These matters are canvassed elsewhere in this report – on behalf of the Board and the staff I thank those who worked with us for the betterment of racing. The concern shown by the Government through our Minister and the officers of the Department of Gaming and Racing comes through in real support and assistance, and I mention them especially.

Finally, I would like to thank the staff of the TRB who have taken on the task of change with great enthusiasm: this is an organisation undergoing significant change; organisational, cultural and technological changes abound, and the staff attack these like the winners that they are.

CHIEF EXECUTIVE



Administrative and Financial Structure

The NSW TRB and all NSW race clubs are bound by various agreements that determine the flow of financial distributions from TAB Limited.

Racing Distribution Agreement (RDA)

The RDA outlines the contractual relationship between all codes of the NSW racing industry and TAB Limited. For example, it determines the minimum amount of race meetings each code and sector must supply to TAB. It also sets out how fees payable to all codes of the racing industry by TAB are to be calculated.

Roles of each party

The roles of each party are:

- The NSW racing industry supplies the "product" to TAB Limited
- TAB Limited "sells" the product through wagering outlets
- The racing industry receives a share in the net wagering revenue and profits of TAB
- Each of the racing codes and sectors must co-operate in matters such as programming and race date allocation so as to fulfill the mutual objectives of the racing industry and TAB.

Objectives of RDA

The mutual objectives of TAB and the racing industry are broadly to:

- Encourage public interest and attendance in racing in NSW
- Promote the quality and development of the codes
- Maximise Net Wagering Revenue and Wagering Earnings

NSW Racing Pty Ltd. (NSWR)

Racing NSW, Harness Racing NSW and Greyhound Racing Authority of NSW are the controlling bodies of each racing code in NSW. Together, they established the company NSW Racing Limited (NSWR) to represent them under the Racing Distribution Agreement (RDA).

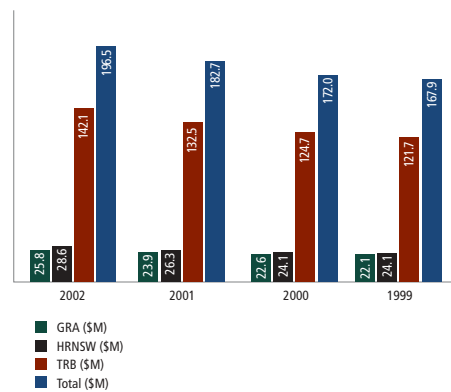
NSWR is the interface between all codes of the racing industry and TAB Limited. Its function is to perform, as agent for each representative body severally, the terms of the RDA. The funds paid to all codes of the racing industry by TAB Limited are received by NSWR.

The Board of NSWR comprises 4 members from the thoroughbred code, 2 members from the harness code and 2 members from the greyhound code. The current thoroughbred code members are:

- Mr. Tony Hartnell AM (Chairman)
- Mr. Bill Rutledge (retired 18 February 2002)
- Mr. Don Hopkins
- Mr. Merv Hill
- Mr. Phillip Esplin

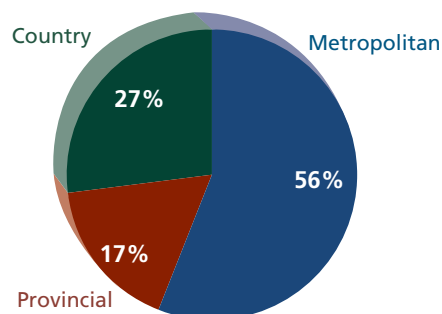
Inter-Code Agreement

The Inter-Code is an agreement between the thoroughbred, harness, and greyhound codes. It determines the basis upon which funds received by NSWR from TAB Limited are distributed between the codes. It also outlines the terms under which NSW Racing Pty Ltd is operated, controlled and funded. The funds are allocated primarily on fixed proportions. Since privatisation of the TAB, the allocation of funds has been as follows:

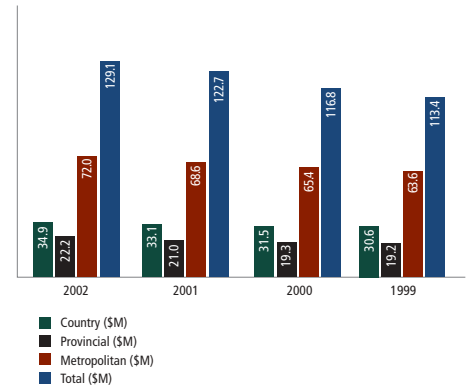


Intra-Code Agreement

The Intra-Code Agreement sets out the distribution of monies between the metropolitan, provincial and country thoroughbred sectors. The first \$115m of distributions are set at fixed percentages.



The remainder of funds above \$115m is split 50% on the fixed portions and 50% on market share of TAB sales. Since privatisation of the TAB, the allocation of funds has been as follows:



Integrity Assurance Committee

Purpose

The Integrity Assurance Committee is to have primary oversight of those aspects of the Board's functions which relate to race stewards, drug testing and control, licensing, handicapping and horse racing appeals.

The IAC is to advise the Board on matters of integrity which arise in this area.

Members

Mr D E Hopkins

CHAIRMAN

The Hon J C J Matthews

Mr A K Davidson AM MBE

The Hon L F Bowen AC

(RETIRED DECEMBER 2001)

Mr M Cummings

(APPOINTED DECEMBER 2001)



Integrity Assurance Committee

L-R: Alan Davidson, Don Hopkins, John Matthews, Lionel Bowen

Meetings held in 2001/2002

- July 2001
- February 2002
- The IAC was also represented at all 6 Licensing Committee meetings held in 2001/2002

Major items addressed

July 2001

- Status of Armidale Training Academy

February 2002

- Review of all integrity functions of the TRB
 - Stewards
 - Handicappers
 - Veterinary
 - Laboratory
 - Licensing
 - Registration



RIPAC

Racing Industry Participants Advisory Committee

The Racing Industry Participants Advisory Committee (RIPAC) was established under the Thoroughbred Racing Board Act 1996 as a vehicle by which industry representation is made to the TRB.

Members

Mr Mark Daniels

TRAINERS

Mr Paul Innes

JOCKEYS

Mr Benedict Chan

OWNERS

Mr Les Young

BREEDERS

Mr Jack Ashman

BOOKMAKERS

Mr Matthew Thistlewaite

INDUSTRY EMPLOYEES

Mr Peter Mair

CONSUMERS

Under section 35 of the Act, the functions of RIPAC include:

- Advise the TRB on industry policy and strategic direction
- Serve as a communication channel between industry stakeholders and the TRB
- Provide a forum to discuss issues of concern and make recommendations to the TRB
- Nominate members, at the request of Racing NSW, to serve on the TRB sub-committees or working groups

The Board gratefully acknowledges the time, effort and expertise that RIPAC members contribute to the racing industry.





Clinton Gaddes

Department members

Clinton Gaddes

IT OPERATIONS MANAGER

Luke McLean

MANAGING CONSULTANT

Rob Buckley

IT SUPPORT

Cassandra Dart

HELP DESK SUPPORT CO-ORDINATOR

David Parsa

IT CONTRACTOR (FROM MARCH 2002)

Racing NSW is entering the home straight in implementing the enhanced HORSES Racing System at Racing NSW's new headquarters in Mascot. These new systems provide the industry with a contemporary technology platform that will allow the integration of the internet (www.racingnsw.com.au) to generate various benefits to the industry. Whilst these benefits may not be visible to industry participants until 2003, they will allow participants to interact with Racing NSW via the internet for many functions from renewing a license to checking on your stakes payments account online.

The move to Mascot (from Rosebery) was a huge project - completed with a minimum of disruption to staff and done in a highly efficient way. It required a new building to be completely upgraded from a technology viewpoint and it also allowed for a new telephone and communication system to be installed, and provision of a new hub room. All this was successfully completed without any disruptions to the NSW racing industry.

Some significant agreements were reached during early 2002 between the state racing bodies of Australia. RISA (Racing Information Services Australia) has been incorporated as a national company with a view to holding IT resources between the States, which will each hold equity in the company. The first benefit of this is the utilisation of the Trainers Service Centre which is due to go live in September 2002. This is the first step of many which will see economies of scale achieved in IT developments across the country.

The development of the new Registrar of Racehorses (Registration Department) system is complete. With integration with the internet (2003), owners will be able to perform tasks such as horse name availability enquiries over the internet.

2002 also saw the implementation of a Wide Area Network connecting Country and Provincial locations to Racing NSW's headquarters. This will provide cost savings to the industry overall whilst providing these participants with high speed access to central systems and the Internet.



Racing NSW Stakes Payments System



Paul Bittar

Design

The Stakes Payments System is designed:

- To centralise the fees charged and prizemoney paid throughout NSW
- To enable industry participants to meet legislative requirements of GST

Review

The second full year of operation of the NSW Stakes Payments System saw a change to the processing of payments, providing the opportunity for efficiency gains and reallocation of resources. The year also saw a number of major changes and enhancements to the system, including:

- Processing of direct rental payments for Lessors
- Incorporating changes to Trainer's Workers Compensation
- Processing of payments relating to Country Cash Bonus scheme
- Management of NSW Race Club accounts and Industry Charges
- Improved signoff procedures to reduce errors and amendments
- Focus on industry cashflow through improved debt collection

Continued provision of remittance advice for direct payments and monthly statements for Trainer's enables industry participants to effectively manage their billing, GST and tax requirements.

Design Changes

Work continues on the HORSES project to incorporate the Stakes module. The majority of work associated with the design and analysis of the new system has been through use of internal resources. The new system will have an increased focus on exception reporting to reduce errors and amendments flowing through the system. The coming months will finalise the design, development and training associated

with this major project. A significant enhancement to the new system is the enabling of direct payments to all owners (regardless of GST status) where bank details are provided.

Operations and Statistics

The NSW Stakes system is the most expansive centralised prizemoney system in Australia. Statistics for the second year include:

- Processing of almost 32,000 payments totaling \$97 million for all NSW race meetings (869 in total)
- In excess of 1 million transactions processed through the system
- Maintenance of Stakes accounts for approximately 3,100 Trainers and Masters, 1,000 Jockeys and Apprentices and almost 10,000 owners (including overseas)
- In excess of 98% of Licensees and 60% of Owners payments are by EFT.

The focus in the coming year will be to reduce the costs of administering the system and providing effective e-commerce solutions to the industry. A major driver of cost reduction will be the focus on collection of bank details and hence direct deposit payments for Owners. The cost to the industry of providing cheque payments is almost \$100,000 annually. The delivery of e-commerce solutions will focus on the on-line provision of account information.

The system will continue to be developed over the coming years to provide an efficient solution for the industry. Racing NSW envisages the integration of the system with other IT projects and the Racing NSW website will provide an effective mechanism for participants to manage their Stakes accounts and payments.

Department Members

Paul Bittar
Felicia Gibson
John Patton
Cassandra Dart
Sue Hutchison



Race Dates and Programming



Matt Davis

Racing Review Panel

The Racing Review Panel works in consultation with the Racing Consultative Committee and aims to improve the quality of racing in NSW and to maximise TAB Limited sales. The Racing Review Panel meets on a monthly basis. The role of the Review Panel is to advise and recommend to the Board, race dates and programming initiatives that consider and address the:

- needs of owners and industry participants,
- maximisation of performance across Metropolitan, Provincial and Country Racing,
- optimisation of wagering sales which provides substantial revenue to the industry,
- most efficient yet productive manner in which these aims can be achieved.

Primary issues considered

- race date allocation process
- race program co-ordination between clubs and sectors
- uniform balloting conditions across NSW
- benchmarking of race clubs returns to owners
- support to 'Black Type' racing
- amendments and creation of Local Rules and policies such as race divisions, extended nominations for balloted horses or abandoned races, changes to eligibility criteria
- significant evaluation and change to race types and conditions permitted to be programmed within each sector
- optimal field sizes versus turnover

Racing Review Panel

John Costigan

BOARD MEMBER NSW TRB

Wayne Pollock

CHIEF OPERATING OFFICER (UNTIL FEBRUARY 2002)

Keith Bulloch

GENERAL MANAGER RACING SERVICES NSW TRB
(FROM MAY 2002)

Matt Davis

(SECRETARY) RACING CO-ORDINATOR NSW TRB

Mark Webbey

CHIEF HANDICAPPER NSW TRB

John Nicholson

RACING MANAGER SYDNEY TURF CLUB

Colin Tuck

RACING MANAGER AUSTRALIAN JOCKEY CLUB

Brian Judd

CHIEF EXECUTIVE NSW COUNTRY RACING COUNCIL

Stephen Ferguson

EXECUTIVE OFFICER PROVINCIAL ASSOCIATION OF NSW (UNTIL MAY 2002)
GENERAL MANAGER CORPORATE AFFAIRS NSW TRB
(FROM MAY 2002)

Racing Consultative Committee

The Race Dates and Programming Consultative Committee meets with the Programming Panel on a quarterly basis. The role of the Consultative Committee is to provide an opportunity for:

- industry representatives to put forward issues to be examined by the Review Panel, and
- the Review Panel to act as a conduit between sectors, participants and the Board.

Primary issues

- review of restricted class racing
- computerised or automated handicapping
- raceday returns to owners
- minimum handicap weight spreads
- raising of weights
- set-weight racing

Racing Consultative Committee

Les Young

RIPAC

Michael Craig

RACING MANAGER ILLAWARRA TURF CLUB

Michael Beattie

CHIEF EXECUTIVE GOSFORD RACE CLUB

Tony Drew

CHIEF EXECUTIVE WYONG TURF CLUB

Peter Noud

RACING MANAGER NEWCASTLE JOCKEY CLUB

Brian Fletcher

SECRETARY / MANAGER HAWKESBURY RACE CLUB

Peter Stubbs

RACING MANAGER ACT RACING CLUB

John McNair

TRAINER REPRESENTATIVE

Noel Mayfield-Smith

TRAINER REPRESENTATIVE

Clarrie Conners

TRAINER REPRESENTATIVE

Ron Quinton

TRAINER REPRESENTATIVE

Representative (2)

NSW COUNTRY RACING COUNCIL

Ray Murrinh

CHAIRMAN OF STEWARDS NSW TRB

Paul Bloodworth

DEPUTY HANDICAPPER NSW TRB

Mark Daniels

RIPAC

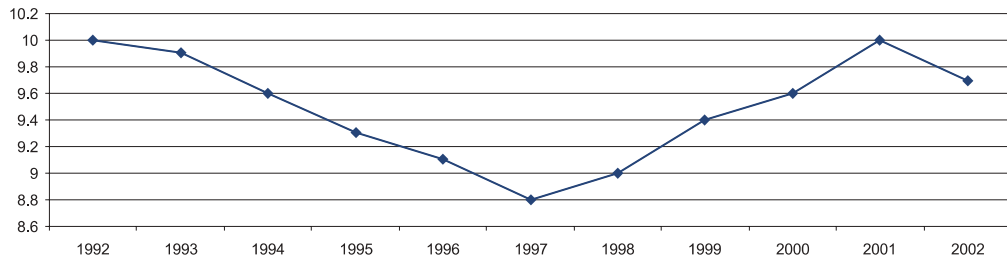
Ron Leemon

AUSTRALIAN TRAINERS ASSOCIATION (NSW BRANCH)

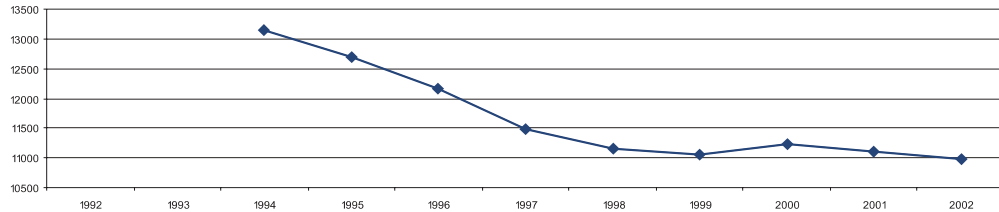


Race Dates and Programming

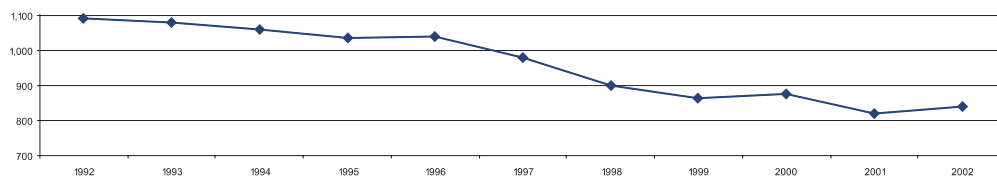
Average number of starters per race



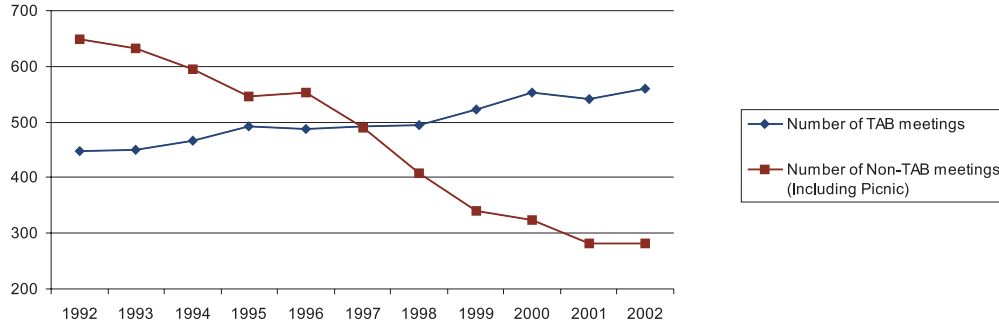
Individual horses that started



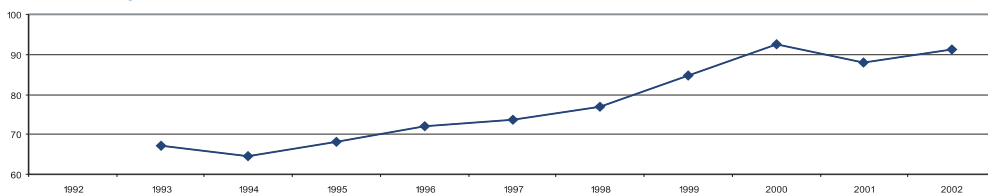
Number of race meetings



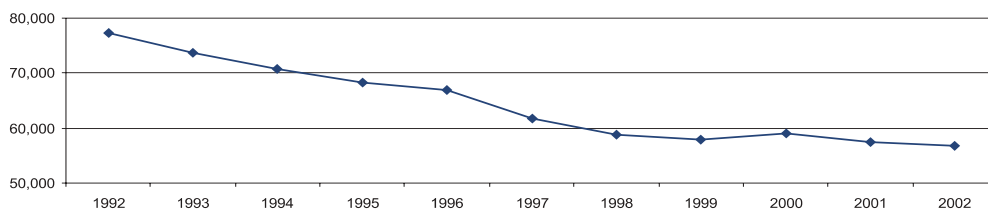
Number of TAB meetings v. Non TAB meetings



Prizemoney, bonuses and starters rebates distributed in NSW (\$M)



Total number of starters



Appeals



Tom Hughes

In NSW, an independent two-tier system of appeal exists for persons aggrieved by penalties or disabilities imposed by a racing authority.

Appeal Panel Members

Mr T E F Hughes AO QC
(PRINCIPAL MEMBER)

Mr Wayne Haylen QC

Mr Martin Einfeld QC

Mr Darcy Leo

Mr John Hiatt

Mr Rodney Wicks

Ms Margaret Crawley

Mr Dominic Beirne

Mr Ray Nolan

Mr Robert Monnox

Mr John Fletcher

Mr Peter Norrgard

Mr John Vandenberg

Mr Neville Begg

Mr Donald Storey

Mr David Campbell

Mr Jack Hickman

Mr Peter Miers

Mr Cliff Clare

Mr David Campbell was the only new member appointed to the Appeal Panel during 2001-2002.

Mr Wayne Haylen QC resigned from the Appeal Panel in July 2001 when he was appointed as a Judicial Member and Deputy President of the New South Wales Industrial Relations Commission. His contribution as an inaugural member of the panel was greatly appreciated.

Department Members

Mr M J Hill

SECRETARY RACING APPEALS TRIBUNAL

Ms K Reece

APPEALS CO-ORDINATOR

Avenue of Appeal

At the first level of appeal, any person considering themselves 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 the Thoroughbred Racing Board Act 1996 (Section 45), 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 Panel or racing authorities.



John Vandenberg Rodney Wicks Tom Hughes Neville Begg Cliff Clare

Appeal Panel

The Sydney based Appeal Panel sat on 19 occasions during 2001-2002. The Hon T E F Hughes AO QC chaired 15 Appeals and Mr M Einfeld QC chaired 1 Appeal. Within those 19 sittings there were 16 appeals heard on 35 individual charges. The majority of these appeals were against conviction and penalty. A Panel of five members heard most appeals.

Racing Association Appeals

In addition to appeals heard by the Sydney-based Appeal Panel, the Committees of the NSW Racing Associations heard certain appeals in their own districts.

Decision on Changes

Area	Upheld	Dismissed	Withdrawn	\$200 Refunded	Total Charges
Appeal Panel	6	29	2	2	35
Racing Associations	1	2	0	1	3

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



Kathy Reece

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

Racing Appeal Tribunal

1 Appeal was lodged with the Racing Appeals Tribunal and heard by His Honour Mr B R Thorley. The Tribunal dismissed the appeal and varied the penalty.

The Appeal was under AR175A being:

Any person bound by these Rules who either within a racecourse or elsewhere in the opinion of the Committee of any Club or the Stewards has been guilty of conduct prejudicial to the image, or interests, or welfare of racing may be punished.

Summary of Charges Applicable to Appeal Cases

Rule	Description	Amount
AR137(a)	Any rider may be punished if, in the opinion of the Stewards, he is guilty of careless, improper, incompetent or foul riding	7
AR175(a)	The Committee of any Club or the Stewards may punish any persons, who, in their, has been guilty of any dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing.	1
AR175(g)	The Committee of any Club or the Stewards may punish any person who gives at any inquiry or appeal any evidence which in their opinion is false or misleading in any particular.	2
AR175(gg)	The Committee of any Club or the Stewards may punish any person who makes any false or misleading statement or declaration in respect of any matter in connection with the administration or control of racing.	1
AR175(h)(ii)	The Committee of any Club or the Stewards may punish 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.	4
AR175(j)	The Committee of any Club or the Stewards may punish any person guilty of improper or insulting behaviour at any time towards the Committee of any Club or Association or any member thereof, or Stewards, or any official, in relation to their or his duties.	3
AR175A	Any person bound by these Rules who either within a racecourse or elsewhere in the opinion of the Committee of any Club or the Stewards has been guilty of conduct prejudicial to the image, or interests, or welfare of racing may be punished.	3
AR81(A)(ii)	Any jockey, apprentice or rider who has delivered a sample of his urine or otherwise taken as directed by the Stewards prior to, during, or after fulfilling his or her riding engagements in any race or trial or at riding trackwork which upon analysis has detected in it alcohol, or any drug or its metabolites or artifacts may be punished	1
LR91(q)	Every bookmaker must enter accordingly all book bets in a recognisable name of the person with whom they are made and none but legitimate wagers must be so entered.	13
Total		35

Representation Table

	Dismissed	Upheld
Represented by Solicitor	22	3
Represented Self	7	3
Totals	29	6



Industry Training



Marianne Chaffe

The Industry Training department encourages people to enter the racing industry, identifies appropriate career paths and manages relevant training.

Objectives:

- Increase apprentice jockey and trackwork riders numbers
- Increase apprentice jockey race riding opportunities
- Manage the TRB Apprentice School in conjunction with TAFE
- Manage the Apprentice Race Series in conjunction with DET NAC
- Encourage greater participation of young people in the racing industry
- Assist people entering the industry to find their most suitable career path
- Provide ongoing industry-credible mentoring to apprentice jockey, trackwork rider, strapper and stablehand trainees.
- Ensure participants are informed about changes to the national Racing Industry Training Package
- Provide equitable training for racing industry participants throughout the country, provincial and metropolitan regions
- Participate on state body Racing Training NSW
- Liaise with national body Racing Training Australia to ensure consistency in training is maintained
- Expand the scope of training
- Formulate a strategic approach to promote careers in the racing industry to school students.

TRB Apprentice School

Apprentice Schools operates on a fortnightly basis in the six Regional Association areas:

- Central Districts Racing Association (CDRA) – Orange TAFE delivers training at Orange, Dubbo, Bathurst and Mudgee.

- Hunter and North West Racing Association (HNWRA) – Scone TAFE delivers training at Scone, Broadmeadow and Tamworth
- Northern Rivers Racing Association (NRRRA) and Mid North Coast Racing Association (MNCRA) – Grafton TAFE delivers training at Grafton and other areas in the NRRRA and MNCRA
- South East Racing Association (SERA) – Goulburn TAFE delivers training at Queanbeyan and Moruya
- Southern Districts Racing Association (SDRA) – Wagga Wagga TAFE delivers training at Wagga Wagga.

Apprentice Jockey Training and the NSW Institute of Sport

Industry Training has held preliminary discussions with the NSW Institute of Sport with a view to progressing specialised psychological and physical fitness training for apprentice jockeys.

Following these discussions, the Training Department and the NSW Institute of Sport held an Introduction to Sports Psychology session for apprentice jockey mentors, and representatives from the NSW Jockeys Association. The purpose of the session was for mentors to discuss concepts related to motivation, goal setting, concentration skills and stress reduction and how these issues relate to apprentice jockeys.

Appointment of Malcolm Fitzgerald as Training Support Officer

Licensed jockey Malcolm Fitzgerald joined the Industry Training Department in August 2001.

His duties include the following activities:

- Attendance at local race meetings to mentor apprentices,
- Riding work with apprentices,
- Attendance at Apprentice School to review race rides and tutor apprentices on the mechanical horse

- and Equisizer,
- Apprentice mentoring outside of Apprentice School and race meetings,
- Workplace visits to assess apprentices' stable skills,
- Visits to school and pony clubs to promote the racing industry.

Industry Training has also encouraged TAFE to appoint former and current jockeys as mentors and part time teachers to assist in mentoring and coaching of apprentices.

Apprentice mentors are involved in both theoretical and practical tuition. They are 'role models' who communicate the benefit of their experience to apprentices by contributing to Apprentice School classes as well as 'on-the-job' training.



- Metropolitan and Provincial – Lee Ann Olsen and Brian Wood
- CDRA – Bill Aspros, Paul Wearne and Tracey Bartley
- HNWRA – Stephen Parr and Wayne Weate
- MNCRA and NRRRA – Michael Flick
- SERA and SDRA – Garry Buchanan.

Promotions and Recruitment

Industry Training's Malcolm Fitzgerald and Gail Vitale attended the following pony camps and schools career markets days to promote the racing industry, and specifically apprentice jockey careers.

- Camden Pony Camp (where 60 young elite riders from throughout NSW, aged between 14 and 17 years, attended the camp)
- Crookwell Pony Camp
- Canberra Careers Expo

- Goulburn Careers Expo
- Liverpool Career Search Market
- Cumberland Rotary Career Markets Parklea
- Marcarthur Area Careers Markets Cambelltown
- Central Coast Career Market Ourimbah.

Each of the careers markets attract between 2,000 and 4,000 local students.

Women in Racing Workshops

As a response to the recommendation from the Thorley Report (Independent Report in Sexual Harassment in the Racing Industry) that the racing industry should continue to inform and educate industry participants throughout the state about sexual harassment, Industry Training developed a project plan and budget and organised ten statewide Workshops.

Despite a mail out to all licensed and registered females, articles in the May and June 2002 RacingNSW Magazine, requests for support from Regional Offices and announcements at the Occupational Health and Safety seminars, the response to the Workshops was minimal. A total of 12 women responded from four country venues, nil from two country venues and eight from the metropolitan area and most of the Workshops were cancelled.

Acknowledging the important, yet sensitive, nature of the subject, Industry Training will attempt to reschedule some of the Workshops. Information packages were sent to those women in country areas who expressed interest in attending a Workshop, which was subsequently abandoned.

Senior Jockeys Training

Industry Training convened two meetings between President and Secretary of NSW Jockeys Association and a training group called CD Sports. Industry Training assists the NSW Jockeys Association in the organisation and delivery of seminars on issues related to health and diet and career transition.

DET NAC 'RISING STAR' Apprentice Race Series

The 2001 'Rising Star' Apprentice Race Series concluded at Warwick Farm on Monday 6th August 2001 with SERA apprentice Luke Price taking out the title ahead of Mark Schmetzer.



The Series began again in February 2002 at Broadmeadow with other heats conducted at Canterbury (night meeting) Dubbo, Taree, Mudgee, Goulburn, Gosford, Armidale, Port Macquarie, Hawkesbury, ACT and the final at Randwick. The number of heats in the Series has increased from 10 to 12.

Mr Lou Deutshcer and Mr Joe Dwyer from DET NAC worked with the Industry Training department in co-ordination of the series and the Board gratefully acknowledges their contribution.

The 'Rising Star' logo is embroidered on the winners jackets and appears in racebooks and other promotional material.

Apprentice Race Riding Opportunities

Race riding opportunities for apprentices increased by 8% from 1997 up until the 2000 – 2001 season.

During the last two seasons there were two individual apprentices, riding with great success in the metropolitan area, who temporarily inflated the figures.

This inflation began in the previous season when Hugh Bowman had 848 rides and Mitch Newman 791 rides. Last season Newman and Bowman between them rode 1904 races in the metropolitan area winning a total of 189 races.

SEASON	TOTAL STARTERS	APPRENTICE RIDES	% APPRENTICE RIDES
1997 – 1998	60,580	7,704	12.71%
1998 – 1999	60,154	8,718	14.49%
1999 – 2000	61,186	11,246	18.38%
2000 – 2001	57,120	11,872	20.78%
2001 – 2002	58,012	11,216	19.33%

The above figures show that apprentice race rides in the 2001 – 2002 season are the second highest since records were kept.

Government Funding for Training Projects

The Industry Training Department was successful in securing funding from the government for training projects to the value of \$96,750 in the last financial year.

Project	Source	Funding
Stewards Pilot Program	Australian National Training Authority	\$10,000*
Stewards Resources	Department of Education and Training – Industry Skills program	\$38,700*
Induction Package for New Workers to the Racing Industry	Department of Education and Training – Industry Skills program	\$28,200
Learnscope On Line Training Project	Australian National Training Authority	\$19,800

*The Stewards Resources and Pilot Program were Racing Training NSW initiatives. Agreement to progress these unique programs was facilitated by common goals of the three codes. These funded projects are managed by Racing NSW Training Manager Marianne Chaffe.

Racing Training New South Wales

In NSW, changes or extensions to industry training programs are determined by a body called Racing Training NSW (RTNSW) which is the link between industry and government. RTNSW meets once every six weeks and comprises representatives from the three racing codes, NSW department of Gaming and Racing, TAB Limited, and an independent representative.

The racing industry's national training advisory body Racing Training Australia (RTA) reports directly to the Federal Government on development of training programs. RTA meets regularly and Racing NSW Industry Training Manager Marianne Chaffe represents NSW at each of these meetings.

2001 National Conference for Training Providers in the Racing Industry

The Industry Training department and Racing Training NSW hosted the 2001 Conference for the national training body RTA from the 26th to the 28th September this year. Forty eight delegates attended the Conference to hear guest speakers from the NSW Vocational Training Board, the Department for Women and the Australian National Training Authority.

Ms Fern Linden (Department for Women) commended the Industry Training department on work completed in relation to sexual harassment issues and initiatives regarding dissemination of information to industry.

The presentation of the NSW Stewards Curriculum Development Program created a great deal of interest with representatives from other states requesting further information on the course.

The Conference outcomes included:

- Increased knowledge and understanding of State and Federal government training agendas
- An opportunity to review and understand variations between current State practices
- Provision of a national professional development forum
- The establishment of priorities for future training directions.

Stewards Training

Industry Training funded and co-ordinated the training of Stipendiary Stewards from regions throughout NSW in the Certificate IV Workplace Trainer and Assessor course.

In a separate program six Stewards led by Chairman of Stewards Ray Murrphy participated in the ANTA funded NSW Racing Industry Stewards Pilot Training Program which started in August 2001.

The programs provided Stewards with an understanding of structured training offered to apprentices, trackwork riders, strappers and prospective horse trainers and the qualifications to train and assess industry personnel, including trainee stewards.

Marianne Chaffe and Greg Rudolph also worked with TAFE NSW in the development of Racing Administration Stewards – Certificate IV and Diploma courses. Racing Training NSW approached TAFE NSW to assist in course design.

NSW TRB International Rider Policy

Industry Training worked with the Licensing Department and Stewards to devise a policy for international riders from private training providers who were placed on work experience with NSW licensed trainers. This included the formatting of information in relation to:

- terms of training
- award wages
- hours of work permitted
- visa terms
- insurance cover
- work experience duration
- sponsorship options for trainers at the end of the visa term
- associated costs.

NSW TRB Occupational Health and Safety Seminars

To promote better industry practice and safety in racing, to help prevent injury, and in turn limit insurance costs to trainers, the Board resolved late in December 2001 to make it compulsory for licensed trainers to attend a TRB Occupational Health and Safety Seminar in order to obtain a trainers license for the 2002/3 racing season.

Industry Training worked with other departments to co-ordinate seminar schedules.

Industry Training produced the project budget for the OH&S Information Seminars and with the assistance of Ms Michele Jackson (Human Resources consultant) and Ms Terrie Norman (Risk Management) facilitated the delivery of seminars in 14 regions throughout the state.

Following the completion of the above seminars Industry Training produced an OH&S flexible delivery package (comprising a compilation video and printed material) so that those licensees unable to attend one of the scheduled seminars could attend an in-house regional session.

This package is now available for all new licensees so that they may receive the same information as currently licensed trainers.

NSW Apprentice Jockey Numbers to 30th June 2002

Indentured Apprentices	Probationary Apprentices	Aiming to become probationary Apprentices
This number includes 5 international riders who have been granted permits to ride in races	Registered stablehand / riders who are riding in barrier trials so as to gain their permit to ride in races	Registered stablehand / riders seeking apprentice jockey status and assessed as having appropriate weight – not yet riding in trials
62	12	14



Keith Bulloch

General Manager Racing Services

The position of General Manager Racing Services was established by the Board following a review of TRB functions. Mr Keith Bulloch was appointed to the role in May 2002. Reporting to the Chief Executive, the position formed part of an Executive re-structure, and grouped together five racing sections within the organisation.

These areas are:

- Industry Training
- Licensing
- Handicapping
- Registration
- Racing Co-ordinator

The GM Racing Services has a supervisory role in regard to these departments, including Senior Management reporting to the Board and implementation of Board policy. Areas such as Race Programming, Race Results and Calendar (magazine) integrity sections are also included.



Stephen Ferguson

General Manager Corporate Affairs

Mr. Stephen Ferguson was appointed to the position of General Manager Corporate Affairs in May 2002. Part of his role includes major policy development in areas including:

- Strategic planning
- Industry structure
- Performance benchmarking of race clubs
- Racehorse ownership
- Return to owners
- Distribution schemes
- Race date allocation
- Publications

Licensing



Gary Rudge

The TRB Licensing Department is responsible for the issuing of licences to applicants from persons residing in the Metropolitan and Provincial sectors.

The Country Racing Council regional offices are responsible for the issuing of licences in their designated Association area of Country NSW.

The Licensing Committee met on 6

occasions during 2001/2002. The role of the licensing committee is to set licensing policy and procedure for the TRB.

Applicants for licences may be further interviewed at these meetings, and decisions or recommendations forwarded to the Board for approval.

The meetings are also attended by members of the TRB Integrity Assurance Committee. The Board gratefully acknowledges the contribution of IAC members for the licensing function.

TRB Licensing Committee

Mr Don Hopkins

Mr John Costigan

Integrity Assurance Committee

Mr D E Hopkins (Chairman)

The Hon L F Bowen AC (until 13/8/2001)

Mr M G Cummings (from 18/12/01)

Mr A K Davidson AM, MBE
The Hon J C J Matthews

Department Members

Keith Bulloch

SUPERVISOR OF LICENSED PERSONS - UNTIL JUNE 2002

Colin Nickson

ASSISTANT SUPERVISOR - UNTIL JUNE 2002

Gary Rudge

LICENSING SUPERVISOR - FROM JUNE 2002

Insurance – Impact on Trainers

The increasing cost of insurance has had a direct impact on licensees with the introduction of mandatory public liability insurance for all NSW trainers from 2001/2002. The TRB in conjunction with the Trainers Association devised a payment method to facilitate the introduction of a group policy for all NSW trainers. Charges were levied according to the number of individual horses started by a trainer.

Occupational Health and Safety Seminars

Changes to legislation required the launching of a significant Occupational Health and Safety educational program for the racing industry. Trainers, as employers, were required as a condition of their licence renewal to attend an OH&S seminar run by the TRB. Future Trainers will also be required to witness an OH&S video (produced by the TRB for this purpose) before they are granted a licence.



Number of NSW Licensees

Type	Metropolitan		Provincial		Country		Total	
	01/02	(00/01)	01/02	(00/01)	01/02	(00/01)	01/02	(00/01)
Trainers	138	(143)	213	(234)	954	(1095)	1305	(1472)
Own/Trainer	7	(8)	37	(40)	141	(89)	185	(137)
Jockeys	76	(85)	40	(47)	207	(223)	323	(355)
Apprentices	13	(14)	11	(10)	85	(88)	109	(112)
Approv. Riders	0	(0)	0	(0)	70	(55)	70	(55)
Bookmakers	54	(49)	13	(12)	163	(177)	230	(238)
Bkmks Clerks	409	(379)	62	(66)	442	(473)	913	(918)
Stb/Hand	1022	(1121)	561	(553)	1422	(1387)	3005	(3061)
Foreman	63	(62)	31	(28)	143	(136)	237	(226)
Rider Agent	13	(9)	6	(8)	8	(5)	27	(22)
Total	1795	(1870)	974	(998)	3635	(3728)	6404	(6596)

Stipendiary Stewards

Function

The activities of the Stipendiary Stewards include:

- ensuring the welfare of the racehorse
- officiating at all race meetings and official trials in NSW
- attending and supervising trackwork
- conducting track and stable inspections
- administering drug testing operations
- addressing rider, track and horse safety issues
- conducting inquiries into race rides & conduct of licensed persons
- investigating wagering activities
- investigating the use of prohibited substances.

Personnel changes

The past year has seen a number of changes with NSW Stewards continuing to be in high demand by other racing jurisdictions. During June, Kim Kelly accepted the prestigious appointment of Deputy Chairman of Stewards with the Hong Kong Jockey Club and will on August 1st join former NSWTRB Stewards Jamie Stier (Chairman) and Martin Knibbs on the Hong Kong Jockey Club Stewards Panel. Dubbo based James Perry, also on the 1st August will take up an appointment as Manager, Stewards Division, NSW Greyhound Racing Authority. James Peyton (Burkes Backyard) and Mark Whiteman (Sky Channel) have chosen different career paths whilst trainee Steward Drew Smith has been appointed to the Southern Districts Panel. Two trainees Andrew Ray (Grenfell) and Craig Pringle (Dubbo) joined the panel in February and April respectively.

Visiting Officials

During the year a number of international and interstate officials spent time observing the functions of the NSWTRB panel. These included Malcolm Wallace and Sim Harris (UK Jockey Club), Noel McCutcheon (New Zealand Racing Conference), Travis Randell (Western Australia Turf Club) and James Williamson (Queensland Principal Club). In addition Racing Victoria Chairman of Stewards Des Gleeson visited NSW to conduct a study of the operations of the NSWTRB Betting Steward/Form Analyst Terry Griffin with a view to creating a similar position on his Victorian panel.

Industry Training

The TRB recognises the challenges faced today and encourages Stewards to continually upgrade their skills. Marc Van Gestel (Bachelor of Information Technology), Greg Rudolph (Metro) and Jim Walshe (SDRA) (Graduate Diploma in Law) are successfully continuing extra curricular studies.

In addition a number of Stewards participated in pilot programs for the Diploma of Racing Administration. These courses were 'Lead and Facilitate Work Teams' and a Certificate IV in Workplace Training and Assessment, which qualifies those Stewards as workplace trainers and assessors.

Developed in conjunction with Racing Training NSW and TAFE NSW, the nationally accredited Diploma of Racing Administration – Stewards is the first specialised training course for Stewards and only the second of its kind in the world. Greg Rudolph has been pivotal



Ray Murrhiy

National Equine and Integrity Welfare Advisory Group (NEIWAG) and the Australian Rules Review Advisory Group.

Ray Murrhiy also represented the Stewards at the Australasian Racing Appeals Conference and gave an address on litigation matters to the Major Race Clubs and Associations Conference in Sydney.

Developments

2001/2002 saw Stewards assist NSWTRB Veterinary personnel in the accreditation process for country swabbing officials.



in its development and not only will the course provide valuable training for NSWTRB Stewards but it has attracted interest from both interstate and international racing bodies.

Panel members from across the state also attended in-house workshops on Occupational Health and Safety and Sexual Harassment in the workplace.

Conferences & Tribunals

Chairman Ray Murrhiy during the year represented the NSW TRB Stewards at the National Chairmen of Stewards Advisory Group conference and in addition represented that group on the

New human drug testing protocols were developed and these incorporated the introduction in New South Wales on the 1st January 2002 of the testing for diuretics and anorectics. The banning of riders taking these harmful substances was seen as an important health issue and the move was followed nationally on the 1st May 2002. Minimum race weights were raised 1kg to allow jockeys to accommodate the changes.

Industry Liaison

Industry matters continued to be addressed through liaison with a number of bodies including:-

- Australian Racing Board
- NSW Jockeys Association
- Australian Trainers Association (NSW Branch)
- NSW Bookmakers Co-Operative Ltd
- Australian Equine Veterinary Association
- RSPCA
- TRB Integrity Assurance Committee
- National Equine Integrity & Welfare Advisory Group
- Exotic Diseases Workshop
- Animal Care and Ethics Committee
- Combined Racing Codes Committee
- Sports Betting Disputes Panel
- Licensing Enforcement Agency
- Department of Primary Industries

Department Members

Ray Murrhiy

CHAIRMAN OF STEWARDS

Kim Kelly

DEPUTY CHAIRMAN OF STEWARDS

Pat Hartmann

SENIOR STEWARD

Larry Morrison

STEWARD

Philip Dingwall

STEWARD

Greg Rudolph

STEWARD

Marc Van Gestel

STEWARD

Cameron George

STEWARD

Steve Carvosso

STEWARD

Terry Griffin

BETTING STEWARD

Jason Whybrow

CADET STEWARD

James Saunderson

CADET STEWARD

Andrew Ray

TRAINEE

Craig Pringle

TRAINEE

Bill Fanning

CHIEF STEWARD, NORTHERN RIVERS

Michael Zarb

STEWARD, NORTHERN RIVERS

Bevan Turner

CHIEF STEWARD, MID NORTH COAST

Shane Cullen

CHIEF STEWARD, HUNTER & NORTH WEST

Geoff Hausfeld

STEWARD, HUNTER & NORTH WEST

James Perry

CHIEF STEWARD, CENTRAL & WESTERN

Raymond Livingstone

STEWARD, CENTRAL & WESTERN

Todd Smith

STEWARD, CENTRAL & WESTERN

Kevin Williams

CHIEF STEWARD, SOUTHERN DISTRICTS

Darryl McLean

STEWARD, SOUTHERN DISTRICTS

Drew Smith

STEWARD, SOUTHERN DISTRICTS

Craig Yeo

CHIEF STEWARD, SOUTH EAST

Jim Walshe

STEWARD, SOUTH EAST

Bob Nicholson

RACECOURSE DETECTIVE

Beatrice Novak

SECRETARY



Handicapping Department

Department Members

Mark Webbey

CHIEF HANDICAPPER

Paul Bloodworth

DEPUTY CHIEF HANDICAPPER

Craig Leet

HANDICAPPER

Colin Denson

HANDICAPPER

Greg Pearson

HANDICAPPER

Functions

The handicapping panel is responsible for the handicapping of all meetings conducted throughout the state and the ACT. During the last racing season the panel weighted 89,667 nominated horses at 866 race meetings. The department also oversaw the increase in minimum weight to 53kg, the introduction of set weight maidens and was heavily involved in the introduction of the recently introduced programming policy for NSW.

Staff

The 2001/2002 season saw considerable change within the Handicapping department. Long serving panel member John Russell retired after a distinguished career in racing and fellow panel member Debbie Winter left for alternative employment, but remained in racing. Provincial Handicapper Gary Rudge was

appointed Supervisor of Licensed Persons towards the end of the season, making a total of three departures from the panel in a 12 month period. Greg Pearson, who had been located in Wagga for the past 12 months, was relocated back to the TRB offices in Mascot, making the handicapping department a totally centralised operation. It was with great pleasure that the department welcomed the appointment of former WATC Chief Handicapper Paul Bloodworth to the position of Deputy Chief Handicapper within the panel. Paul has a wealth of handicapping experience, learning the craft under Racing Victoria Chief Handicapper Jim Bowler in a 10 year career with the VRC/Racing Victoria prior to moving to Perth. He served as Chief Handicapper in Perth for 3.5 years and has taken over the handicapping of open sprints up to 1400m (including G1 Galaxy) and 2 and 3yo metropolitan racing.

Industry Liaison

The 2001/2002 season saw the introduction of a revised handicapping policy for NSW racing. As handicapping is at times a contentious issue, the department felt it necessary to release a document outlining the maxims and methods used in weighting horses. The revised policy encompasses all areas,



Handicapping Panel

L-R: Greg Pearson, Paul Bloodworth, Mark Webbey, Craig Leet, Colin Denson

metropolitan, provincial and country, and outlines what horses will receive for wins and also for moving up and down the class ladder. This policy will be placed on the NSWTRB website in the new season and also appear in the NSW Racing magazine. It encourages owners and trainers to seek out explanations from the panel as to decisions reached when handicapping their horses.

Senior Handicapper Mark Webbey and Deputy Chief Handicapper Paul Bloodworth attended the annual Australia and New Zealand Classifications meeting in Brisbane in June. At this meeting the group finalised the Classifications for the 2001/02 season, which once again saw Sunline the highest rated horse in Australasia at 124. She was closely followed by champion West Aussie Northerly (122) and Melbourne Cup heroine Ethereal (119). Champion 3yo for the season was Viscount with a 120 rating whilst Victory Vein was rated champion 2yo with a 107 rating.

In a busy year for the Chief Handicapper, he also represented NSW at the Australian Group and Listed Advisory Group meeting in Perth during July and then accompanied Racing Victoria Senior Handicapper Jim Bowler to the annual International Classifications Meeting in Singapore, also in July.



Public Relations and Media



Mark Brassel

The Public Relations and Media Department maintains constant communication with the media, providing news and information concerning the NSW TRB and the racing industry.

Department Members

Mark Brassel

PUBLIC RELATIONS AND MEDIA MANAGER

Bev Ritzau

MAGAZINE CO-ORDINATOR

Joan Demus

SUBSCRIPTIONS / DATA ENTRY

The Public Relations and Media Department is the conduit between the Board and the media. It provides the media with information including Board policy and announcements, racing inquiries and appeals, and current affairs.

The Department seeks to enhance the profile of thoroughbred racing and to present a positive image of both the TRB and the racing industry.

The Department also provides up-to-the-minute maintenance of the Racing NSW website www.racingsnw.com.au, adding stories and news items to the site as they happen. The Board sees the industry website as being a major promotional tool into the future, in addition to its potential to facilitate e-commerce type transactions within the industry. As the site develops, promotional opportunities for the industry as a whole will be taken. Just some of the new initiatives put onto the website include:

- BOBS (Breeder Owner Bonus Scheme) Section - BOBS Scoreboard, Final Stallions List, Latest BOBS news, Frequently Asked Questions & Answers, Terms & Conditions, Nomination Forms, etc.
- NSW Race Dates - for the entire racing season
- Honour Roll – Jockey, Trainer & Apprentice winners and runner-up dating back to the 1935/36 season
- Metropolitan Premiership Tables & Apprentice Allowances

- Full Results and Stewards Reports (Metropolitan, Provincial and Country)
- Reasons for Decision – comprehensive details on racing appeal decisions
- Facebooks for all NSW meetings
- Feature Articles, etc.

Racing NSW Magazine

Racing NSW is the official racing calendar for NSW thoroughbred racing. The TRB outsources the production of Racing NSW Magazine to Gadfly Editorial Services Pty Ltd.

www.racingsnw.com.au



Australian Racing Forensic Laboratory



Andrew Vadasz



Donna Johnson

The Australian Racing Forensic Laboratory, is a nationally and internationally recognised center of excellence that undertakes surveillance on samples collected pre and post race from greyhounds, standardbred and thoroughbred horses racing in New South Wales and other states in Australia. Pre race blood testing is conducted at selected Sydney Metropolitan and Provincial thoroughbred meetings. The Australian Racing Forensic Laboratory is an Accredited Racing Laboratory and undertakes confirmatory analyses on samples sent from Melbourne, Queensland, Perth, England, France, Hong Kong, New Zealand, Macau, Mauritius and Singapore. The Laboratory is also the nominated Australasian Referee Laboratory for any confirmatory samples from the Federation Equestre Internationale. The Laboratory also assisted Steward Inquiries into alleged contravention of the Rules of Racing.

Non-Raceday Samples are analysed for nominated therapeutic drugs when trainers wish to ensure that a horse under their care is free of the nominated drug/s, prior to racing.

The laboratory also analyses unlabelled medications, syringes and feed preparations at the request of Stewards departments.

The Laboratory's commitment to research and development continued with considerable attention given to peptide hormones, anabolic steroid metabolism in the horse and the development of broad-based automated screening techniques.

Quality Assurance is an integral part of laboratory operations and includes inter-laboratory and intra-laboratory samples processed as part of the Asian Quality Assurance Program, which embraces the laboratories of the Asian Racing Conference.

During 2002, the laboratory commenced human testing and to date has screened over 440 samples with 41 positives being declared. The laboratory also identified 121 positive equine and canine samples during the year.

In May a new Official Analyst, Mr Allen Stenhouse, was appointed, subsequent to the resignation of Dr Shawn Stanley.

Department Members

Allen Stenhouse

OFFICIAL ANALYST

Andrew Vadasz

MANAGER

John Keledjian

OPERATIONS MANAGER

Cary Murphy

QUALITY ASSURANCE MANAGER

Andrew McKinney

SENIOR SCIENTIFIC OFFICER

Nick Basgallop

SENIOR SCIENTIFIC OFFICER

Ben Turco

SCIENTIFIC OFFICER

Chris Wong

SCIENTIFIC OFFICER

Steve Mulley

SCIENTIFIC OFFICER

Aarati Rana-Foley

SCIENTIFIC OFFICER

Tony Dunstan

TECHNICAL OFFICER

Corrine Smart

TECHNICAL OFFICER

Lauren Ashurst

TECHNICAL OFFICER

Val Wilson

LABORATORY ASSISTANT

Tom Miller

LABORATORY ASSISTANT

Donna Johnson

SECTION CO-ORDINATOR, CENTRAL SERVICES

Jennifer Holman

ADMINISTRATION ASSISTANT

Perico Alcaine

BOTTLE RELOCATION ENGINEER

Sector/Code	Post Race Urine/Blood	Plasma TCO2 Bloods	Pre Race Blood	Total	Positive
NSW Metropolitan Thoroughbreds	2975	541		3516	5
NSW Provincial Thoroughbreds	1116	589		1705	5
NSW Country Thoroughbreds	3982	190		4172	9
Other Thoroughbreds	2416	1200		3116	8
Harness Racing NSW	1491	2139		3630	8
Pre Race Testing			1036		0
FEI & other amateur groups	221			221	5
Greyhound Racing Authority NSW	2684			2684	42
TOTALS	14885	4659	1036	20580	121
Human Samples	Urine			Total	Positive
NSW Metropolitan	62			62	16
NSW Provincial	43			43	4
NSW Country	168			168	21
TOTALS	441			441	41
Other Samples Analysed					
Confirmatory Analysis for other laboratories	37				
Non-Raceday/Elective Testing	45				
Quality Assurance	18				
Asian QA Program	64				
TOTAL	164				

Veterinary



Craig Suann

Department members

Dr Craig Suann

SENIOR OFFICIAL VETERINARIAN

Dr Mark Caves

OFFICIAL VETERINARIAN

Ms Susan Clifford

RESEARCH ASSISTANT/ANIMAL ATTENDANT

Assisting veterinary officials

The TRB acknowledges the assistance of part-time veterinary officials

Professor David Hutchins OAM

Dr Peter Knight

Dr Meg Brownlow

Dr Timothy Crisp

Dr Michael Kidd

Dr Leanne Begg

Dr Michael Goodwin

Objectives

- Safeguard the health and welfare of horses involved in thoroughbred racing in NSW,
- Provide and supervise veterinary services at metropolitan and provincial racetracks and to supervise veterinary activities at NSW country tracks,
- Provide advice to the TRB and industry on veterinary and equine welfare matters, and on issues relating to prohibited substances and their detection,
- Assist the Australian Racing Forensic Laboratory in developing drug detection methods and generating drug detection times,
- Represent the TRB on various groups and committees on veterinary and equine welfare matters,
- Provide expert advice to Stewards and to Appeals and other hearings.

Programs

The ongoing monitoring and auditing of the Quality Assurance Program for

veterinary services at NSW country race meetings continues. A "Guide for official racing veterinarians in NSW" was published and distributed to approved official veterinarians in the state, the guide providing a framework for the delivery of veterinary services at NSW TAB race meetings. Updated Management Agreements were completed for all approved TRB veterinarians.

The "Sample Collection Process Quality Management System" was implemented to ensure the proper collection and transport of samples for drug testing to the ARFL. Integral to this program is a system of formally approving sample collection officials, including their being subject to probity checks. The Veterinary Department acts as the auditor of the system.

As part of the new Sample Collection Process, sample collection services in the metropolitan and provincial areas were re-structured to improve efficiencies, integrity and accountability.

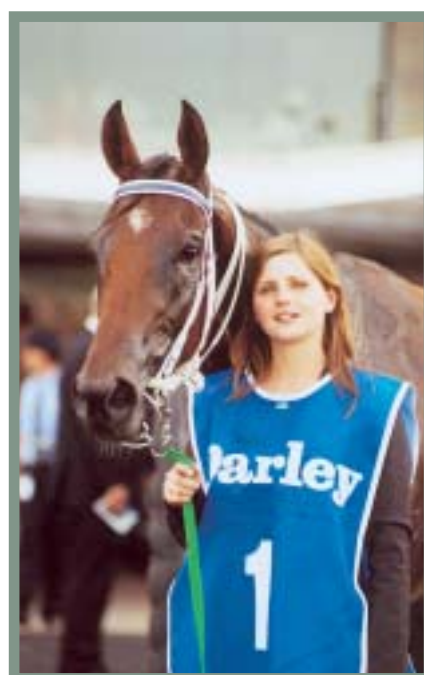
A Post-Mortem Program facilitates the autopsy examination at the University Veterinary Centre, Camden, of horses that die or are euthanised at metropolitan and provincial races and barrier trials. This program provides valuable information on the causes of injuries and sudden death, and which will lead to the development of measures to reduce their incidence.

Following an earlier administration trial involving the anti-ulcer medication ranitidine, a detection period for the drug was formulated and released to the veterinary profession, and information on ulcer prevention strategies in racehorses was published in Racing NSW and on the TRB website.

Following an outbreak of the highly contagious equine respiratory infection strangles in a group of harness racing horses in northern NSW, the Veterinary Department was involved in consultations with Harness Racing NSW, local TRB Stewards and NSW Agriculture, regarding control measures to limit the outbreak, and the drafting of bulletins on equine infectious diseases for the TRB website and Racing NSW for the information

of trainers and industry participants.

Dr Suann was appointed as a member of the Research Advisory Committee of the Rural Industries Research and Development Corporation (RIRDC) Equine Research Program, and attended his first meeting of the Committee in June. He is also the Chairman of the International Group of Specialist Racing Veterinarians (IGSRV).



Administration trials

Administration trials involving erythropoietin (EPO), vedaprofen, ketoprofen, equine growth hormone, ethylestrenol, omeprazole, trometamol, budesonide, stanozolol and deoxycortone acetate were conducted. The purpose of these trials was to develop and monitor the detection methods for these drugs, and in the case of some legitimate equine therapeutics, devise suitable 'detection periods'. The EPO trial facilitated the development of a new method for the detection of EPO administration to racehorses.

Meetings and conferences

Dr Suann attended the RIRDC and Post Graduate Foundation "International Horse Industry Symposium" held at the University of Sydney in July. He

also attended in Perth, meetings of the Association of Official Racing Veterinarians (AORV), the Australian Racing Laboratories and the Australian Racing Board's National Equine Integrity & Welfare Advisory Group (NEIWAG), called to discuss a number of veterinary regulatory, drug testing and equine welfare issues. Dr Suann also represented NEIWAG at a number of meetings of the Australian Racing Board throughout the year.

Dr Caves attended an internal auditor training course conducted by Quality Assurance Services Pty Ltd in September 2001, and represented the TRB at meetings of NSW members of the Australian Equine Veterinary Association (AEVA) throughout the year. There was ongoing consultation by the veterinary department with the AEVA on a number of relevant equine veterinary and welfare matters.

Animal Care and Ethics Committee (ACEC)

The TRB's Animal Care and Ethics Committee (ACEC) was established under the auspices of the NSW Animal Research Act 1985 to monitor and supervise the TRB's team of research horses used for drug administration trials conducted in association with the Australian Racing Forensic Laboratory (ARFL).

The TRB's ACEC comprises the following members:

Mr M J Hill (TRB CEO)

CHAIRMAN

Dr Craig Suann

CATEGORY A MEMBER

Mr Allen Stenhouse

CATEGORY B MEMBER

Mr A Gregory

CATEGORY C MEMBER

Mr J L Muir

CATEGORY D MEMBER

Mrs S Clifford

TRB ANIMAL ATTENDANT/RESEARCH ASSISTANT

Four meetings of the Committee were convened during the year. ACEC members also conducted inspections of the research horses and stabling facilities after each meeting.

Applications for research

The following research applications were approved by the ACEC during the year:

Ongoing Studies into the Detection of Drugs in Racehorses (2002). This study facilitates the process of constantly monitoring new and existing drugs that may have a legitimate use in horses. This permits the ARFL's obligation to the racing industry to rapidly respond to problems relating to the detection of these drugs. Any proposed trials undertaken as part of this proposal are

discussed at a formal meeting before being conducted. ACEC members are provided with information on dosages and routes of administration, the pharmacology of the drug/s, and any potential adverse effects.

Detection of ethylestrenol in racehorses. This study will assist in improving methods of detection of this orally active anabolic steroid.

An evaluation of the population mean and distribution of insulin like growth factor I (IGF1) plasma concentration in the thoroughbred racing population. This study will facilitate an international inter-laboratory program to refine methods for the detection of growth hormone administration in racehorses.

The detection of omeprazole in racehorses. This trial will assist in the development of a detection period for this new anti-ulcer drug in racehorses.

The detection of the veterinary sedatives detomidine and medetomidine in racehorses. This trial will lead to the refinement of detection methods for these drugs in racehorses.

The detection of the human cough suppressant dextromethorphan in racehorses. This study will elucidate the metabolites of this over-the-counter pharmacy preparation when administered to horses.



Insurance



Michael Thompson

Department Members

Michael Thompson

MANAGER

Hesna Whitbread

SENIOR CLAIMS OFFICER

Kay Stivactas

CLAIMS OFFICER

Nichole Moore

CLAIMS ASSISTANT

As at 30 June 2000 the administration of the department has been subject to an outsourcing arrangement with ASWIG, the aim being to improve resources, training and service.

Objectives

- Manage the TRB Workers' Compensation Insurance Fund
- Monitor Workers' Compensation Insurance Scheme, co-ordinate renewals
- Initiate and facilitate a general insurance scheme that provides cost savings for participants by taking advantage of industry buying power

- Investigate initiatives aimed at reducing the cost of delivering a Workers' Compensation policy and claims service to the industry
- Promote sound Occupational Health and Safety (OH&S) practices and improve awareness about OH&S issues.

Workers' Compensation Claims

During 2001-2002, 399 Workers' Compensation Claims were received - this is the highest number in ten years and an increase on last year, which ironically was the lowest number in nine years. The number of current claims as at the 30 June 2002 was 287.

The increase in number of claims is not unexpected, as last year there was a greater emphasis on OH&S, Injury Management and early reporting of claims - increased reporting is a natural consequence.

The implementation of the injury management program leads to early return to work in many cases, which has reduced payments in regards to weekly benefits.

During the year substantial changes to the NSW Workers Compensation system and legislation took place. The speculation and uncertainty arising from these amendments has resulted in increased litigation and if not the generation of claims, the bringing forward of claims.

Whilst the case estimates on claims have gone down this has been counteracted by the effects of loss of reinsurance recoveries (HIH), increased claims payments brought on by legislative changes and poor return on investments.

Premiums

Substantial increases in general (Public Liability etc.) insurance premiums have been the subject of much publicity this year and the Thoroughbred Racing Industry has not escaped in regards to either increased premiums or publicity. Some increase in Workers' Compensation premiums has been necessary for 2002/2003, but certainly not on the scale of general insurance.

A complete overhaul of the Workers' Compensation premium methodology took place during the year. This was done with extensive consultation with the industry.

The result has been a move away from the wage based method of calculating premium to system that features:

- Pay as you go
- Activity and location based charges
- Based/minimum fee at the start of the year
- Claims rating fee at the end of the year



Occupational Health & Safety (OH&S)

Over the past three years NSW Thoroughbred Racing Board (NSWTRB) has been a leader in the Australasian region in the development OH&S programs and procedures for the racing industry.

In this regard the NSWTRB developed:

1. "Occupational Health & Safety Form Guide", which is a video training package for the industry.
2. "A Systems Approach to OH&S", which provides documentation necessary to introduce a first class OH&S program into any business in the industry.

The NSWTRB has also been instrumental in incorporating safety issues into many facets of racing in NSW, such as industry training and rules of racing.

The NSWTRB provided information seminars during the year to inform industry participants of their new legislative requirements and that the NSWTRB has developed the above mentioned tools to assist them meet these requirements.

It is intended that over the coming year that, individuals in the industry will be invited to be trained and accredited as presenters of the training package.

They will in turn present the training to industry participants throughout NSW.

It is envisaged that future developments may involve:

- A requirement that the 1 day OH&S course be undertaken to obtain licensing or registration,
- All clubs will have a formal OH&S program,
- OH&S conditions will apply to contractor and trainers entering club property,
- Expansion into a national risk management program,
- The establishment of a register of

standard safe practice and procedures,

- Annual OH&S conferences, both in NSW and Nationally.

The task ahead is to encourage individuals and organisation in the industry to embrace and run with OH&S concepts.

Injury Management

Employers and employees would have noticed the increased attention being focused on participation in the injury management process, which is aimed at achieving early intervention, improved medical management and early return to work.

There has been substantial improvement in early notification of injuries, which greatly assist in the early intervention

which meant that we improved our chances of at least getting cover, before renewals for the 30 June "dried up" the limited reinsurance capacity available this year.

The general state of the insurance market has meant that fewer insurers are available to take on the risk (both real and imaginary) associated with our industry. Those that are available are being more selective, imposing previously unheard of conditions and considerable increases in premiums.

Insurance industry advisers do not necessarily see that there will be a relief in this area next year and that a return to previous premium level is extremely unlikely.

There is no doubt that by combining to



and medical management.

There has also been an improvement in the willingness of employers to provide suitable duties to injured employees, which assists in the early return to work.

Employers' understanding of their involvement in the process of injury management has improved. To the extent that some employers are taking the initiative in considering management options before being approached by the TRB insurance department.

Further development in this area is certainly warranted but the improvement is encouraging.

General Insurance Program

We had one advantage this year, in that our renewal date is the 31st March,

effect one cover, the industry has saved the clubs from an even greater increase in premiums than that incurred. In fact, this year as to whether some clubs could have even got cover if they were stand-alone is doubtful.

The NSWTRB in association with the ARB and Aon Risk Consultants are currently considering the feasibility of an option that will make insurance cover more affordable for the industry nationally.

Registration Department



Dianne Green

The Registrar of Racehorses is responsible for the naming and recording of ownership of all horses that race or go to stud throughout Australia, with the exception of imported broodmares and stallions which are recorded with the Australian Stud Book. The Department also records syndicates, leases, transfers of ownership and racing colours in New South Wales.

Other functions include checking un-named foals and broodmares at horse sales throughout the country. In the period from July 2001 to June 2002 there were 9600 horses checked at 40 sales by Registration Officers.

We also check the identity of ex-racehorses by their brands and white markings through our coding system for breeding and showing purposes and, during the past year, 483 enquiries were made, the majority of which were positively identified as registered horses.

Department members

Dianne Green

REGISTRATION SUPERVISOR

Beverley Lawless

REGISTRATION OFFICER - ADMINISTRATION

Carole Patterson

REGISTRATION OFFICER - SYNDICATION AND PROMOTIONS

Judy Stevenson

REGISTRATION OFFICER - TRANSFERS OF OWNERSHIP

Cathie Hughes

REGISTRATION OFFICER - NAMING OF RACEHORSES

Lauren Phelps

REGISTRATION OFFICER - LEASES AND RACING COLOURS

Mark Holloway

REGISTRATION OFFICER - IMPORTS AND SALES INSPECTIONS

Anne McFarlane

REGISTRATION CLERK - CASHIER

Kim Watkins

REGISTRATION CLERK - CORRESPONDENCE/RECEPTION

Pam Gaynor

REGISTRATION CLERK - DATA ENTRY

Ken Klem

REGISTRATION CLERK - DATA ENTRY

Nigel Price

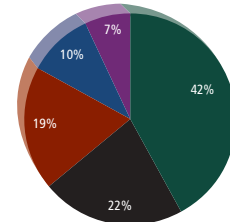
REGISTRATION CLERK - DATA ENTRY (UNTIL MARCH 2002)

Contribution to Equine Research

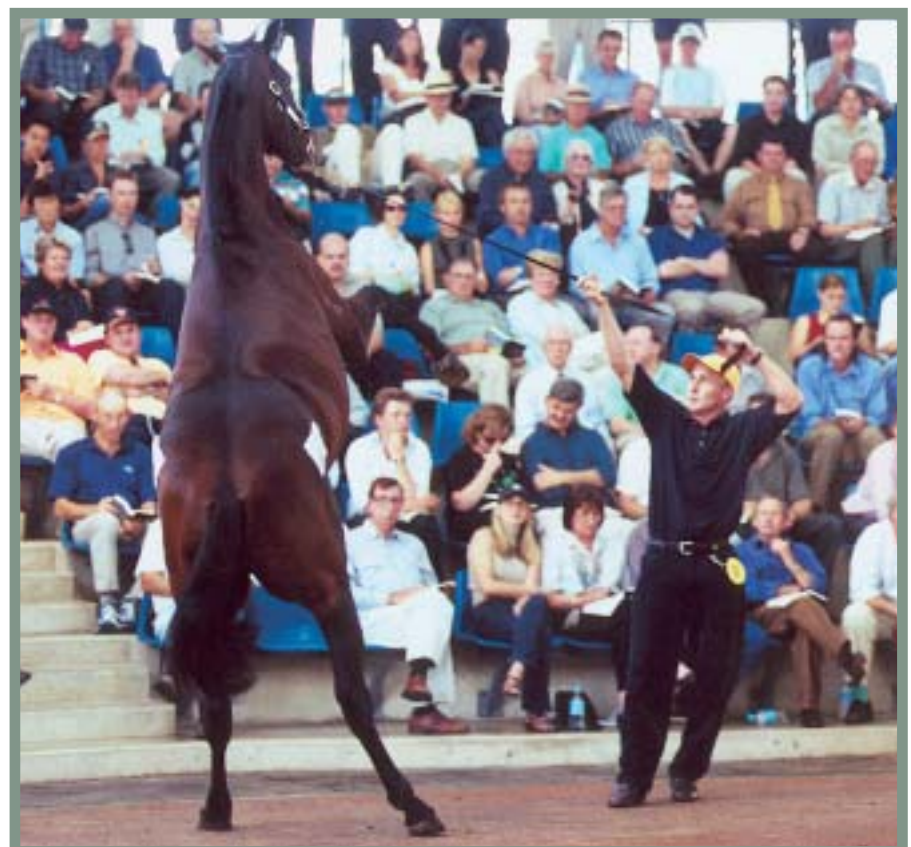
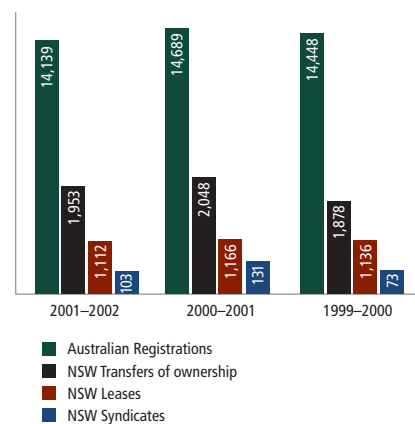
The Registrar of Racehorses contributes a large amount of money to equine research each year which is derived from a levy of \$20 of the registration fee which is currently \$70 for each horse registered. This levy commenced in August 1994 and up until June 2002 a total of \$2,328,576 has been donated to Rural Industries Research Development Corporation who administer the distribution of these funds.

Administration

The TRB administers the Registration Department on behalf of the following:



Department Statistics



Finance and Human Resources



Julie Marchant



Micheal Beith



Victoria Ramirez
(HUMAN RESOURCES)

The aim of the Finance division of the NSW TRB is to provide timely and accurate information to the Board and interested parties within the industry on financial performance. The financial year ending 30/06/02 has been focused on improving current systems and procedures and tailoring reports to end user requirements. This culminates in the presentation to the Audit Committee of the year end results, before final presentation to the Minister

Finance Department Members

Michael Beith

GENERAL MANAGER FINANCE AND ADMINISTRATION

Julie Marchant

FINANCIAL ACCOUNTANT

Helen Dalakiaris

PAYROLL CO-ORDINATOR

Darela Kurtovic

PAYROLL CO-ORDINATOR (FROM 4 MARCH 2002)

Farrah Tan

ACCOUNTS PAYABLE CLERK (UNTIL 24 APRIL 2002)

Louise Murray

ACCOUNTS RECEIVABLE CLERK

Kerryn Newman

RACE RESULTS

Human Resources

At an operational level, enhancement of the overall effectiveness and efficiencies of the organisation resources has been the major focus of the NSWTRB Human Resources Services.

Relocation of Headquarters

Human Resources was a key element in the successful relocation of the TRB headquarters from Rosebery to Mascot. The new headquarters of Racing NSW meets both the needs of our staff members and the organisation's operational needs.

Training and Development

Employee development through on and off the job training has been undertaken throughout the year with the majority of staff participating in both recognised training programs and on the job training.

Comprehensive performance management training continues to be a focus for the TRB and that along with the support of training will assist in the establishment of goals and objectives in line with the overall goals and objectives of the NSWTRB.

Occupational Health and Safety

An Occupational Health and Safety Committee continues to review and make recommendations concerning health and safety issues for the TRB staff.

Human Resources

Victoria Ramirez

Audit Committee

Mr R.M. Lapointe

Mr J.B. Costigan

Mr M.J. Cusick (until 18 February 2002)

NSW Thoroughbred Racing Board

Financial Statements

For the year ended 30 June, 2002

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Statement of Financial Performance

For the year ended 30 June, 2002

	Note	2002 \$	2001 \$
REVENUE			
REVENUE FROM OPERATING ACTIVITIES			
Sale of Goods - Publications	6(i)	873,616	882,212
Sale of Services	6(v)	11,118,927	11,539,326
First Charge	6(ii)	10,153,766	8,708,363
		<u>22,146,309</u>	<u>21,129,901</u>
REVENUE FROM NON OPERATING ACTIVITIES			
Proceeds Disposal of Assets	6(iii)	84,426	139,605
Interest	6(iv)	315,289	1,130,876
		<u>399,715</u>	<u>1,270,481</u>
REVENUE FROM ORDINARY ACTIVITIES			
		<u>22,546,024</u>	<u>22,400,382</u>
EXPENSES			
Administration	6(vi)	5,100,854	4,811,956
Licensing	6(vii)	267,146	271,461
Provincial Associations	6(viii)	111,896	119,036
Race Results	6(ix)	102,433	92,585
Cost of Goods Sold - Publications	6(x)	986,824	874,445
Laboratory	6(xi)	2,184,456	2,202,567
Handicapping	6(xii)	535,404	616,784
Stewards	6(xiii)	2,662,801	2,775,092
Veterinary	6(xiv)	647,605	621,376
Syndicates	6(xv)	177,596	184,864
Media	6(xvi)	272,830	544,303
Industry Training	6(xvii)	342,398	310,681
Stakes Payments	6(xviii)	403,211	247,660
Information Technology	6(xix)	1,298,544	898,143
BOBS Breeders Incentive Scheme	6(xx)	6,378	-
Insurance	6(xxi)	10,466,843	9,415,115
Movement in market value of investments integral to insurance activities		528,281	141,385
Borrowing Costs	6(xxii)	158,591	191,703
EXPENSES FROM ORDINARY ACTIVITIES			
		<u>26,254,091</u>	<u>24,319,156</u>
Share of net losses of partnership accounted for using the equity method		93,483	113,872
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE			
	6(xxiii)	<u>(3,801,550)</u>	<u>(2,032,646)</u>
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES			
		-	-
LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX			
		<u>(3,801,550)</u>	<u>(2,032,646)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
	20	<u>(3,801,550)</u>	<u>(2,032,646)</u>

The accompanying notes form part of these Financial Statements

Statement of Financial Position

As at 30 June, 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash Assets	8	2,876,973	6,416,331
Receivables	9	8,254,515	13,622,158
Other	10	149,252	93,567
TOTAL CURRENT ASSETS		11,280,740	20,132,056
NON-CURRENT ASSETS			
Plant and Equipment	14	3,896,956	1,616,245
Investment in land and buildings	12	2,862,480	-
Other Financial Assets	11	10,891,891	11,420,172
Investment accounted for using the equity method	13	-	-
Intangible Asset - AJC Businesses Acquired	19	-	435,728
TOTAL NON-CURRENT ASSETS		17,651,327	13,472,145
TOTAL ASSETS		28,932,067	33,604,201
CURRENT LIABILITIES			
Payables	16	9,657,854	11,811,648
Interest Bearing Liabilities	15	952,501	969,097
Non-interest bearing liabilities	18	-	550,000
Provisions	17	7,263,506	6,515,947
TOTAL CURRENT LIABILITIES		17,873,861	19,846,692
NON-CURRENT LIABILITIES			
Provisions	17	15,983,339	14,881,092
TOTAL NON-CURRENT LIABILITIES		15,983,339	14,881,092
TOTAL LIABILITIES		33,857,200	34,727,784
NET LIABILITIES		(4,925,133)	(1,123,583)
EQUITY			
Retained Losses	20	(4,925,133)	(1,123,583)
TOTAL EQUITY		(4,925,133)	(1,123,583)

The accompanying notes form part of these Financial Statements

Statement of Cash Flows

For the year ended 30 June, 2002

	Note	2002 \$	2001 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		26,129,657	15,642,214
Payments to suppliers and employees		(24,679,661)	(16,757,397)
Interest and Investment earnings received		315,289	994,074
Borrowing costs		(158,591)	(191,703)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	7(b)	1,606,694	(312,812)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,858,802)	(959,296)
Proceeds from sale of plant and equipment		84,426	139,605
Payments for investments		-	(3,160,769)
Loans (to)/from related parties		1,194,919	(343,654)
NET CASH USED IN INVESTING ACTIVITIES		(4,579,457)	(4,324,114)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loan from Australian Jockey Club		(550,000)	(550,000)
NET CASH USED IN FINANCING ACTIVITIES		(550,000)	(550,000)
NET DECREASE IN CASH		(3,522,763)	(5,186,926)
Cash at beginning of the financial year		5,447,234	10,634,160
CASH AT THE END OF THE FINANCIAL YEAR	7(a)	1,924,471	5,447,234

The accompanying notes form part of these financial statements.

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

The following is a summary of the accounting policies adopted in the preparation of the financial report.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the NSW Thoroughbred Racing Board ("The Board").

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values 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 following is a summary of the material accounting policies adopted by the Board in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

b) The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements

are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of asset are:

Class of Asset	Depreciation Rate
Plant and Equipment	5-40%
Land and Buildings	2.50%

c) Leases: Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Board are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Board will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

d) Investments: Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by the Members of the Board to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Investments integral to the Board's insurance activities, including investments in land and buildings are measured at net market values at the reporting date. Changes in net market value of such investments are recognised as revenues or expenses in

the financial year in which the changes occur.

e) Receivables: All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

f) Investments in Associates : Investments in associates are recognised in the financial statements by applying the equity method of accounting.

g) Intangibles - Goodwill: Goodwill is initially recorded at the amount by which the purchase price for a business or of an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill is amortised on a straight line basis over the period of 4 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

h) Foreign Currency Transactions and Balances: Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit or loss from ordinary activities as they arise.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities over the lives of the hedges.

Costs or gains arising at the time of entering hedged transactions for the

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale. Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities when the exchange rate changes.

i) Employee Entitlements: Provision is made for the Board's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Board to an employee superannuation fund and are charged as expenses when incurred.

j) Cash: For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market instruments maturing within less than 14 days to maturity.

k) Revenue: Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

l) Trade, stakes payments and other creditors: These amounts represent liabilities for goods and services provided to the Board 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.

m) 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 at the present value of expected future payments.

n) Goods and Services Tax (GST) : Revenues and 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.

o) Comparative Figures : Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

p) Going Concern: The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2002, the Board has a net asset deficiency of \$4,925,133. The operating deficit of the Insurance Fund of \$4,467,489 for the year ended 30 June 2002 was the most significant element in the movement. The operating deficit was impacted by negative movement in the Wholesale Trust following September 11, 2001 and the prudential margin provision for claims liability was increased by \$1.9 million on the recommendation of the actuary. This additional provision now takes the prudential margin from 20% of estimated claims liability to 25% of estimated claims liability.

To assist the financial performance of the fund the Board resolved to increase all premiums by 20% as at 1 July 2002.

The Board also allocated an amount of \$450,000 to the fund through the first charge.

The Members of the Board are of the opinion that the Board will continue to be able to pay its debts as and when they fall due on the basis that the Intra-code Agreement allows the Board to levy an administration charge on wagering receipts received from the TAB Limited. In addition the Board are committed to making the necessary increases to insurance premiums to cover any shortfall, once the impact of the HIH collapse has been accurately determined.

NOTE 2: CONSOLIDATED OPERATIONS

The NSW TRB - Administration includes the administrative functions of the Board in accordance with the Thoroughbred Racing Board Act 1996. The Board 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 NSW TRB Insurance Fund separately. The consolidated results encompass all divisions noted above.

NOTE 3: INCOME TAX

The Board 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: ECONOMIC DEPENDENCY

The Board received 46.12% (2001 : 39%) of its income via a First Charge on the distribution of wagering receipts to the Thoroughbred Racing Industry. This distribution is governed by the NSW Racing Distribution Agreement as entered into by NSW Racing Pty Limited and TAB Limited. Consequently, the

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

NSW Thoroughbred Racing Board is economically dependent on TAB Limited.

NOTE 5: EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to Balance Date NSW Racing Pty Limited, on behalf of the three racing codes, settled a dispute with TAB Limited relating to the 2000 financial year. The Board resolved to appropriate an additional First Charge of \$450,000 for the industry workers compensation insurance fund from the settlement monies. This income has been included in the 2002 financial year.

In addition the Board has resolved to increase Workers Compensation Premiums by 20% effective 1 July 2002 with a further review to occur in December 2002.

Except for the above no matters or circumstances 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.

NOTE 6: STATEMENT OF FINANCIAL PERFORMANCE

(i) Sale of Goods - Publications income is derived from the sale of advertising space in the Breeding and Racing and NSW Racing magazines as well as subscriptions by industry participants to these.

(ii) First Charge represents a charge to the industry based on the budgeted net loss for the year.

(iii) Proceeds on Disposal of Assets represents amounts received on sale or trade in of assets.

(iv) Interest - represents earnings and interest income.

(v) 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.

(vi) Administration expenses represent the cost of the administrative areas of

the Board including executive, finance, property, human resources, appeals, and consultants.

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

(viii) Provincial Association costs represent the staffing and administrative costs associated with the Provincial Officer and the representation of the interests of Provincial Association members.

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

(x) Publications expenditure includes staff and office costs as well as all production and selling costs.

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

(xii) Handicapping expenditure includes staff and office costs.

(xiii) Stewards expenditure includes staffing cost, shorthand writers, office costs as well as the costs associated with the Broadmeadow office.

(xiv) Veterinary expenditure includes staff, research horses, consumables and office costs.

(xv) Syndicates expenditure includes staffing and office costs.

(xvi) Media costs include staff, participation in national advertising, promotional activities and monitoring of media.

(xvii) Industry Training expenditure represent staffing costs as well as educational costs associated with the training of apprentice jockeys.

(xviii) Stakes Payments costs include staffing, consultants, system development, bank charges and office costs.

(xix) Information Technology represents the cost of providing an IT platform to the board and supporting staff costs.

(xx) BOBS - Breeding Incentive Scheme expenditure is the cost associated with

the incentive scheme. Costs include printing as well as publicity.

(xxi) 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 Workcover legislation. In July 2000 the Board signed a service contract with ASWIG Pty Limited. This contract specified that ASWIG are to provide to the Board management services in relation to the insurance fund.

(xxii) Borrowing costs include interest expense, bank charges and bank guarantees.

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

	2002 \$	2001 \$
(xxiii) Profit/Loss from Ordinary Activities :		
The result from ordinary activities has been determined after :		
Borrowing Costs		
- Other persons	158,591	191,703
Total Borrowing Costs	<u>158,591</u>	<u>191,703</u>
Depreciation of non-current assets		
- Plant and Equipment	623,916	476,541
Total Depreciation	<u>623,916</u>	<u>476,541</u>
Amortisation of non-current assets		
- Goodwill	435,728	550,000
Total Amortisation	<u>435,728</u>	<u>550,000</u>
Bad and Doubtful Debts		
- Trade Debtors	49,307	8,388
Total Bad and Doubtful Debts	<u>49,307</u>	<u>8,388</u>
Rental Expense on Operating Lease	263,346	253,679
Contingent Rental on Cessation of Lease	42,400	-
	<u>305,746</u>	<u>253,679</u>
Net (Gain)/Loss on disposal of non-current assets:		
- Property, Plant and Equipment	7,269	33,367
Total Gain on disposal of non-current assets	<u>7,269</u>	<u>33,367</u>
Provisions		
- Employee Entitlements	(61,895)	62,196
- Doubtful Debts	30,000	-
- Outstanding Insurance Claims	1,911,700	2,628,976
Total Provisions	<u>1,879,805</u>	<u>2,691,172</u>
Remuneration of Auditor		
- audit	65,700	43,600
- other services	74,976	46,847
Total Remuneration of Auditor	<u>140,676</u>	<u>90,447</u>
(xv) Individually Significant Items:		
Increase in Provision of Prudential Margin relating to Insurance Claims Liability as recommended by the Actuary	<u>1,911,700</u>	<u>2,629,172</u>

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

	2002 \$	2001 \$
NOTE 7: STATEMENT OF CASH FLOWS		
a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows: -		
Cash	2,876,973	6,416,331
Less: Bank Overdraft	952,501	969,097
Cash	<u>1,924,472</u>	<u>5,447,234</u>
b) Reconciliation of Cash Flow from Operating Activities		
Operating profit after tax	(3,801,550)	(2,032,646)
Profit on Sale of Assets	7,269	(33,367)
Amortisation	435,728	550,000
Reduction in Success Fee Reserve	(550,000)	(1,486,314)
Increase in Leave Provisions	(61,895)	62,196
Depreciation	623,916	476,541
Unrealised loss on investment	528,281	141,385
Share of loss in Registration	-	26,667
	<u>983,299</u>	<u>(262,892)</u>
(Increase)/decrease in trade debtors	165,480	(364,717)
(Increase)/decrease in prepayments	(55,685)	98,051
(Increase)/decrease in Stakes Payment debtors	72,775	(3,512,996)
(Increase)/decrease in other debtors	3,745,091	(2,581,243)
Increase/(decrease) in trade creditors	(3,099,801)	5,048,264
(Increase)/decrease in Stakes Payment Creditors	851,000	3,552,389
Increase/(decrease) in other current liabilities	-	-
Increase/(decrease) in sundry creditors	(140,648)	(2,210,158)
Increase/(decrease) in accruals	975,027	(675,836)
Increase/(decrease) in Insurance Claims Provision	1,911,704	2,628,972
	<u>4,424,943</u>	<u>1,982,726</u>
Cash Flows from operating activities	<u>1,606,694</u>	<u>(312,812)</u>
c) Credit Stand-by Arrangement and Loan Facilities		
There are no credit stand-by arrangements or loan facilities as at 30 June 2002.		
NOTE 8: CASH		
Cash at Bank	2,100	4,238
Deposits at Call	2,874,873	6,412,093
Total Cash	<u>2,876,973</u>	<u>6,416,331</u>
The deposits bear floating interest rates between 3.5% and 3.8% (2001: 4.8% and 4.95%).		
NOTE 9: RECEIVABLES		
Trade Debtors	675,551	811,033
Provision for Doubtful Debts	(30,000)	-
Sundry Debtors	131,525	3,878,356
Amounts receivable from associated entities		
- NSW Country Racing Council Limited	2,721,030	5,120,490
- Registrar of Racehorses	181,427	164,833
- NSW Racing Pty Ltd	1,016,921	18,348
- Australian Racing Board	(502)	-
- Stakes Payment Debtors	3,440,221	3,512,996
- Other Racing Clubs	69,319	69,319
Bank Guarantee	49,023	46,783
Total Receivables	<u>8,254,515</u>	<u>13,622,158</u>

The NSW TRB undertakes accounting support for the NSW Country Racing Council Limited, Registrar of Racehorses, NSW TRB Insurance Fund, AJC Group Training Company Limited, NSW Racing Pty Limited and the Australian Racing Board. Amounts disclosed above as receivable from other entities are payable to the NSW TRB by these entities for expenses paid on their behalf. These are summarised as follows:

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

	Expenses Paid on behalf of entity	Receipts from
- NSW Country Racing Council Limited	48,051,512	50,450,972
- Registrar of Racehorses	2,811,555	2,794,960
- NSW Racing Pty Ltd	8,753,524	7,754,951
- Australian Racing Board	1,295,439	1,295,940

NOTE 10: OTHER CURRENT ASSETS

Prepayments	149,252	93,567
	<u>149,252</u>	<u>93,567</u>

NOTE 11: OTHER FINANCIAL ASSETS

ANZ Wholesale Investment Trust	10,891,891	11,420,172
	<u>10,891,891</u>	<u>11,420,172</u>

NOTE 12: INVESTMENT IN LAND AND BUILDINGS

Land and Buildings - acquired during the year	2,862,480	-
Total Land and Buildings	<u>2,862,480</u>	<u>-</u>

The Baxter Road property is mortgaged to the ANZ Bank and acts as security for the ANZ Bank Guarantee to Workcover.

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interest in joint venture partnership;

(a) Name of Entity	Principal Activity	Balance Date	Ownership Interest	
			2002	2001
Registrar of Racehorses	Registration of Racehorses in Australia	30/06/2002	42%	42%
Movements in carrying amounts		2002	2001	
		\$	\$	
At beginning of financial year		-	-	
Investment during year		93,483	113,872	
Share of operating loss after income tax		(93,483)	(113,872)	
		<u>-</u>	<u>-</u>	

NOTE 14: PROPERTY, PLANT and EQUIPMENT

Plant and Equipment - at cost	5,232,916	2,452,973
Less accumulated depreciation	1,335,960	836,728
Total Plant and Equipment	<u>3,896,956</u>	<u>1,616,245</u>
Movement in Carrying Amounts		
Balance at Beginning of Year	1,616,245	1,239,728
Additions	2,996,322	959,296
Disposals	(91,695)	(106,238)
Depreciation Expense	(623,916)	(476,541)
Carrying Amount at the end of the year	<u>3,896,956</u>	<u>1,616,245</u>

NOTE 15: INTEREST BEARING LIABILITIES

Bank overdraft - unsecured	952,501	969,097
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The bank overdraft is unsecured and is subject to a floating interest rate between 8.6% and 12.6% (2001: between 8.75% and 12.75%).

NOTE 16: PAYABLES

Trade Creditors	2,098,075	5,197,877
Sundry Creditors	-	140,648
Amounts payable under Racing Distribution Agreement	-	189,373
Accruals	1,739,500	384,954
Stakes Payment Creditors	4,403,389	3,552,389
Deferred Income	670,764	1,051,194
Privatisation Success Fee	314,406	864,406
Jockeys Benevolent Fund	431,720	430,807
Total Creditors and Accruals	<u>9,657,854</u>	<u>11,811,648</u>

The privatisation success fee represents funds remaining from the success fee received by the industry as a result of the public listing of TAB Limited. During the course of the current year, an amount equivalent to the funding of loan amounts due and payable to the AJC in respect of AJC businesses acquired of \$550,000 (2001: \$550,000), have been charged against this amount. Monies received by the NSW TRB at the balance date for products or services not yet provided are classified as deferred income. These items include subscriptions received for registration of racing colours, license fees, Workers Compensation Insurance premiums and subscriptions to NSW Racing magazine.

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

	2002 \$	2001 \$
NOTE 17: PROVISIONS		
Current		
Employee Annual Leave	532,438	340,478
Employee Long Service Leave	241,524	247,983
Provision for Insurance Outstanding Claims	6,489,545	5,927,485
Total Current	7,263,507	6,515,947
Non-Current		
Employee Annual Leave	-	353,019
Employee Long Service Leave	400,379	294,757
Provision for Insurance Outstanding Claims	15,582,960	14,233,315
Total Non-Current	15,983,339	14,881,091
Total Employee Entitlements	1,174,342	1,236,238
No of employees at balance date	93	98

An actuarial valuation of the Insurance Funds outstanding claims was performed by independent actuaries McMahon Actuarial Services as at June 30 2002. The ANZ Bank have issued guarantees amounting to \$18,084,000 in favour of Workcover Authority of NSW. As at 27 September 2002 this has been increased to \$21,200,000 as required under the term's of the Board's insurance licence. In accordance with actuarial recommendations the Board has provided for a prudential margin of 25% (2001 - 20%) of the central estimate of liabilities in recognition of the uncertainty of future estimates and the inherent variability of conditions affecting future claim payments.

NOTE 18: NON-INTEREST BEARING LIABILITIES - CURRENT

Loan from Australian Jockey Club - unsecured	-	550,000
	-	550,000

The Australian Jockey Club was repaid over a period of a four years concluding in this financial year. It was non-interest bearing.

NOTE 19: INTANGIBLE ASSETS

AJC Business Acquired	2,200,000	2,200,000
Less: Accumulated Amortisation	(2,200,000)	(1,764,272)
	-	435,728

In 1998 AJC industry functions for Registrar of Racehorses, NSW Racing Magazine, Racehorse Colours Registration, Registration of Racehorse Syndicates, Leases and Transfers were transferred to NSW TRB. The consideration paid on the transfer of these functions has been amortised over four years.

NOTE 20: RETAINED LOSSES

Retained losses at beginning of the financial year	(1,123,583)	909,063
Net loss from Ordinary Activities after income tax	(3,801,550)	(2,032,646)
Retained losses at end of the financial year	(4,925,133)	(1,123,583)

NOTE 21: 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	62,914	276,355
Payable later than 1 year and not later than 5 years	221,359	-
	284,273	276,355
Capital Expenditure Projects		
Payable not later than 1 year	-	2,705,000

NOTE 22: CONTINGENT LIABILITIES

The Board are not aware of any contingent liabilities which are required to be disclosed in these financial statements.

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

NOTE 23: MEMBERS

a) Names of Board Members who have held office during the financial year are

A.G Hartnell
(Chairman)

Nominated by Australian Jockey Club
W H Rutledge (Deputy Chairman) - Retired
13 March 2002

Nominated by Australian Jockey Club
P Esplin - Appointed 13 March 2002

Nominated by Sydney Turf Club
R W Lucas

Nominated by Provincial Association of NSW
M J Cusick - Retired 13 March 2002

Nominated by Provincial Association of NSW
B Reardon - Appointed 13 March 2002

Nominated by Board of Directors of NSW
Country Racing Council
D E Hopkins (Deputy Chairman from 20 May
2002)

Nominated by eligible industry bodies to
represent the interests of Licensed Persons
and Race club employees

J. Costigan

Nominated by eligible industry bodies to
represent the interests of Owners and
Breeders of thoroughbred racehorses

R. M. Lapointe

Chief Executive
M J Hill

	2002 \$	2001 \$
b) Remuneration of Non-Executive Board Members		
Income paid or payable to all directors	476,813	375,000
Number of Non-Executive Board Members whose income was within the following bands		
\$0 - \$9,999	2	-
\$10,000 - \$19,999	1	-
\$40,000 - \$49,999	5	5
\$60,000 - \$69,999	-	1
\$90,000 - \$99,999	1	1

NOTE 24: COMPANY DETAILS

The NSW Thoroughbred Racing Board was established as 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: 81-83 Baxter Road, Mascot, NSW,2020.

NOTE 25: FINANCIAL INSTRUMENTS

	Note	Floating Interest Rate		Non Interest Bearing		Total	
		2002	2001	2002	2001	2002	2001
Financial Assets:							
Cash	8	2,876,973	6,416,331	-	-	2,876,973	6,416,331
Receivables	9	-	-	8,254,515	13,622,158	8,254,515	13,622,158
Investments	11	10,891,891	11,420,172	-	-	10,891,891	11,420,172
Total Financial Assets		13,768,864	17,836,503	8,254,515	13,622,158	22,023,379	31,458,661
Weighted average interest rate		3.80%	4.95%				
Financial Liabilities:							
Bank Loans and Overdrafts	15	952,501	969,097	-	-	952,501	969,097
Loans	18	-	-	-	550,000	-	550,000
Trade and sundry creditors		-	-	6,501,464	8,890,914	6,501,464	8,890,914
Total Financial Liabilities		952,501	969,097	6,501,464	9,440,914	7,453,965	10,410,011
Weighted average interest rate		8.60%	8.75%				
Net financial assets/(liabilities)		12,816,363	16,867,407	1,753,051	4,181,244	14,569,414	21,048,650

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date 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. Except for the following concentration of credit risks, the entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

The net fair values of financial assets and liabilities approximate to the carrying amounts at balance date.

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

NOTE 26: SEGMENT REPORTING

Primary Reporting - Business	2002 \$			2001 \$		
	NSW Thoroughbred Racing Board	Insurance	Total	NSW Thoroughbred Racing Board	Insurance	Total
Segments Revenue						
External Sales	15,953,310	6,592,714	22,546,024	15,114,340	7,144,657	22,258,997
Total Segment Revenue	15,953,310	6,592,714	22,546,024	15,114,340	7,144,657	22,258,997
Expenditure						
Amortisation	14,019,971	11,060,203	25,080,175	13,685,718	9,465,512	23,151,230
Depreciation	550,000	-	550,000	550,000	-	550,000
Share of Loss Registration	623,916	-	623,916	476,541	-	476,541
	93,483	-	93,483	113,872	-	113,872
Total Segment Expenditure	15,287,370	11,060,203	26,347,574	14,826,131	9,465,512	24,291,643
Segment Result	665,940	(4,467,489)	(3,801,550)	288,209	(2,320,855)	(2,032,646)
Assets						
Segment Assets	11,803,799	17,128,268	28,932,067	15,725,152	17,879,049	33,604,201
Total Assets	11,803,799	17,128,268	28,932,067	15,725,152	17,879,049	33,604,201
Liabilities						
Segment Liabilities	11,494,271	22,362,929	33,857,200	13,932,989	20,794,796	34,727,784
Total Liabilities	11,494,271	22,362,929	33,857,200	13,932,989	20,794,796	34,727,784
Net Liabilities	309,528	(5,234,661)	(4,925,133)	1,792,163	(2,915,747)	(1,123,584)

The primary business activity is the NSW Thoroughbred Racing Board 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.

NOTE 27: RELATED PARTIES

An amount of \$57,186 was expended on legal fees to Atanaskovic Hartnell. A G Hartnell is both a partner in the firm of Atanaskovic Hartnell and Chairman of the NSW Thoroughbred Racing Board. Agistment fees for research horses of \$5,784 were expended to Muskoka Farm. Muskoka Farm is owned by R M Lapointe, a Board member of the NSW Thoroughbred Racing Board.

NOTE 28: INSURANCE ACTIVITIES

	2002	2001
Premium revenue	5,679,305	5,492,891
Reinsurance recoveries and other recoveries revenue	74,150	427,084
Investment revenue	223,419	966,993
First Charge	450,000	-
Other Income	165,840	257,689
	6,592,714	7,144,657
General and Administration	971,833	931,519
Direct claims	9,001,089	7,965,592
Outwards reinsurance	559,000	568,401
Investment expense write-down	528,281	141,385
	11,060,203	9,606,897
Underwriting result for the financial year excluding investments revenue and expense	(4,162,627)	(3,287,848)
Investments	-	-
Land and buildings	2,862,480	-
ANZ Trust	10,891,891	11,420,172
	13,754,372	11,420,172
Operating Assets		
Bank	2,874,873	6,412,093
Other Debtors	450,000	-
Bank guarantee	49,023	46,783
Reinsurance recoveries	2,842,000	4,350,000
	6,215,896	10,808,876
Liabilities		
Outstanding claims	24,914,504	24,510,800
Unearned Premiums	290,425	633,912
	25,204,929	25,144,712
a) Outstanding Claims	\$000	\$000
	-	-
Gross undiscounted claim liability	26,373	26,083
Discount to present value	(4,647)	(4,262)
Third party recoveries	(1,226)	(274)
Re-insurance recoveries	(2,842)	(4,350)
	17,658	17,197
Prudential margin	4,415	2,963
	22,073	20,160
Current	6,490	5,927
Non-current	15,583	14,233
	22,073	20,160

Notes

to and forming part of the Financial Statements for the year ended 30 June, 2002

The average weighted term to settlement of the outstanding liabilities is 3.4 years (2001: 3.6 years).

The following average inflation rates and discount rates were used in measuring the liability for outstanding claims:

	2002		2001	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	4.00%	4.00%	3.50%	3.50%
Discount Rate	6.00%	6.00%	5.50%	5.50%

b) Net claims incurred for current year and change in incurred for prior years.

	2002		2001	
	Current Year Incurred \$000	Reassess Prior Years \$000	Current Year Incurred \$000	Reassess Prior Years \$000
Gross undiscounted incurred claims	7,080	(658)	5,596	(1,220)
Undiscounted reinsurance & other recoveries	(360)	2,321	(395)	2,026
Net undiscounted incurred claims	6,720	1,663	5,201	806
Discounting of incurred claims	(869)	203	(691)	226
Discounting recoveries	62	(403)	74	(381)
	5,913	1,463	4,584	651
Gross discounted incurred claims	6,211	(455)	4,905	(994)
Discounted reinsurance & other recoveries	(298)	1,919	(321)	1,645
Net discounted incurred claims	5,913	1,464	4,584	651

The claim cost incurred consists of paid to date plus estimate of outstanding liabilities plus administration expenses.

Declaration and Audit Report

DECLARATION BY BOARD MEMBERS

The Members of the Board declare that:

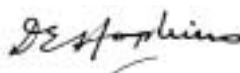
- (1) the financial statements comprising the Statement of Financial Performance, Position and Cash Flows and accompanying notes:
 - (i) give a true and fair view of the financial position of the NSW Thoroughbred Racing Board as at 30 June 2002 and its performance for the year ended on that date.
 - (ii) are in accordance with NSW Thoroughbred Racing Act 1996 and comply with the Accounting Standards and the Corporations Regulations, and other mandatory professional reporting requirements and
- (2) as at the date of this declaration there are reasonable grounds to believe that the NSW Thoroughbred Racing Board will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board and is signed for and on behalf of the Board



Mr. A G HARTNELL
CHAIRMAN

Dated at Sydney this 21st day of October, 2002.



Mr D HOPKINS
DEPUTY CHAIRMAN

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NSW THOROUGHBRED RACING BOARD

Scope

We have audited the financial report of NSW Thoroughbred Racing Board ("the Board") for the year ended 30 June 2002 comprising the Statements of Financial Performance, Position and Cash Flows, accompanying notes and Declaration by Board Members. The Members of the Board are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of NSW Thoroughbred Racing Board.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and other statutory accounting requirements so as to present a view which is consistent with our understanding of the Board's financial position and performance as represented by the results of its operations and cash flows. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion, the financial report of NSW Thoroughbred Racing Board is in accordance with:

- a) NSW Thoroughbred Racing Board Act 1996, including:
 - i) giving a true and fair view of the Board's financial position as at 30 June 2002 and of its performance for the year ended on that date and;
 - ii) complying with Australian Accounting Standards and;
- b) other mandatory reporting requirements.

BDO
CHARTERED ACCOUNTANTS



David Goman
MANAGING PARTNER

Signed at Sydney this 24th day of October 2002.





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