



Racing NSW

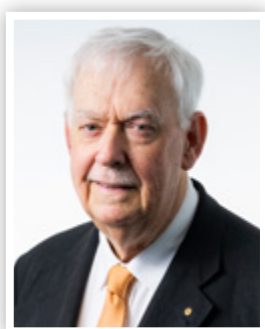
ANNUAL REPORT 2019



CURRENT MEMBERS OF THE BOARD



R Balding AO (Russell)
CHAIRMAN
Re-appointed
19 December 2015
Attended 9 meetings



A G Hodgson AM (Tony)
DEPUTY CHAIRMAN
Re-appointed
19 December 2016
Attended 9 meetings



P N V'landys AM (Peter)
RACING NSW CHIEF EXECUTIVE
Appointed 23 February 2004
Attended 9 meetings



Dr S Cooke (Saranne)
Appointed 19 December 2015
Attended 9 meetings



S Tuxen (Simon)
Appointed 3 November 2016
Attended 8 meetings



A Shepherd AO (Anthony)
Appointed 1 January 2017
Attended 8 meetings



The Hon G Souris AM (George)
Appointed 19 December 2017
Attended 8 meetings



M Crismale (Michael)
Appointed 20 December 2018
Attended 4 meetings

PAST MEMBER OF THE BOARD



The Hon K P Greene (Kevin)
Re-appointed 19 December 2017
Retired 18 December 2018
Attended 4 meetings

FUNCTIONS OF THE BOARD

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

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

The Hon. Kevin Anderson, MP
Minister for Better Regulation and Innovation
Parliament House
Macquarie Street, Sydney NSW 2000

Dear Minister,

In accordance with Section 30 of the Thoroughbred Racing Act 1996, I am pleased to submit to you the 23rd Annual Report of Racing NSW (formerly the NSW Thoroughbred Racing Board) covering the period 1 July 2018 to 30 June 2019.

Board meetings were held on nine occasions throughout this period and I again acknowledge the contributions and support of my fellow Board Members who possess an excellent mix of financial, commercial and industry experience.

During the year the Hon. Kevin Greene retired from the Board following the expiration of his term of office. I wish to place on record the Board's appreciation of Kevin's significant contributions to the industry, firstly as NSW Minister for Racing and more recently as a Board Member of Racing NSW.

One of the primary objectives of Racing NSW, as set out in the Thoroughbred Racing Act 1996, is to initiate, develop and implement policies considered conducive to the promotion, strategic development and welfare of the horse racing industry in New South Wales.

Therefore, in accordance with this objective the Board has continued to develop strategies and policies designed not only to improve the financial well-being of the many thousands of persons who participate in the industry in New South Wales, but also to guarantee the welfare of horses engaged in the industry.

Increased funding generated following the enactment of enabling legislation by the Government over recent years has provided a significant boost to the racing economy (Race Fields, Tax Parity and Point of Consumption Tax).

This additional revenue has allowed the introduction of major prizemoney increases which have resulted in returns to owners during the year increasing by 9.72% to a total of \$278.5 million.

Apart from increasing prizemoney for 'bread and butter' races which ensure the ongoing viability of all sections of the industry, Racing NSW has also continued to develop and fund feature races and race meetings.

These meetings provide added stimulus and increased publicity for the industry and attract new entrants as well as increased investment by existing participants and racegoers.

Included amongst these feature meetings are *The Championships*, *The Everest* and *The Kosciuszko*.

The Championships was conducted successfully for the sixth occasion and rightfully cemented its place as the Grand Final of Australian Thoroughbred Racing.

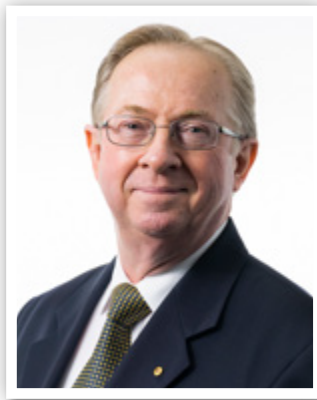
The second day of *The Championships* was conducted before a record crowd at Royal Randwick which was privileged to witness the final run of champion race mare Winx.

The successful Provincial and Country Championships series were again held during *The Championships* and played an important role in the success of the overall event.

The Everest retained the mantle of Australia's richest race and the world's richest race on turf and was held for a second year with prizemoney of \$13 million on offer for the successful participants.

The event was again an outstanding success and its reputation and appeal continues to grow, not only in Australia, but among all the major racing jurisdictions throughout the world.

The Kosciuszko, a new race designed specifically for NSW country-trained horses with prizemoney of \$1.3 million, was conducted on the same day as *The Everest*.



Russell Balding AO
Chairman

This race generated enormous interest around the country areas of New South Wales and the novel method adopted for the selection of slot holders created added interest among racegoers and non-racegoers alike.

During the year Racing NSW also announced the introduction of *The Golden Eagle*, a newly instituted race for four-year-old horses which will carry prizemoney of \$7.5 million.

It will be run over 1500 metres at Sydney's Rosehill Gardens on Saturday, 2 November 2019.

Of the \$7.5 million prizemoney for the race, 10% will be donated to charity. In this regard, the connections of each runner will nominate a charity that has been accredited with Racing NSW and that charity will receive 10% of prizemoney won by their horse.

The Golden Eagle will also be the third leg of the new Golden Slam at Rosehill, with a \$5 million bonus offered to connections of any horse that can win the *Golden Slipper*, at two, the *Golden Rose* at three and *The Golden Eagle* at four.

In accordance with a plan to extend and enhance spring racing in Sydney and surrounds, several new races have been programmed and prizemoney for others has been increased. Additionally, two new \$1 million races (*The Gong* and *The Hunter*) have been scheduled for Kembla Grange and Newcastle.

During the year we continued to expand the Equine Welfare Program which incorporates Racing NSW's rehoming operations as well as the key joint ventures and partnerships with community and charity groups.

This program is an essential element of our policy to ensure the welfare of all current and retired Thoroughbred racehorses.

Apart from the property acquired at Capertee to house the Equine Welfare Program, we recently purchased Princes Farm, previously owned by the late Bart Cummings, and a property adjacent to Kembla Grange Racecourse formerly owned by the late Bede Murray. In addition, we acquired the property housing Scone Racecourse and the Hunter Equine Research Foundation.

We are also negotiating to purchase several other properties and a key strategic initiative as identified in our Strategic Plan is to identify and acquire a suitable site in an area on the outskirts of Sydney to establish a large-scale training complex similar to complexes in several overseas racing jurisdictions.

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

I must also congratulate Peter on his appointment as Chair of the Australian Rugby League Commission (ARLC) and the National Rugby League (NRL).

Finally, I would like to thank you and your personal staff, as well as your Departmental Officers for your assistance and support during the year and I look forward to working with you during the upcoming year for the further development of the New South Wales Thoroughbred Racing Industry.

I would also like to thank your predecessor, the Hon. Paul Toole, MP for his valued assistance during his tenure as Minister for Racing.

Yours Sincerely

Russell Balding AO

Chairman

17 October 2019



Peter V'landys AM
Chief Executive

Executive Summary

The NSW Thoroughbred Racing Industry has been in a very strong financial position over the last decade, due to additional sources of funding from crucial Racing NSW initiatives such as the introduction of Race Fields in 2008 and Parity (sharing of TAB's gross wagering revenue) in 2015. Those initiatives jointly accounted for \$173 million in revenue in the 2018/19 year for the NSW Thoroughbred Racing Industry.

During the 2018/19 year, the NSW Thoroughbred Racing Industry also benefited further financially as a result of receiving a share of the NSW Government's Point of Consumption Tax (PoCT) which commenced from 1 January 2019, adding additional revenue of \$12.83 million for that six month period.

The strong financial position has not only enabled Racing NSW to continue to achieve its central objective of defraying owner's costs, with \$278.5 million being paid compared to \$253.9 million the previous year. Also to make significant capital investment in large land holdings, focusing on providing equine welfare facilities.

Racing NSW also continues to innovate with new concepts such as *The Everest* and *The Kosciuszko* and, as announced this year, *The Golden Eagle*, *The Hunter* and *The Gong*. These initiatives aim at generating interest and growing participation in the NSW Thoroughbred Racing Industry, particularly in the younger demographic.

Financial Performance

Racing NSW again reported a strong operating surplus of \$14.4 million (\$15.8 million in 2018) despite paying an additional \$32.2 million more in prizemoney, than the previous year.

As detailed in the 2018 Strategic Plan, Racing NSW allocated \$98.5 million towards the funding of racecourse infrastructure and improvements. The most pleasing aspect of this year's financial performance is that Racing NSW set aside an additional \$10 million in the current financial year towards this strategic goal.

Racing NSW recorded a first charge to the NSW Thoroughbred Racing Industry against the TAB distribution of \$10.698 million, (\$10.178 million in 2018). This efficiency continues to facilitate increases in funding to NSW Thoroughbred Race Clubs and Owners.

Highlights

Some of the highlights for 2018/19, both in terms of initiatives and the benefits to the NSW Thoroughbred Racing Industry, are set out below:

- Witnessing champion mare Winx in her last race at Royal Randwick in front of modern day record crowd of 43,833.
- Returns to owners during the year totaling \$278.5 million (an overall increase of 9.72% over the previous year).
- Announcement of further major prizemoney increases for country racing carnivals right across NSW as a further boost to country racing, which will commence from 1 August 2019 taking the total annual prizemoney to be paid for country racing in NSW to more than \$81 million, an increase of \$48 million (145%) since 2012.
- Significant acquisitions of large land holdings to provide equine welfare retraining facilities.
- Retraining and rehoming thoroughbred horses for their post-racing life. This included direct retraining and rehoming by Racing NSW's Equine Welfare Program at properties purchased by Racing NSW for equine welfare and also continuation of its strong partnerships with RSL LifeCare and Corrective Services NSW.
- Another resoundingly successful running of *The Everest* which continues to captivate the younger demographic, attracting record crowds to Royal Randwick on 13 October 2018 (which also featured the well-supported

inaugural running of *The Kosciuszko*).

- The development of *The Golden Eagle*, a new feature race for 4-year-old horses to be held during the spring at Rosehill Gardens Racecourse, with prizemoney of \$7.5 million.
- The expansion of *The Everest Spring Carnival*, held over six weeks with a feature race carrying at least \$1 million in prizemoney each week, headlined by *The Everest* and *The Golden Eagle*.
- The announcement of *The \$1 million Gong* and *The \$1 million Hunter* to be held on standalone Saturdays at Kembla Grange and Newcastle respectively, both featuring prizemoney of \$1 million.

Revenue

Race Fields Legislation

The Race Fields scheme is a critical source of funding for the New South Wales Thoroughbred Racing Industry. During the year, 247 wagering operators were granted approvals to provide wagering services on NSW Thoroughbred Race Fields and \$129.6 million was collected from this source.

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

Current fees for the use of NSW Thoroughbred Racing fields stand at:

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

An annual review was again conducted in June 2019. Following the 2019 review, no changes to the fees structure were made. Racing NSW will continue to review the scheme to measure its performance and make changes where optimal.

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

Following the enactment of the Betting Tax Legislation Amendment Act 2015, the NSW Thoroughbred Racing Industry is now receiving the benefits of parity with the Victorian Racing Industry in respect of the sharing of TAB gross wagering revenue between the Government and the NSW Racing Industry.

The legislation provided for a staged introduction of the concessions over 5 years commencing from 1 July

2015 in accordance with the following schedule:

Year	Racing NSW Proceeds from Parity
FY16	\$18.53 million
FY17	\$35.76 million
FY18	\$36.84 million
FY19	\$43.14 million
FY20	\$51.00 million
FY21	\$70.00 million

The 2019 financial year was the fourth year of wagering tax parity and the NSW thoroughbred industry's 77.3% share in that year was \$43.14 million taking the total amount received to date to \$134.27 million. However, this is still approximately \$27 million less per annum than the amount the Victorian Racing Industry receives, which highlights the significance of achieving further increases to prizemoney and returns to owners in NSW.

Point of Consumption Tax

Following the handing down of the NSW State Budget in May 2018, advice was received from the Treasurer that the Government would introduce a Point of Consumption Tax (PoCT).

The introduction of a PoCT by the NSW Government brought it into line with the Governments of other Australian States and Territories which had already introduced such a tax or had stated their intention of doing so.

Prior to the introduction of the PoCT, when a NSW resident placed a wager with a wagering operator located in another Australian State or Territory, no tax was payable to the NSW Government in respect of those bets, with only the NSW TAB paying a wagering tax to the NSW Government. The NSW racing industry receives a race field fee in respect of bets on NSW races, but no fee is payable when the bet is placed on interstate or overseas races.

Therefore, a large proportion of betting by NSW residents was being made with interstate corporate bookmakers or betting exchanges who paid no tax to the NSW Government. The introduction of the PoCT enabled the NSW Government to collect revenue from all wagering operators (NSW and interstate) who accept wagers from NSW residents.

With the introduction of the PoCT Racing, NSW strongly argued that the NSW Racing Industry should not be worse off as a result of the introduction of it, given the impact it has on the pricing power of the NSW Racing Industry when setting the rate of Race Fields fees. In order to provide certainty, Racing NSW also recommended that the NSW Racing Industry's share of PoCT revenue should be prescribed by legislation rather than being allocated to the industry on an annual basis in accordance with the budget process.

Pleasingly, the legislation introduced by the NSW Government addressed Racing NSW's concerns. Accordingly, the NSW racing industry now receives the equivalent of a 20% share of the PoCT with 72% of this being paid to the NSW Thoroughbred Racing Industry. Importantly, that share is enshrined in the legislation which enables the NSW Racing Industry to be able to budget for certainty.

The PoCT commenced on 1 January 2019 with the revenue payable to NSW Thoroughbred Racing Industry for the initial six-month period being \$12.834 million, which is slightly down on the annual estimated figure of \$29 million. It should also be noted that Racing NSW's efforts in procuring a share for the NSW Racing Industry has assisted the racing industries of other States in successfully lobbying their governments. In particular, Victoria initially was to only receive \$3 million per annum. It was only after Racing NSW procured \$40 million per annum for the three codes of racing in NSW that the Victorian Government made an election commitment to increase the Victorian Racing Industry share to \$40 million per annum.

Prizemoney>Returns to Owners

Racing NSW again focused on developing and implementing policies to maximise returns to participants and in particular racehorse owners. The NSW Thoroughbred Racing Industry continued to perform strongly in delivering prizemoney and other financial returns to owners.

Returns to owners during the year totalled \$278.5 million (an overall increase of 9.72%) and were made up of the following.

Item	2017/18	2018/19
Prizemoney & BOBS	\$234,996,303	\$258,419,142
Other Payments on behalf of Owners (i.e. jockeys riding fees, etc.)	\$18,821,593	\$20,080,881
Total	\$253,817,897	\$278,500,022

Total returns to owners paid in NSW has now grown by \$137.6 million since 2010 as summarised in the chart below.

Prizemoney Increases

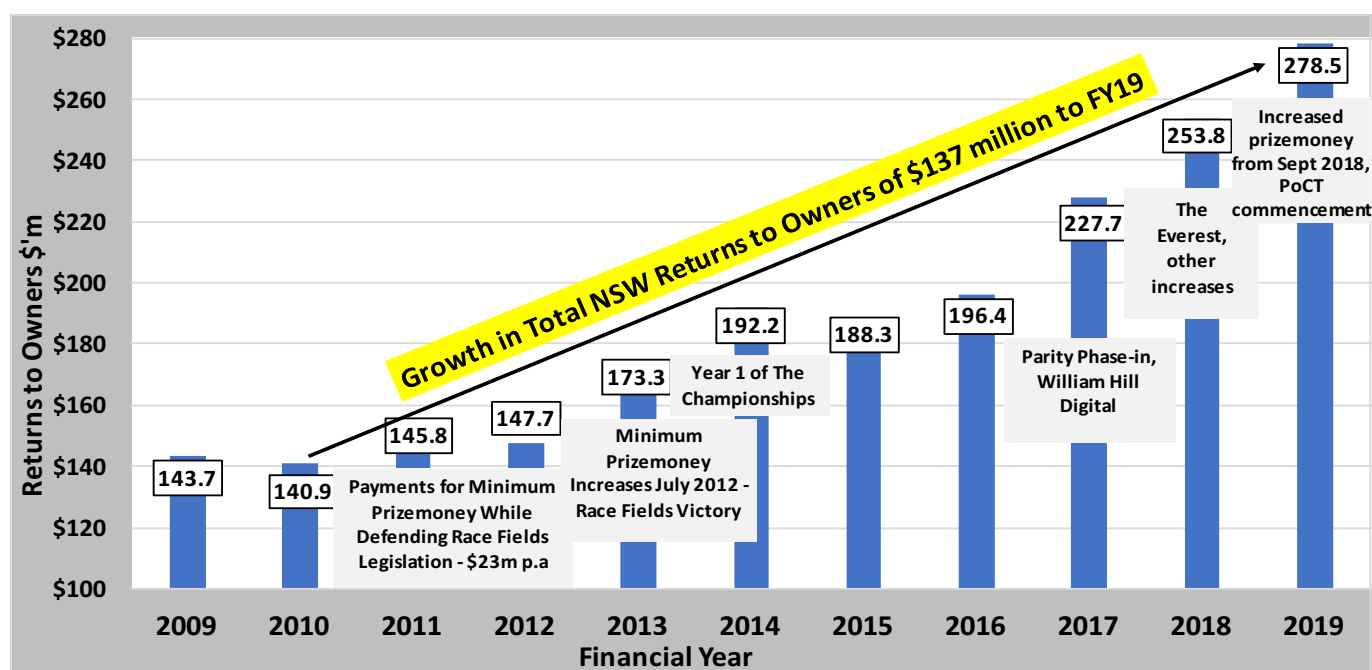
Racing NSW determined that prizemoney increases announced during the year and the methods of the distribution should:

- Provide a wider distribution of prizemoney, with most of the increased prizemoney to be distributed to horses finishing outside the first three placings in a race, bolstering returns to a much wider network of racing participants;
- Defray the costs faced by owners of being involved in racing;
- Increase the size of race fields, especially Metropolitan and Provincial racing; and
- Improve the business viability and cash flow of racehorse trainers.

Minimum Prizemoney

As of 1 September 2018, minimum prizemoney was increased by the following amounts at a total annual cost of \$20.7 million:

GROWTH IN TOTAL NSW RETURNS TO OWNERS OF \$137M SINCE 2010



\$125,000 from \$100,000	Metropolitan Saturday
\$60,000 from \$50,000	Metropolitan Public Holiday
\$50,000 from \$40,000	Metropolitan Weekday
\$35,000 from \$30,000	Provincial
\$75,000 from \$60,000	Highway Races
\$22,000 from \$20,000	Country TAB

To maintain relativity with increases in Saturday metropolitan prizemoney, minimum prizemoney for Listed and Gr 3 Races was increased as follows:

\$140,000 from \$125,000	Listed Races
\$160,000 from \$150,000	Group 3 Races

In addition, prizemoney for the Arrowfield 3YO Sprint and the Percy Sykes Stakes on Day 2 of *The Championships* was increased to \$1 million each, an increase of \$400,000.

This wider distribution of prizemoney was also accompanied by some of the owner's share of prizemoney being pre-paid to trainers with the amount to be credited against the training account payable by owners.

The amount of these prepayments to trainers where horses finish fourth to tenth are:

- \$1,000 for Metropolitan Saturday races
- \$750 for other non-feature Metropolitan races (Highway, midweek, public holiday races)
- \$500 for provincial races
- \$150 for Country TAB races

Prizemoney also increased for *The Everest* with the race being run for \$13 million in 2018, increasing from \$10 million in 2017.

Prizemoney in NSW was also boosted by the first time running of *The Kosciuszko* for Country trained horses worth \$1.3 million in prizemoney.

From 1 January 2019, prizemoney was also increased by \$2,000 per race for both Country Sky 2 TAB races and non-TAB races, with the minimum prizemoney for these increasing to \$12,000 and \$8,000 per race respectively.

Country Racing

In keeping with its policy of ensuring the viability of Country racing, Racing NSW announced major prizemoney increases to country racing carnivals right across NSW as a further boost to Country racing which will commence from 1 August 2019.

With this announcement, total annual prizemoney to be paid for Country racing in NSW will now be more than \$81 million which is an increase of \$48 million or 145% since 2012. Country racing has received the largest increase of any sector during this time.

There will now be eight feature Country Cup races with prizemoney of \$200,000 at the following racecourses: Port Macquarie, Goulburn, Albury, Wellington, Tamworth, Wagga Wagga, Scone and

Grafton. In addition, prizemoney for Grafton's Ramornie Handicap, the Wagga Wagga Town Plate and Scone's Dark Jewel Quality will also be increased to \$200,000.

The Coffs Harbour and Muswellbrook Cups will also receive an increase in prizemoney to \$150,000 each and the Taree Cup, Dubbo Cup and Snake Gully Cup at Gundagai will receive an increase in prizemoney to \$100,000.

Also, the feature meetings at Lismore, Coonamble, Coonabarabran, Mudgee, Moruya, Bega and Orange have received significant increases for their Cups and support races at these meetings.

At each of these feature Country meetings there will now also be a \$50,000 'Country Magic' race which is restricted to Country-trained horses only. These 'Country Magic' races will ensure country participants have an extra opportunity to compete at these feature meetings.

These latest announcements follow on from recent increases to minimum prizemoney levels to \$22,000 per race and 40 Country Showcase meetings per annum with each race being at least \$30,000 and the introduction of races restricted to Country-trained horses only such as:

- \$1.3 million *The Kosciuszko*
- \$500,000 Country Championships Final
- 7 x \$150,000 Country Championships qualifiers throughout NSW for total \$1,050,000
- \$75,000 weekly Highway races
- \$40,000 maidens for Country-trained horses only

Amount of Prizemoney to Country Trained Horses

NSW country trained horses had a very successful year winning \$72.14 million in prizemoney, being just under 90% of the total country prizemoney. The total prizemoney won by country trained horses increased by \$8.43 million from \$63.7 million in 2018, when the percentage of the total country prizemoney won was 86.3%.

BOBS

Racing NSW's incentive scheme, BOBS (Breeder Owner Bonus Scheme), had another strong year with a total of \$10.5 million paid out in bonuses and double-up vouchers.

Some quick facts on BOBS:

- In 2018/19, 1324 BOBS bonuses were paid;
- Racing NSW has paid out more than \$147.5 million in bonus prizemoney since BOBS began 17 years ago;
- Since the double-up option was introduced in January 2005, more than \$42 million has been put back into the NSW Breeding Industry through this scheme, benefiting not just breeders, but

also owners and trainers.

- Of the BOBS bonuses won, two-year-old horses won 188 (14%) and three-year-old horses accounted for 1136 (86%) wins; and
- Sixteen of the eighteen leading sires by value of bonuses are Australian-bred.

BOBS Double-Up

BOBS Double-Up enables owners the chance to double the amount of their cash bonus. For instance the owner winning a Metropolitan race would receive \$16,000 cash as their share of the winning bonus. BOBS Double-Up allows the owner to double their \$16,000 into a voucher worth \$32,000, this can be redeemed toward purchase at yearling sales, ready to run sales or toward the cost of stallion fees for their mares.

Equine Welfare Program – Rehoming of horses

During 2018/19, Racing NSW continued to expand its Equine Welfare Program including the rebranding of this program to Team Thoroughbred NSW ('TTNSW'). TTNSW incorporates Racing NSW's rehoming operations as well as the key joint ventures and partnerships with community and charity groups.

Racing NSW undertook the direct retraining and rehoming of horses from our own properties at Castlereagh (Princes Farm), Capertee (Bandanora) and Oxley Island (The Grange) as well as facilities made available to us by our partners. RSL LifeCare provides 150 acres at Picton and Corrective Services NSW provides 200 acres at St Heliers Correctional Centre at Muswellbrook.

Our major community partnerships have been highly successful in 2018/19, delivering significant benefits for both horses and humans as well as positive news stories for the industry. The Spur equine therapy course, run with RSL LifeCare, was launched in early 2019. Using retired racehorses supplied and retrained by TTNSW, veterans and former emergency service personnel learn basic horse handling skills and riding to build confidence, reduce anxiety and promote enjoyment. The pilot course will culminate with a five-day trail ride through Kosciuszko National Park in late October 2019.

TTNSW partnered with Pony Club NSW to provide horses for a tri-nations showjumping challenge in October 2019. Under the guidance of TTNSW staff and expert coaches, eight talented young riders successfully re-educated off-the-track Thoroughbreds for the competition which featured riders from France, China and Australia. The Pony Club riders all purchased their favourite Thoroughbred at the conclusion of the challenge.

Minimum security inmates at St Heliers Correctional Centre were given the opportunity to learn horse-related vocational skills as part of our joint venture with Corrective Services NSW. Under

the supervision of corrective service officers and TTNSW staff, inmates are taught how to retrain off-the-track Thoroughbreds for a life outside of racing, whether that be as a pleasure horse or for equestrian sports.

Racing NSW has continued to actively seize and rescue Thoroughbred horses on welfare grounds, bringing them back to health and then placing them into suitable new homes. This has included purchasing NSW domiciled horses from a Victorian sale located at Echuca which were at risk of being purchased by a knackery and also making bids on many other horses to make it unviable for the knackery to purchase them. Racing NSW has also acted to prevent Thoroughbred horses from being sold at standard livestock sales due to welfare grounds.

TTNSW is also building a strong social media presence and actively promoting positive media stories about rehomed Thoroughbred horses.

Land Acquisitions

Racing NSW has acquired large land holdings for use by its Equine Welfare Program. This project commenced with the acquisition of the Capertee property which is being utilized for the equine welfare program. Considerable work has been undertaken in making improvements to that property.

Since then Racing NSW has acquired the following properties:

- Princes Farm (formerly owned and operated by the late Bart Cummings). This property will also be used within the Equine Welfare Program and will be renamed Bart's Farm in memory of Bart Cummings.
- The Grange, being 87 acres of land at Oxley Island to be used exclusively by the Equine Welfare Program.
- The 224-acre parcel of land which incorporates Scone Racecourse and the Hunter Valley Equine Research Centre (HVERC). Following a series of negotiations, HVERC agreed to transfer the land to Racing NSW at no cost subject to Racing NSW providing an amount of \$200,000 annually for equine research and subject to several other minor conditions (use of office space, etc.). Negotiations are still underway regarding future management of the site. Racing NSW has also acquired the adjoining 116-acre undeveloped parcel of land known as Satur House which will be incorporated into the Scone Racecourse master plan.
- Property adjacent to Kembla Grange Racecourse formerly owned by the widow of the late Bede Murray incorporating an equine swimming pool, a horse walker, stables and 3 bedroom home. Racing NSW is also negotiating to acquire several other properties throughout New South Wales which will be utilized for racing and training

activities and other issues benefiting the Thoroughbred racing industry.

In addition, Racing NSW continues to explore the possibility of establishing land suitable for the establishment of a major training complex in New South Wales.

The Everest

In addition to Winx's last race during *The Championships*, the other highlight of the year was the second running of *The Everest*, Australia's richest race and the richest race on turf in the world, surpassing its overwhelming success in its inaugural running in 2017.

The Everest is a unique concept in Australia, with twelve slots being sold in the race for \$600,000 each. Each slot holder is then entitled to nominate a horse in the race and do not need to own the horse, being able to negotiate with horse owners to select the horse that they think will provide them with the best opportunity to win *The Everest*. Slot holders initially committed for three years but have since exercised their options until 2022, in recognition of the success of the concept and the race.

A modern-day record crowd of 40,578 braved the wet conditions at Royal Randwick on 13 October 2018 to witness Redzel win his second Everest. Redzel, trained by the father-and-son team of Peter and Paul Snowden ran in the slot held by Yulong Investments in 2018, having run in the JHB Everest slot headed by bloodstock agent James Harron and his group of investors in 2017. It was another thrilling day for the owners of Redzel, being a Triple Crown syndicate of 17 everyday Australians including a taxi driver, electrician and a doctor.

The Everest again captivated the younger demographic with 78.2% of the tickets being sold to people under 35 years of age.

TV ratings for *The Everest* across Sky Racing and Channel Seven were up 13.4% on the previous year, with *The Everest* again being by far the highest rating Sydney race meeting on Channel Seven (as it was in 2017).

Total turnover for *The Everest* race meeting was up 19.7% compared with the previous year, despite the wet track. *The Everest* in 2018 is now also firmly entrenched as second only to the Melbourne Cup in respect of wagering with the NSW TAB. In addition:

- The race and a 30-minute preview were broadcast by Fox Sports 2 into the US market;
- The barrier draw on the Opera House created an international media moment and was executed without issue in the midst of significant pressure; and
- A highly successful Everest Lunch was held with the NSW Business Chamber which will now become an ongoing fixture of Everest week. Racing NSW and the Australian Turf Club have always committed to reinvest any incremental profits from *The Everest* back into the race.

The success of *The Everest* in 2017 and 2018 in attracting record betting turnover and commercial revenues has allowed this reinvestment to occur immediately.

Accordingly, the success of the first two runnings of *The Everest*, has enabled Racing NSW and the Australian Turf Club to continue with increases in prizemoney in future years as follows:

- *The Everest* 2019 will be worth **\$14 million** in total prizemoney
- *The Everest* 2020 will be worth **\$15 million** in total prizemoney

The Kosciuszko

Also run on *The Everest* day was the inaugural *The Kosciuszko* race over 1200 metres. *The Kosciuszko* is the world's richest Country race, with Country-trained horses competing on the biggest day of prizemoney in Australia with \$16 million on offer.

A promotion was conducted by the Australian Hotels Association (AHA), Tabcorp (TAB) and Racing NSW for members of the public to buy \$5 sweepstake tickets. There were 24 winning tickets drawn, with the first 12 winning tickets winning an entry in *The Kosciuszko*. Those winning ticket holders were then able to select a NSW Country-trained horse to race in their entry, subject to agreeing with the horse's owners as to how they would share the prizemoney for *The Kosciuszko*. The remaining 12 winning tickets were then entitled to an entry in *The Kosciuszko* Calcutta.

The lucky sweepstake winners who picked the winner of *The Kosciuszko* were a Northern Beaches trio of Thad King, Richie Butterworth and Nathan Lavers who promptly partnered with the owners of Belflyer, trained by Grafton trainer John Shelton and runner-up in the 2018 Ramornie Handicap (1200m). Belflyer stormed home from the back of the field at the top of the Randwick rise to win from Suncaze and Awesome Pluck. The Grafton-trained galloper had a large throng of supporters that embraced wildly following the horse's victory, with one revealing he had secured \$91 on the TAB in early markets.

Comprehensive media coverage resulted in the establishment of brand awareness for *The Kosciuszko* after just one year, with its popularity exceeding expectations.

The Golden Eagle

One of the biggest challenges facing Thoroughbred racing is to remain relevant, particularly to the younger generation. Initiatives such as *The Everest* and *The Kosciuszko* were intended to attract the younger generation to racing and to enhance racing in spring in NSW, being a time when both major Australian football codes have finished.

During the year, Racing NSW announced *The Golden Eagle*, a new feature race for 4-year-old horses, featuring prizemoney of \$7.5 million, to be

run over 1500m at Rosehill Gardens on Saturday, 2 November. *The Golden Eagle* capitalises on the success of *The Everest* and *The Kosciuszko* to provide Sydney's west with a feature race well into the Spring. It is the first feature race on the Australian Racing Calendar exclusively for four-year-old horses and incentivises owners of star young horses to continue racing in Australia rather than retiring to stud or being sold overseas.

Of the \$7.5 million prizemoney for the race, 10% will be donated to charity. The connections of each runner will nominate a charity that has been accredited with Racing NSW and that charity will receive 10% of prizemoney won by their horse. Accordingly, a total of \$750,000 will go to charity with the charity nominated by the owners of the winning horse to receive \$410,000.

The Golden Eagle will also be the third leg of the new Golden Slam at Rosehill Gardens, with a \$5 million bonus offered to any horse that can win The Golden Slipper as a two-year-old, The Golden Rose as a three-year-old and *The Golden Eagle* as a four-year-old.

Early nominations for *The Golden Eagle* include international Coolmore's July Cup winner, Ten Sovereigns, as well as young Australian superstars such as Arcadia Queen, Sunlight, Verry Elleegant, Brutal, Classique Legend and Graff.

As with *The Everest* and *The Kosciuszko*, it was important that the prizemoney for those races does not encroach on the traditional sources of revenue, which are used to fund existing prizemoney. Accordingly, Racing NSW identified a new bet type, Odds and Evens, to be offered by the NSW TAB with the NSW Thoroughbred Racing Industry's share of the associated revenue to be used towards the funding of prizemoney for *The Golden Eagle*.

Extension of Everest Spring Carnival

An extended Everest Spring Carnival will now be held over six weeks with several new races being introduced and significant increases in prizemoney for other races. *The Everest* Spring Carnival will for the first time have a feature race carrying at least \$1 million in prizemoney each week.

The \$7.5 million *Golden Eagle* at Rosehill Gardens on 2 November 2019 will now be supported by the advent of the \$1 million Winners Stakes to be run over 1300m under set weight and penalty conditions. This race will be renamed each year in honour of the previous year's winner of *The Everest* and accordingly will be known as The Redzel Stakes in 2019.

The Golden Eagle meeting will also see the running of the inaugural Rosehill Gold Cup over 2000m for prizemoney of \$500,000, also attached to a bonus from races on 5 October and 19 October 2019. The path to *The Golden Eagle* will include the running of a new race being the \$500,000 Silver Eagle over 1300m at Royal Randwick on Saturday 12 October 2019, three weeks prior. The Silver Eagle

will be restricted to four-year olds and run at set weight and penalty conditions.

Other major changes to the program include:

- Spring Champion Stakes on 12 October 2019 - prizemoney will increase from \$500,000 to \$1 million;
- \$1 million Bondi Stakes for three-year olds on Saturday 26 October 2019;
- \$1 million Golden Gift for two-year olds on 9 November 2019; and
- \$500,000 Hot Danish Stakes for fillies and mares on 9 November 2019.

For the period from Saturday 7 September 2019 to Saturday 9 November 2019, the Saturday Metropolitan race meetings will feature prizemoney of \$45 million.

\$1 Million Races for Newcastle & Kembla with Standalone Saturdays

Spring racing in NSW will extend beyond *The Everest* Spring Carnival in Sydney with Newcastle and Kembla Grange announced as staging standalone Saturday race meetings, with feature races carrying \$1 million in prizemoney. The \$1 million Hunter will headline the Newcastle meeting on Saturday 16 November 2019 and The \$1 million Gong will be the feature race at Kembla Grange on Saturday, 23 November 2019.

Racing NSW and the respective race clubs will target attendances of 15,000 on each race day. The Hunter and The Gong meetings will be a focal point of racing in Newcastle and Wollongong and Racing NSW will heavily support the promotion of these events.

The Hunter will be a quality handicap race held at a distance of 1300m and may possibly attract runners from *The Everest* and *The Golden Eagle*. The Gong will also be a quality handicap run over a distance of 1600m.

The Hunter race meeting at Newcastle will also feature the Group 3 Spring Stakes for three-year-olds, transferred from the Newcastle Cup meeting held in September.

Being the feature NSW Saturday race meetings, both The Hunter and The Gong race meetings will also carry support races with a minimum of \$125,000 in prizemoney.

In a further boost for Provincial racing in NSW, the Gosford Gold Cup meeting will join the Hawkesbury Gold Cup as a standalone Saturday fixture following the conclusion of the Sydney Autumn Carnival. The Gosford Gold Cup meeting will be run on Saturday 9 May 2020.

The Championships

The sixth staging of *The Championships* in 2019 was, without doubt, the most successful to date through attendance and public interest with over \$20 million in prizemoney distributed over the 2 days of *The Championships*.

The Championships are the Grand Finals of Australian racing and it was fitting that Day 2 coincided with the final run of wonder mare Winx, in the Longines Queen Elizabeth Stakes, bringing her unbeaten run to 33 including a world record 25 Group 1s.

A crowd in excess of 20,000 attended Day 1 and witnessed some excellent racing on the 10-race card. Highlights included the devastating win of Santa Ana Lane in the Aquis TJ Smith Stakes, Brutal's powerful win in The Star Doncaster Mile and Angel of Truth's barrier-to-box victory in the Harrolds Australian Derby.

Day 2 attracted a modern-day record crowd of 43,833 who witnessed history when the record-breaking mare Winx recorded her 33rd successive win in the \$4 million Longines Queen Elizabeth Stakes. In addition to the record crowd at Royal Randwick, Winx's victory was beamed to more than 62 million homes worldwide across 68 countries, with millions more watching in Australia at homes, TAB venues, racetracks and licensed premises.

The Country Championships continues to be an outstanding success. Trainers, owners and jockeys are setting out programs well in advance to ensure that their horse peaks at the perfect time to qualify firstly, by winning their local regional qualifying heat, and to be a part of the Country Championships Final on *The Championships* – Day 1. The total prizemoney for the Country Championships is \$1.6 million including prizemoney in the Country Championships Final being \$500,000 with regional qualifying heats being run for prizemoney of \$150,000 (except for the 'wildcard' at Muswellbrook which carries \$50,000). Newhaven Park Stud, as a sponsor for the Country Championships Final for the third year, continues to be a great supporter. The Country Championships Final was won by Noble Boy trained by Todd Blowes from Queanbeyan and ridden by Hugh Bowman.

The Provincial Championships was revamped this year with the five qualifying races run on Saturdays leading into the Final. The qualifiers and the Final were sponsored for the second time by Polytrack.

The revamp has increased local interest enabling punters and participants to attend due to the qualifiers being held on a Saturday.

The Provincial Championships qualifying races are run for prizemoney of \$150,000 with the prizemoney for the Final of \$500,000. Total Prizemoney for the Provincial series totalled \$1.25 million. The Provincial Championships Final was won by Bobbing trained by Bernie Kelly from Hawkesbury and ridden by Koby Jennings.

Workers Compensation Division

The Racing NSW Workers Compensation Fund (the Fund) operates on a not for profit basis and its objective is to collect sufficient premiums to cover

claims costs and future liabilities.

During 2018/19, the Racing NSW Workers Compensation Fund received 526 new claims which represented a decrease of 3.8% on the 547 claims received during 2017/18. The Fund experienced a revenue to costs surplus of \$1.64 million. The surplus was largely attributable to a reduction in average claims costs during the year through achieving return to work rates above the State average.

However, a deterioration of \$1.52 million in the actuarial valuation of the possible future liability of the Fund at 30 June 2019 (compared to 30 June 2018) and the provision for those potential liabilities, reduced the surplus for the 2018/19 year to \$400,000. The estimated future liability of the Fund increased from \$43.8 million at 30 June 2018 to \$51.7 million at 30 June 2019.

It is important to recognise that this deterioration of the actuarial position was found to be predominantly due to external economic factors, particularly a continuing fall in interest and discount rates. Additionally, the broadening of permanent impairment benefits arising from 2015/16 legislative amendments have resulted in an increased provision.

The Fund continues to perform soundly and the \$400,000 surplus for 2018/19 takes the Fund's reserves to \$5.1 million. It is pleasing to confirm that the target set by the Board of Racing NSW of maintaining a reserve of \$5 million has now been achieved. A reserve is essential to ensure the Fund holds sufficient funds to be prepared for an unexpected year where the cost of claims exceed the premiums collected.

Capital Development Projects

The Race Fields fees capital works fund continues to enable the procurement of significant racecourse improvements which deliver enhanced racing and training facilities throughout NSW.

During the reporting period, the construction of sixteen additional raceday/tie-up stalls plus two further horse washbays at Dubbo Turf Club brought to conclusion a staged project which has progressively realised an expansion of water resources, upgrading of training facilities and improvements to course proper drainage for total expenditure of approximately \$1.55 million. These improvements further secure the status of Dubbo as one of the largest producers of trained starters in regional NSW.

In financial terms, the major project currently underway is the construction of a new Polytrack synthetic training surface at Kembla Grange Racecourse for Illawarra Turf Club. This development follows completion of the Polytrack at Hawkesbury Race Club which has proven highly successful during the twelve months since its commissioning and will provide a first class racing and training experience at Kembla Grange for industry participants.

Numerous other potential development proposals

are being prepared by Racing NSW including training track upgrades at Gosford Race Club and Wyong Race Club, new raceday/tie-up stalls at Manning Valley Race Club (Taree) and water resources and irrigation system upgrading at Scone Race Club. Also public facilities and function rooms at Muswellbrook.

Australian Racing Forensic Laboratory

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

Racing NSW has made a significant investment over the past five years to develop and implement the Equine Biological Passport (EBP), a world-first for Thoroughbred racing. Development of the analytical component which is managed by the ARFL continued in 2018/19 to include 25 biomarkers that can be compared for each horse over time to provide intelligence concerning novel doping threats. Statistical modelling of longitudinal biomarker data can identify abnormal trends in horses that result from doping.

The scope of testing performed on both race day and Out of Competition samples was increased throughout 2018/19. An additional 10,823 enhanced tests were undertaken on top of routine surveillance tests on race day samples. In addition, 3301 Out of Competition tests were performed which included the analyses of samples from horses specified under the EBP tactical testing strategies. This scope of testing is designed to detect any misuse of performance enhancing substances during training and to monitor compliance of veterinary treatment records following the administration of legitimate therapeutic substances. ARFL capabilities were further enhanced in 2018/19 with the development of a method for detecting a wide range of bis-phosphonate drugs.

The ARFL equipment fleet was further substantiated with the acquisition of a Gas Chromatograph - Mass Spectrometer platform equipped with the latest edition drug libraries to be used as a reference for the detection of any irregularities in race day equine urine sample.

To combat the threat of gene doping, Racing NSW and Racing Australia have been working over the past four years to develop scientific methods capable of detecting genetic manipulation in Thoroughbreds. This resulted in a world-first surveillance testing program for gene doping during 2018. Further, Racing NSW and Racing Australia have entered into collaboration with the British Horseracing Authority to expand this capability.

Anabolic and androgenic steroids (AASs) are a class of prohibited substances banned in horseracing at all times. To provide greater surveillance and even longer detection periods for the misuse of AAS's than is observed in blood and

urine, the ARFL has enhanced its scope of testing by incorporating methods for detection in equine hair. Hair analysis is crucial as the longer detection windows allow for the identification of synthetic forms of steroids which can provide unequivocal proof of administration.

As a department of the Principal Racing Authority, the ARFL integrates with Racing NSW Stewards, Veterinary Department and the Intelligence and Surveillance Unit in a whole-of-organisation approach. To this effect, the ARFL analysed 163 special exhibit samples using accredited analytical methodologies for the testing of these products confiscated by Racing NSW Stewards. Any adverse finding in such exhibits provides corroborative evidence when investigating the origins of a positive swab.

Acknowledgements

I again take the opportunity to express my appreciation to members of the Board for their leadership and support during the year. Their collective administrative experience, business acumen and working knowledge of the racing and wagering industries has again proved vital to the administration of Thoroughbred racing throughout the year.

I particularly thank the Chairman, Russell Balding AO whose leadership, mentoring and advice has been invaluable in undertaking my duties and responsibilities.

In addition, I must thank retired Board member Mr Kevin Greene for his enormous contribution during his term of office as a member of the Board of Racing NSW.

Thanks also to the executive and staff of Racing NSW for their continued loyalty, dedication and professionalism. The combined conscientious efforts and achievements of these officers have contributed largely to the continued viability and strength of the NSW Thoroughbred Racing Industry.

I also thank the many other persons involved in the industry, including all the NSW race clubs in particular the Australian Turf Club, Racing NSW Country, Provincial Racing Association of NSW, NSW Jockeys Association, NSW Trainers Association, Thoroughbred Breeders NSW, the Racing Appeals Tribunal, the Appeal Panel, the Integrity Assurance Committee, the Jockey's Benefit Scheme Trust and the Racing Industry Consultation Group Club, Committees and participant groups who give freely of their time and effort mostly in a voluntary capacity in the various administrative and other roles which contributed to the success of the industry in New South Wales.

Finally, I offer my sincere condolences to the families of those participants who sadly passed away during the year, full details are shown on page 48.

Peter V'landys AM
Chief Executive



Scott Kennedy

General Manager –
Industry & Analytical

Racing in New South Wales

2018/19 was another successful year for Thoroughbred racing in NSW.

During the 2018/19 year, a record number of TAB meetings were again staged, eclipsing the previous high from 2017/18.

This further highlights that the NSW Thoroughbred Racing Industry continues to be the largest and most expansive of any Australian State.

The increased number of TAB meetings was attributable to the number of Country meetings scheduled which saw a total of 422 TAB meetings.

In recent years the Country TAB schedule has increased with the conversion of non-TAB meetings.

The prolonged drought conditions across NSW saw a second consecutive year that was among the driest in the past 20 years.

As such, there were relatively few meetings lost to wet weather in the past year which has again contributed to the large number of meetings being run.

NSW RACE MEETINGS HELD

SECTOR	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Metropolitan	124	117	114	116	113	116	116
Provincial	118	134	130	131	130	133	130
Country TAB	315	328	312	304	318	342	348
Country Saturday TAB	65	61	65	64	58	75	74
Country Non-TAB	110	108	100	93	87	83	82
Picnic	28	29	27	27	26	31	29
TOTAL	760	777	748	735	732	780	779

Consistent with the high number of race meetings held, the total number of NSW races held was the highest for more than 15 years. The number of TAB races held was again a new high.

NSW RACES RUN

SECTOR	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Metropolitan	931	890	863	913	929	955	949
Provincial	919	1,037	1,010	1,020	1,010	1,039	1,012
Country TAB	2,391	2,468	2,360	2,291	2,411	2,560	2,616
Country Saturday TAB	416	393	416	418	381	481	464
Country Non-TAB	596	584	533	504	481	462	458
Picnic	161	165	159	159	152	179	164
TOTAL	5,414	5,537	5,351	5,305	5,364	5,676	5,663

The total NSW race starters in 2018/19 year also increased in line with the number of meetings held after falling for the three previous years.

The increase in race starters was attributable to the increased number of meetings held.

However, as identified in previous reports, diminishing foal crops in recent years have been a factor impacting the total number of horses in work.

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

NSW RACE STARTERS

SECTOR	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Metropolitan	8,925	8,731	8,125	9,082	8,735	8,864	9,317
Provincial	9,124	10,074	9,338	9,176	8,542	8,436	8,891
Country TAB	26,016	26,662	25,226	24,304	25,792	26,781	27,596
Country Saturday TAB	4,317	4,171	4,296	4,289	3,924	4,842	4,763
Country Non-TAB	4,926	4,754	4,356	4,121	3,723	3,288	3,264
Picnic	994	1,054	993	902	925	1,034	921
TOTAL	54,302	55,446	52,374	51,874	51,641	53,245	54,752

Metropolitan and Provincial field sizes both grew significantly in 2018/19 compared to the previous year on

several measures.

Prizemoney increases from September 2018 were focused on horses finishing from fourth to tenth and included a proportion of the owner's prizemoney being paid in the first instance to the trainer as a prepayment of the owner's account.

Racing NSW also commenced a Country benchmark operating alongside the Metropolitan/Provincial benchmarks.

There has been an increase in the number of Metropolitan, and in particular, Provincial-trained horses contesting Country TAB meetings.

This is especially the case with Country tracks that are readily accessible by Metropolitan and Provincial-trained horses, in turn translating to increased field sizes for Country TAB races.

Although the number of total starters increased, the average field size declined with the starters spread across the high number of meetings and races held.

NSW AVERAGE FIELD SIZES

SECTOR	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Metropolitan	9.59	9.81	9.41	9.95	9.40	9.28	9.82
Provincial	9.93	9.71	9.25	9.00	8.46	8.12	8.79
Country TAB	10.88	10.80	10.71	10.61	10.70	10.46	10.55
Country Saturday TAB	10.38	10.61	10.33	10.26	10.30	10.07	10.27
Country Non-TAB	8.27	8.14	8.17	8.18	7.74	7.12	7.13
Picnic	6.17	6.39	6.25	5.67	6.09	5.78	5.62
TOTAL	10.03	10.01	9.81	9.78	9.63	9.38	9.67

The improved result reflects the benefits of increased prizemoney and new handicapping and programming policies implemented early in 2018/19, following prior consultation with the industry.

Racing Highlights

The Everest was held for the second time in 2018 and again proved to be one of the highlights of the NSW racing season with 40,000 racegoers attending despite the wet weather.

Redzel etched his name into history by winning the race again after having won the first Everest in 2017.

Congratulations to Peter and Paul Snowden for getting the six-year-old gelding to peak on the day after a disrupted preparation.

Congratulations again to Triple Crown Syndications and the big group of owners on their repeat success.

The Everest day also featured the inaugural running of *The Kosciuszko* for prizemoney of \$1.3 million open to NSW Country-trained horses.

The Kosciuszko sweepstakes provided people with the chance to participate in *The Kosciuszko* as a 'slot holder' after buying a \$5 ticket, and also added further great theatre and interest to racing across the state.

It proved to be a great experience for everyone involved, especially the winning syndicate of Thad King, Richie



Butterworth and Nathan Lavers who partnered with the connections of Belfyer trained by John Shelton to win the race odds of \$81.

The Championships highlighted the Sydney Autumn Carnival and racegoers were treated to the curtain call for champion mare Winx, who retired from racing after winning her third \$4 million Queen Elizabeth II Stakes.

The champion capped an unprecedented sequence of 33 consecutive race wins.

Her dominance is aptly demonstrated by the result from the \$1 million George Ryder Stakes at Rosehill Gardens run three weeks earlier.

In that race, Winx recorded a comfortable three and half-length win over the progressive three-year-old Brutal and under-rated Dreamforce.

The \$3 million Doncaster Mile is the feature race on Day 1 of *The Championships* and saw the Team Hawkes-trained Brutal work past Dreamforce to claim Sydney's great mile race.

Day 1 of *The Championships* also saw the wonderful sprinter Santa Ana Lane record a brilliant win over a top-class field in the \$2.5 million TJ Smith Stakes.

The Chris Waller stable's success on day 2 of *The Championships* was far from confined to Winx, with the \$2 million Sydney Cup being won by Shraaoh and the Australian Oaks by Verry Elleegant.

The \$2 million ATC Australian Derby saw a wonderful result for Kembla Grange's Gwenda Markwell with Corey Brown piloting Angel of Truth to a dashing all-the-way win.

The \$3.5 million Golden Slipper was the highlight of a brilliant two-year-old season for Godolphin with the James Cummings-trained Kiamichi leading home a trifecta for the royal blue colours.

Slipper runner-up Microphone repeated the dose in the Sires' Produce at *The Championships*, again for James Cummings.

Other Group 1 winners at Rosehill Gardens included Avilius (Tancred Stakes and Ranvet Stakes), The Autumn Sun (Rosehill Guineas), Winx (George Ryder Stks – four in a row), Nature Strip (The Galaxy) and Verry Elleegant (Vinery Stud Stakes).

2019 saw the Country and Provincial Championships held for the fifth time.

The Country Championships Final went to Noble Boy for Queanbeyan trainer Todd Blowes, after qualifying via the Wild Card at Muswellbrook.

Qualifying a runner in the Final is a highlight for most country owners and trainers and Newhaven Park must be recognised for their sponsorship of the Final and also for generously hosting an event at the Doncaster Hotel the evening prior.

The Provincial Championships Final was won by the Bernie Kelly-trained Bobbing after qualifying with a second placing in the Wyong qualifier which was the fifth of that series. Bobbing prevailed over Spring Charlie for Kim Waugh and Chalmers for Kris Lees.

NSW trainers had another outstanding season winning 37 of the 73 Group 1 races during the 2018/19 season.

Chris Waller had yet another phenomenal season training 18 Group 1 winners including Winx (seven wins), The Autumn Sun (four wins), Verry Elleegant (two wins) and five other individual winners of Group 1 races, Shraaoh (Sydney Cup), Shillelagh (Empire Rose Stks), Patrick Erin (The Metropolitan), Nature Strip (The Galaxy) and Invincibella (Tatts Tiara).

James Cummings had his best season preparing the winners of eight Group 1 races for Godolphin, spear-headed by Avilius (two wins), with one each to Kiamichi (Golden Slipper), Microphone (Sires' Produce), Hartnell (Epsom Handicap), Trekking (Stradbroke Handicap), Alizee (Futurity Stakes) and Best of Days (Cantala Stakes).

Mark Newnham also had a break out season with two individual Group 1 winners, whilst nine other stables recorded a single Group 1 win.

In her farewell season, Winx was the leading Group 1 winner again during the season with seven wins (George Main Stakes, Turnbull Stakes, WS Cox Plate, Chipping Norton Stakes, George Ryder Stakes and Queen Elizabeth Stakes, in addition to the newly re-named Winx Stakes in August 2018). Stablemate, The Autumn Sun also recorded four Group 1 wins in the season.

NSW horses were very prominent in the Australian Classifications categories.

Top rated horses were Microphone (Champion 2yo Colt), Kiamichi (Champion 2yo Filly), Zousain (Champion 3yo Sprinter), The Autumn Sun (Champion 3yo Miler and Intermediate), Angel of Truth (Leading 3yo Intermediate Long/Extended Male), Verry Elleegant (Leading 3yo Intermediate Long/Extended Filly), Redzel (Joint Leading Older Sprinter), Alizee (Leading Older Sprinter Mare), Happy Clapper (Leading Older Mile Male) and Winx (Leading Older Mile and Intermediate Mare). NSW-trained horses were outright winners in 12 of the categories.

James McDonald captured his third Metropolitan Jockeys' Premiership in 2018/19 with 104 wins, comfortably ahead of Tommy Berry with 77.

Tommy Berry, however, was able to go one better winning a keenly contested Provincial premiership from Jason Collett and Christian Reith.

The Country premiership went to the evergreen Greg Ryan with 166 wins, ahead of Andrew Gibbons. The same pair finished first and second in the overall NSW premiership.

James McDonald's main wins during the year featured a Group 1 double on Verry Elleegant.

Blaike McDougall was the most successful apprentice jockey in the state with 94 wins, fractionally ahead of Robbie Dolan with 92 wins.

Of these, 48 wins were in Metropolitan races, enough to win the Metropolitan Apprentices' Premiership from Sam Weatherley.

Hall of Fame trainer Chris Waller topped the Sydney Trainers' Premiership for a ninth consecutive year with 172 wins, ahead of runner-up James Cummings with 99.

Chris also prepared 242 winners statewide to take the leading NSW trainer's title ahead of Kris Lees.

Industry Support

Racing NSW has further continued with its program of racing and training infrastructure improvements and upgrades under the capital works program funded from accumulated Race Fields monies.

Following completion of the Polytrack fast work track at Hawkesbury, the track has proven highly successful and since its commissioning, the Club is progressing the construction of stabling.

These additions are currently awaiting final Council approval and will ensure that training operations at the venue continue on an upwards trajectory.

The major project during the year has been commencement of construction of a new synthetic fast work training surface at Kembla Grange Racecourse.

This development will provide trainers at Kembla Grange with access to a robust all-weather work surface.

The Kembla Grange project has presented a number of technical challenges. These include overcoming potential flooding impacts and groundwater considerations.

The prevailing geographical and geotechnical conditions require that material is being extracted from the infield area to provide bulk fill.

This is enabling potential flood impacts to be overcome by raising the work track above natural ground level at the southern end of the site.

At the same time, this has enabled an increase in the



infield flood storage volumes by developing a borrow pit from which the filling material is extracted.

With the project well underway, Racing NSW is confident that an excellent result will be achieved with completion targeted for late 2019.

On completion, Racing NSW will turn to the subsequent stages of the racecourse redevelopment commencing with the B Grass track.

During the reporting period, the construction of 16 additional raceday/tie-up stalls plus two further horse washbays at City of Dubbo Turf Club brought to conclusion a staged project which has progressively realised an expansion of water resources, upgrading of training facilities and improvements to course proper drainage for total expenditure of approximately \$1.55 million.

These improvements further secure the status of Dubbo as one of the largest producers of trained starters in regional NSW.

Racing NSW continues its support of racing and training track maintenance programs spearheaded by its Racecourse Maintenance Manager.

This program includes the conduct of an annual series of five Regional Racecourse Managers Seminars.

Racing NSW facilitates topsoil and water sampling programs to assist clubs with their week-to-week track maintenance.

The Turf Management Apprenticeship Scheme also continues with apprentices employed at locations throughout the state.

The program includes the apprentices undertaking a Certificate III in Sports Turf Management/Greenkeeping through TAFE, in addition to their duties at the race club.

The apprentices are actively mentored both by experienced track managers and Racing NSW's Racecourse Maintenance Manager.

The program is producing a pool of increasingly qualified staff able to fit into senior track management roles in the future.

During the reporting period, Racing NSW interacted with SafeWork NSW and Video Contractors regarding surveillance towers and the need for all clubs to ensure that such structures satisfy relevant Regulatory & Statutory Codes, whilst also meeting end user operational requirements.

Where necessary, financial assistance for capital improvements was made available to (Country) race clubs via the Country Racecourse Development Fund.

Dialogue is also ongoing with the NSW Jockeys Association regarding female jockeys' amenities and any other WHS issues of concern to riders.

The construction, expansion and/or upgrading of female jockeys' amenities continues throughout NSW to the extent that facilities at a number of once-a-year Community and Picnic clubs have also now been completed.

The rollout of PVC running rail is progressing with five (5) Country clubs currently under contract in 2019/20.

A further five (5) clubs will receive this upgrade during 2020/21, whereupon every TAB racecourse in NSW (including all Country TAB tracks) will then be equipped with PVC inside running rail to the course proper featuring either kick-out or breakaway/fused posts.

This outcome constitutes a major milestone in improving jockeys' safety throughout the state.

Racing NSW continues to work closely with our WHS Contractor (Global Safety Systems) to identify opportunities for simplifying operation of the WHS Management System by clubs.

Current enhancements are focused on a number of initiatives including simple step-by-step guides, the option of QR Code scanning to enter the WHS Management System and optimising web page responsiveness for mobile devices.

These latter initiatives will enhance the end user experience by enabling clubs to capture data via smartphone (or similar devices) as an alternative to conventional PC-based entry if desired.

The WHS and Injury Management Systems Manual (which forms the backbone of the WHS Management System) continues to be updated annually by Racing NSW and is made available on our website for free access and/or download by all industry participants including clubs, licensed persons and any other stakeholders.

Wagering on Racing

Wagering on NSW Thoroughbred racing continued to grow strongly throughout the 2018/19 financial year.

Total turnover on NSW Thoroughbred racing was again higher than the 2017/18 year. Pleasingly, Race Fields fee income again grew at an even higher rate than that of turnover for the financial year.

The growth in turnover was spearheaded by Saturday Metropolitan racing with the sharp improvement in fields sizes providing for more attractive wagering.

Improved field sizes also flowed through to underpin wagering on midweek Metropolitan and Provincial racing. The large number of race meetings staged during a very dry year also contributed to the increased turnover.

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

Payments to Race Clubs from TAB Funding and Returns to Owners

TAB distributions to NSW race clubs in 2018/19 were just under \$148 million.

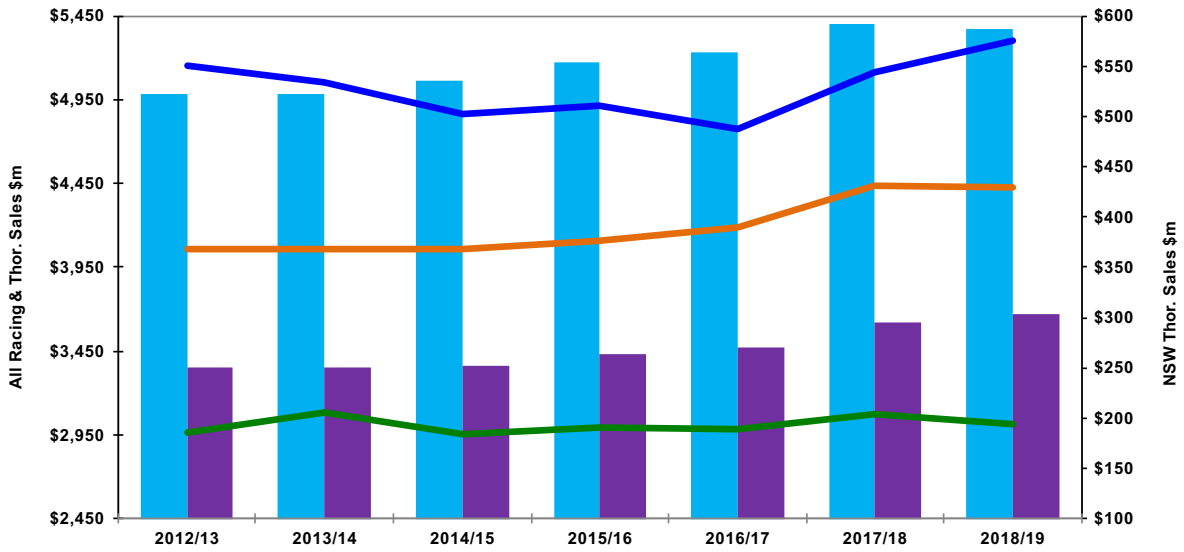
Total prizemoney and returns to owners in NSW jumped in 2018/19 on the back of several key increases in prizemoney that were achieved with the benefit of the phase-in of wagering tax parity. The total prizemoney of \$245.8 million was a record for NSW Thoroughbred racing, exceeding the \$221.7 million paid in 2017/18.

Total returns to owners including BOBS and appearance fees increased to \$278.5 million.

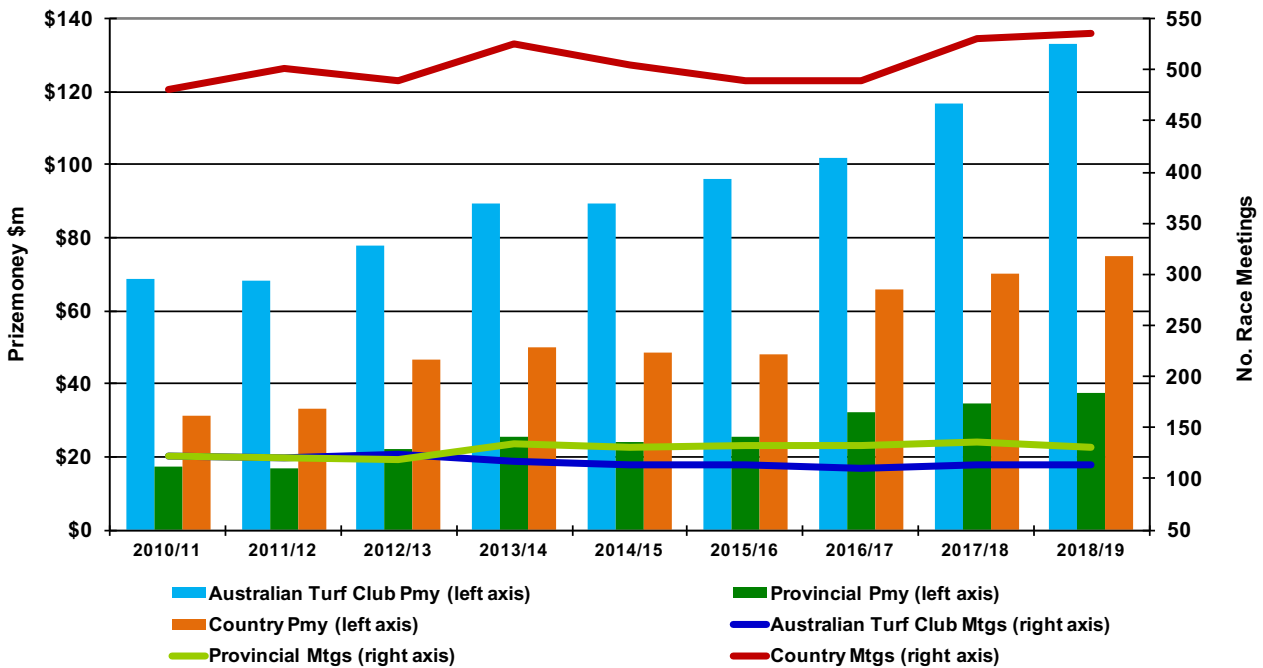
The difference between total returns to owners and TAB distributions paid to clubs highlights how important it has been that Racing NSW develop alternative income streams over the past 10 years.

The chart on the following page summarises TAB distributions and returns to owners for each sector and demonstrates the extent to which prizemoney is supported by Race Fields fees.

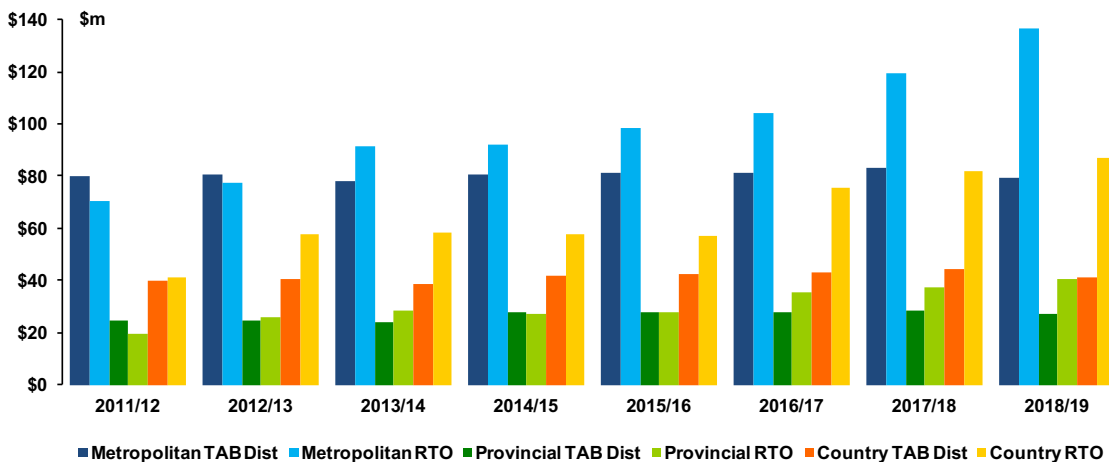
RACING WAGERING SALES ON NSW TAB



NSW PRIZEMONEY AND RACE MEETINGS



TAB DISTRIBUTIONS AND RETURNS TO OWNER BY SECTOR





Graeme Hinton
Chief Operating Officer

Equine Welfare Program

In October 2016 Racing NSW established the Equine Welfare Fund that collects 1% of all prizemoney paid on NSW Thoroughbred races to fund ongoing operating costs for Racing NSW's Equine Welfare Program. For the 2019 Financial Year a total of \$2.67 million was spent exclusively on equine welfare operations from this Fund.

Racing NSW implemented Local Rule of Racing 114 in October 2017, which makes it an offence in NSW to send a Thoroughbred horse to a knackery, or anywhere other than a suitable new home after exiting the NSW Thoroughbred Racing Industry. This applies to all NSW Thoroughbred horses irrespective of whether they have made it to the racetrack or not. Racing NSW is the only State in Australia to have such a rule.

The vast majority of NSW Thoroughbred owners ensure that their horses find suitable new homes when retiring from racing. However, Racing NSW's Equine Welfare Program provides a safety net for those horses that have been unable to find a suitable new home for whatever reason.

Racing NSW has purchased properties for the exclusive use of the Equine Welfare Program, with total capital expenditure on property, improvements and equipment exceeding \$23.3 million. Racing NSW staff undertake a program of retraining and reskilling Thoroughbred horses at these properties and ultimately place them into new homes as equestrian horses, pleasure horses and paddock mates.

Racing NSW also actively monitors, supports and seizes horses on welfare grounds, bringing those horses back to health and then rehoming them. This has included purchasing NSW domiciled horses from a Victorian sale located at Echuca which were at risk of being purchased by a knackery and also making bids on many other horses to make it unviable for a knackery to purchase them.

Key Partnerships & Programs

Through the following partnerships and programs Racing NSW is actively engaging with key community groups

and improving the reputation of the Thoroughbred as a suitable horse for all manner of pursuits:

- The Spur Program (formerly referred to as 'Homes for Heroes') is a joint venture with RSL LifeCare to provide equine therapy to returned servicemen and first responders. This partnership includes use of the RSL's 150-acre property at Picton where Thoroughbred horses are retrained directly by participants under the guidance of Racing NSW staff. After completing this retraining process, these horses are rehomed as equestrian and trail riding horses.
- Corrective Services NSW – Racing NSW has a joint venture with St Heliers Correctional Centre at Muswellbrook which has been in place since 2012. This partnership includes use of St Heliers' 200-acre property for spelling and training horses, with inmates responsible for the day to day care and basic training of horses. Once horses have completed basic training at St Heliers they are transported to other Racing NSW owned properties to undertake further training and to be placed into new homes.
- In partnership with Pony Clubs NSW, regular training clinics and camps have been held at Racing NSW owned properties where Pony Club riders are coached on working with Thoroughbred horses. This partnership improves the popularity of the Thoroughbred with these young riders by teaching specific techniques and skills required for Thoroughbred horses. In October 2019, seven Thoroughbred horses retrained through this program competed at the Pony Club Nationals in Sydney.
- Racing NSW has also partnered with BackTrack, a charity that specialises in working with indigenous and disadvantaged youth in the New England Region. Thoroughbred horses have been partnered with local youths to undergo a training program under the supervision of BackTrack carers. This equine therapy program provides self-esteem and employment skills for the participants by preparing a Thoroughbred for its next career and at the same time the horses are being cared for and then rehomed.



Equine Welfare Properties

Racing NSW has invested significantly in properties for the exclusive use of the Equine Welfare Program. These properties include:

- Princes Farm, Castlereagh: 137 acre property with extensive accommodation and equestrian infrastructure located one hour west of Sydney. Princes Farm is being used as a retraining centre and shop front for selling horses, as well as a base for Pony Club training clinics.
- Bandanora, Capertee: 2,500 acre property located 3.5 hours west of Sydney. Bandanora was purchased with a state of the art indoor equestrian arena and accompanying stable block, as well as a 9 bedroom homestead, shearing quarters and historic shearing sheds. The property is established as a retraining centre and spelling facility for Thoroughbred horses requiring a period of rest before being retrained. Additionally, the property will be utilised as a base for large scale Pony Club camps as part of the partnership with Pony Club NSW. Importantly, Racing NSW has acquired a 1,000 megalitre water license for the property to allow for ongoing water security for pasture irrigation.
- The Grange, Oxley Island: The Grange is located at Oxley Island near Taree on the mid North Coast and is 87 acres in size. Previously a horse stud and Thoroughbred training operation, it is well suited for use as a retraining centre as part of Racing NSW's Equine Welfare Programs. The Grange is being used to directly rehome Thoroughbreds that are suitable for low level equestrian pursuits and as pleasure horses.

Auditing New Homes

Owners of NSW Thoroughbred horses are obliged under

LR114 to notify Racing NSW where their Thoroughbred is sent on retirement and to provide an address and contact details for the new home. This data is then be used by Racing NSW to audit compliance with LR114 in conjunction with Racing NSW Stewards.

Racing NSW staff compile and review the data submitted under LR114 and undertake random site inspections to ascertain the welfare of recently retired horses. Whilst every rehomed horse cannot be physically inspected, through a process of random audits Racing NSW can target any high risk cases and provide a deterrent against breaches of LR114.

In addition to the above, Racing NSW also undertakes a quality control process for horses that have been retrained internally and are being rehomed. The same onus applies in these cases to ensure that the horse is going to a suitable new home. As there is a direct point of contact with the new owners, an assessment is made to ensure they have the means and facilities to care for the Thoroughbred going forward.

Team Thoroughbred NSW Brand

In November 2018 Racing NSW launched Team Thoroughbred NSW which is the customer facing brand of the Equine Welfare Program. This brand carries the motto 'For the love of the horse' which is at the core of the Equine Welfare Program's operations.

Team Thoroughbred NSW maintains its own website and social media pages and promotes positive stories and news content about retired Thoroughbred horses. Team Thoroughbred NSW also promotes the Thoroughbred horse across social media and at equestrian events, as a suitable horse for all manner of pursuits.



Image courtesy of OzShots Photography



Keith Bulloch
General Manager –
Regulatory

BACKGROUND

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

- Race Fields Legislation – Wagering Operators; approval to use NSW Race Fields Information, and payment of required fees;
- Licensing Department – licensing of racing industry personnel;
- Registration – NSW functions including changes of horse ownership; transfers, leases and syndicates, racing colours (jockey silks);
- Handicapping;
- Industry training department - the delivery and assessment of training to new and existing industry licensees;
- Syndications, Licensed Promoters and ASIC communication;
- Stablehand 1.5% prizemoney bonus scheme
- Welfare funding and support to participants in necessitous circumstances or flood/drought relief;
- Chairman Racing NSW Licensing Committee;
- Trustee, NSW Jockey's Trust;
- Chairman, NSW Jockey's Governance Advisory Committee;
- Alternate Member, NSW Animal Care and Ethics Committee;
- Alternate Director, Racing Australia;
- Rules of Racing, betting and some disciplinary enquiries in conjunction with stewards;
- Project work as assigned;
- Chairman – a number of Racing NSW Show Cause Hearings;
- Barrier Draw auditing.

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

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

Benchmark Programming and Handicapping Review

Metropolitan field sizes and Country participation

After a detailed review of the Handicapping and Programming policies, several important changes took effect for race meetings from 1 September 2018 in conjunction with the prizemoney increases announced on 18 July 2018.

The changes followed extensive consultation with industry groups over a period of six months. The Project Manager and creator of the changes is Racing NSW's Racing Strategic Development Manager Ben Dunn:

- **Metropolitan Saturday Racing**
Benchmark level of 60kg (down from 61kg) for Metropolitan Saturday benchmark and open races. Introduction of a true weight allowance of up to 1kg below the 53kg minimum weight for Metropolitan Saturday benchmark and open races (52kg).
- **Discontinue Adjusting Weight at Declaration of Weights and Acceptance Time**
The practice of reducing the weights of races at both nomination and acceptance time was discontinued for all meetings from 1 September 2018. The change provided greater certainty for all jockeys, particularly those with a riding weight above the limit weight.
- **Separate Benchmark Number for Country Races**
Racing NSW now allocates two benchmark figures (when required) for handicapping horses that race between sectors – one benchmark for Metropolitan/Provincial racing and now a separate benchmark for races in Country NSW.
The creation of a separate country benchmark allows horses to be appropriately handicapped when they move between Metropolitan/Provincial to Country racing and vice versa.
- **Streamlining of Benchmark Programs**
Programming of races across sectors was streamlined to reduce the number of separate benchmark levels. This provides a clearer definition between the strength

of races as a horse progresses.

For example, Provincial benchmark races start at Benchmark 64 level, Metropolitan midweek start at Benchmark 70 level and Saturday Metropolitan start at Benchmark 78 level (3YO Benchmark races are programmed slightly lower).

The streamlining of the structure of programmes is accompanied by an adjustment to the maiden win benchmarks allocated from Metropolitan and Provincial races, with these generally now assessed two points or 1kg lower than previously the case.

With the introduction of a new separate Country benchmark, race programs have adjusted to see the number of benchmark levels at Country race meetings reduced in order to simplify and broaden race planning options for trainers. Starting at Country Benchmark 50, races progress to Country BM 58, 66, 74 and Open Company.

Racing NSW Race Fields Information Use – Review of the Standard Conditions

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

In 2015 there was an amendment to the Racefields Information Use Standard Conditions to provide for the introduction of the product category: Totalizator Derived Odds. This product and variations of it is popular with punters and offered by the majority of Corporate Bookmakers and some On-Course Bookmakers. As a result of the change, bets taken at Totalizator Derived Odds attracts a higher product fee payable by the Wagering Operators to the NSW Racing Industry than regular Fixed Odds bets.

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

Following this year’s 2019 review, no changes to the fees structure were made, however, more definitive clarifications were required in the provision of integrity information by Licensed Wagering Operators. This clarified that Racing NSW requires timely and full data information to allow Stewards to conduct investigations and inquiries.

The 2019/20 Standard Conditions were therefore amended to include these changes.

Jockeys Insurances – Renewal of Policies

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

Trainers Insurances – Renewal of Policies

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

Racing NSW attended two meetings with the NSWTA and the Insurance brokers regarding the renewals of Trainer Personal Accident policy and Public Liability Insurance policy. Racing NSW’s role is to check the terms of each policy with the objective to provide optimum protection possible within favourable terms for all trainers.

After pricing the market and receiving quotes for each type, the policies were renewed for 2019/20 with existing underwriters for equal or improved policy coverage terms to the previous year’s coverage (2018/19). An increase in fees was required due to rising global insurance markets - trainers will pay an increase in the per starter fees for Public Liability coverage and in monthly fees for Personal Accident insurance.

Regulatory Department Reports

LICENSING

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

Licensing decisions are reviewed or made by the Racing NSW Licensing Committee - a panel of Managers representing Licensing, Stewards, Legal Division and Industry Training and chaired by the General Manager - Regulatory. The role of the Licensing Committee with oversight of the Chief Executive and Board is to make recommendations on licence applications and to recommend licensing policy and procedure for Racing NSW. The Licensing Committee held major meetings on five occasions during 2018/2019. Applications for licences are considered and applicants may be further interviewed at these meetings.

In 2018/19 the Committee at these meetings;

- ◆ conducted 23 interviews in relation to licence and other applications
- ◆ considered 34 licence applications that were referred to them by the Licensing Supervisor, of which 14 were approved and 20 declined
- ◆ considered 6 other matters that were referred to them including licensee disciplinary matters & proposed amendments to licensing policy and procedures

The Committee also reviewed and agreed with the approval of the following new licences;

- ◆ 44 Trainers licences
- ◆ 4 Trainer partnerships
- ◆ 1 Trainer/Jockey dual licence
- ◆ 9 Jockey licences
- ◆ 22 applications to register an Apprentice Jockey
- ◆ 18 applications to transfer the indentures of an Apprentice Jockey

- 11 applications from Apprentice Jockeys to extend their indentures
- 3 Bookmaker licences
- 10 Rider Agent licences
- 542 Stable employee licences (315 declined/did not proceed due to the applicant not obtaining the required Police Certificate, or not obtaining their HorseSafe Certificate)
- 28 Bookmaker Clerk's licences (5 declined/did not proceed due to the applicant not obtaining the required Police Certificate.)

Apprentices) available to ride in professional races was comparable (195 vs 191).

Trainers numbers are slightly down 2% (966 vs 945). This represents a slightly smaller decline than that experienced in recent seasons as retiring or resigning Trainers are replaced by new applicants.

The steady decrease in the number of registered Bookmakers over previous seasons has continued this past season (down by 4.5% 135 vs 129). It is evident that the influence of Corporate Bookmakers and the effect they have had on on-course turnover continues to affect the viability of the on-course Bookmakers resulting in the small number of new applicants.

Comparison of Licensing Statistics – 2017/18 vs 2018/19

The combined number of NSW resident riders (Jockey &

LICENCES WITH THE EXPIRY DATE 30 JUNE 2018 (1/7/2017 TO 30/6/2018)

	Metropolitan		Provincial		Country		Total	
	Total 17/18	Total 18/19	Total 17/18	Total 18/19	Total 17/18	Total 18/19	Total 17/18	Total 18/19
Trainers	81	77	166	157	719	711	966	945
Jockeys	46	52	21	25	73	65	140	142
Apprentice Jockeys	12	7	9	11	34	31	55	49
Trial Apprentice	1	-	4	4	5	6	10	10
Approved Rider (Picnic)	-	-	-	-	39	33	36	33
Trial AR (Picnic)	-	-	-	-	6	9	6	9
Bookmakers	39	34	7	7	89	88	135	129
Rider Agents	23	17	6	7	19	21	48	45

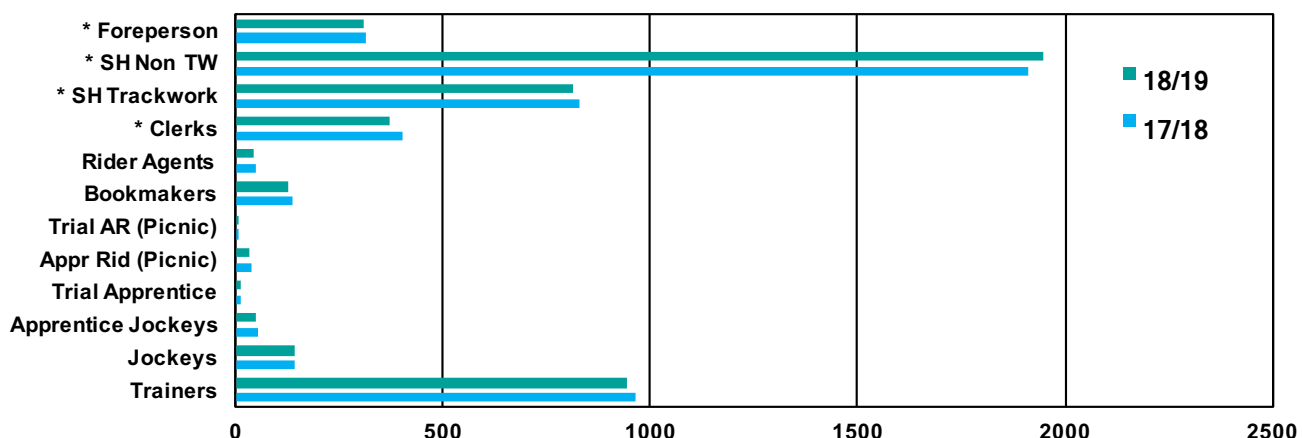
NB – Jockeys/Apprentices NSW-based

LICENCES WITH THE EXPIRY DATE 31 OCTOBER 2019 (1/11/2018 TO 31/10/2019)

	Metropolitan			Provincial			Country			Total		
	YTD 17/18	Total 17/18	YTD 18/19	YTD 17/18	Total 17/18	YTD 18/19	YTD 17/18	Total 17/18	YTD 18/19	YTD 17/18	Total 17/18	YTD 18/19
Bookmaker Clerks	227	235	212	29	29	23	146	156	136	402	420	371
SH-Trackwork	322	357	301	119	133	123	390	424	391	831	914	815
SH-Non Trackwork	705	822	675	324	375	355	882	960	916	1911	2157	1946
Foreperson	113	120	114	46	44	48	155	151	148	314	315	310

NB – Year to date (YTD) figures as at 30 June. Total figures 17/18 as at 31 October

TOTAL LICENCES



REGISTRATION

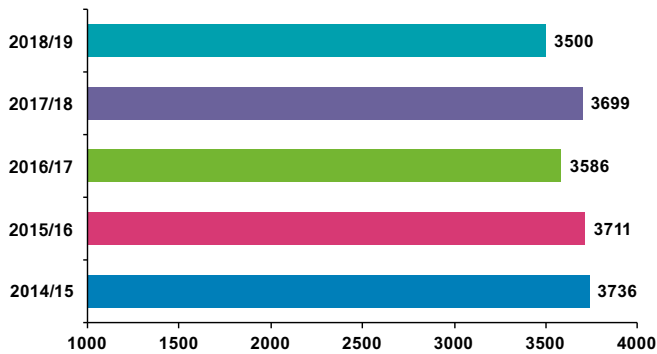
Racing Australia manages the Registrar of Racehorses which processes all new horse registrations nationally. Racing NSW is a stakeholder in Racing Australia.

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

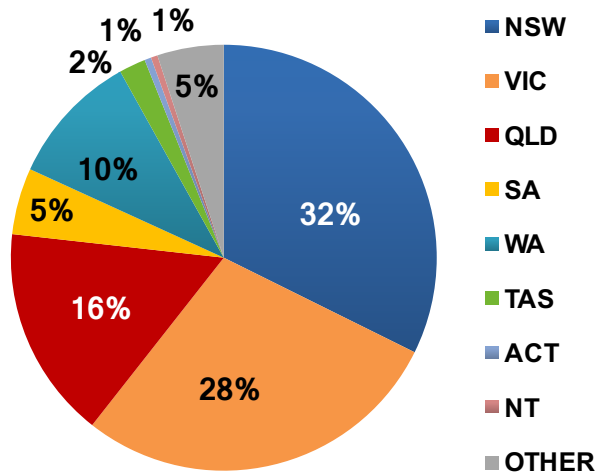
Horse Registrations – NSW

At the end of the 2018/19 financial year the Registrar of Racehorses (ROR) had registered 10,886 new horses, of which 3,500 are owned in NSW. This represents a slight decrease in both numbers for the season compared to the previous year. NSW remains the largest contributor to the national figure, representing 32% of the total number of horses registered, as identified having the Manager (first named owner) located in NSW.

NSW REGISTRATION FIGURES



REGISTRATION FIGURES BY STATE



Transfers/Leases/Syndicates – NSW

The regulatory department recorded 2,848 Transfers of Ownership for the 2018/19 financial year, an increase of 19.1% from the previous season.

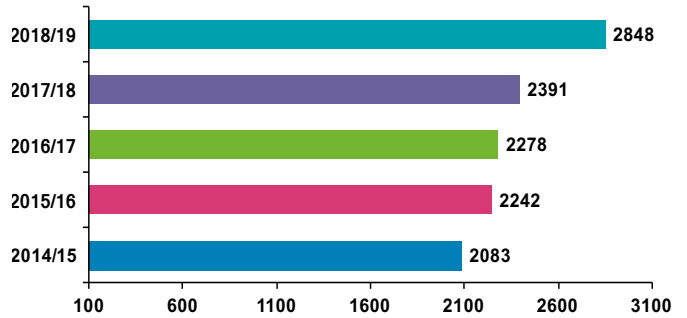
NSW registered 523 Syndicates during the 2018/19 season which is a 20.8% increase on the previous season.

The steady increase in these numbers over the past few seasons points to the success of attracting first time owners by promoting a more affordable ownership option in larger groups. Of NSW registered syndicates this season, 93% of those were 'ordinary' syndicates made up of a group of up to 20 persons (or up to 50 persons

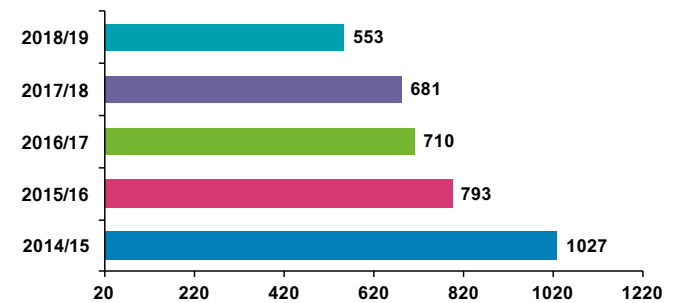
for publicly promoted syndicates). The remaining 7% of syndicate registrations comprise Company, Firm or Stud Syndicates. Transfers continue to increase as smaller shares are taken in horses by new owners.

553 Lease Agreements were recorded. A decrease of 18.8% on the previous season, representing a change in ownership structure by some major owners.

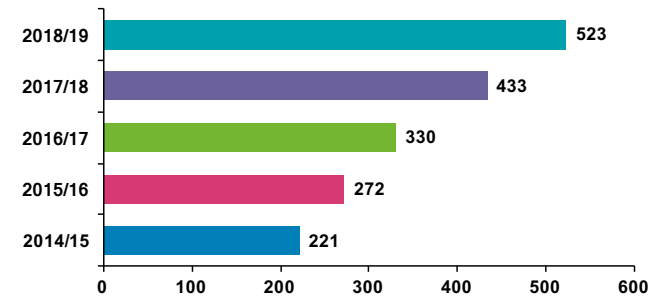
NSW TRANSFERS



NSW LEASES



NSW SYNDICATES

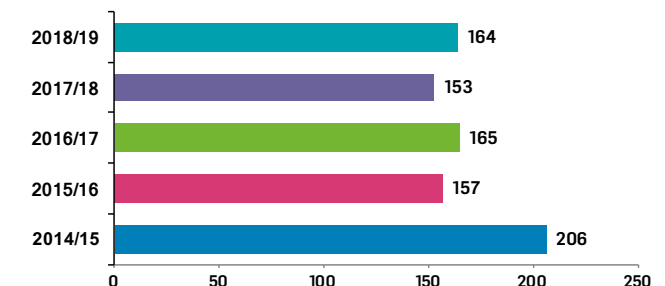


Racing Colours – NSW

Racing NSW registered 164 new sets of jockey silks during the 2018/19 financial year. There is a total of 2,996 sets of colours currently registered in NSW.

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

NSW COLOURS – NEW APPLICATIONS



Online Functions - MyHorseRacing

Over May and June 2019 Racing Australia launched several online functions for owners on the new Owners Portal MyHorseRacing.horse (MHR), with 17,730 owners activating an account so far.

Horse Registrations, Transfers, Leases and Syndicates are some of the forms now available for those who wish to make online transactions. Paper-based forms will continue to be available.

Annual Syndicate renewals were also sent out with renewals available online only through MHR. Sent out in June, by the end of the month, 920 (50%) of Syndicates had already been renewed through the portal.

Industry Training

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

Specialist Workplace Trainers and Assessors ("WTA's") employed by Racing NSW provide training and assessment services to apprentices, trainees and work experience placements which results in the learners gaining a range of qualifications under the National Training Package.

Stuart Rich is Training Manager; with Workplace Trainers and Assessors Dan Power and Tracy O'Hara (Metropolitan/Provincial, Jenny Schott (Tamworth), Jamie Whitney (Canberra), Scott Thurlow (Port Macquarie and Michael Donoghue (Wagga). Phillip O'Brien based in Bathurst manages the Training Department's eLearning, Web and Digital Media programs (including Horsesafe). Apprentice Jockey Coaches are Pat Webster, Rodney Quinn, Dale Jeffries, Brad Clark, Scott Thurlow, Jamie Whitney, Cassie Schmidt, and Head Jockey Coach Leeann Olsen (Manager).

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

The objectives of the Industry Training department include: -

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

Across NSW, the monthly Apprentice Jockey Schools included a stronger focus on financial planning and tax education. Emphasis on Jockey health & wellbeing has expanded by placing more focus on fitness, nutrition and drug & alcohol awareness. Additionally, with the assistance of RNSW Stewards, the Apprentice schools also provide assistance in the areas of protests, inquiries and appeals. The apprentices themselves requested more

on this important component of their role - in response teaching to these subjects was expanded, included more guest speakers and enhanced mock protest, media and steward's inquiry scenarios.

In 2015 the CIV in Racing (Racehorse Trainers) national qualification was linked as a requirement for a NSW Trainers Licence. This has proved to be a successful step in providing new racehorse trainers with skills and knowledge of small business, horse welfare and the rules and regulations associated with this career.

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

Racing NSW Rising Star Series

The 20th consecutive staging of the Rising Star Apprentice Series was held between September 2018 and June 2019 with 25 competitive heats run.

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

In 2018/19, Jenny Duggan won the series for the first time.

APPRENTICE WINNING RIDES

TOTAL	15/16	16/17	17/18	18/19
Winning Rides	1486	1255	1186	1212

Apprentice Rides

The overall apprentice ride summary for the 18/19 seasons is comparable with that of the previous year. This table includes Metropolitan, Provincial and Country statistics.

COMPARISON OF APPRENTICE RIDERS TO TOTAL STARTERS

TOTAL	15/16	16/17	17/18	18/19
Apprentice Rides	16,205	13,409	12,830	12,798
Total Starters	53,521	54,488	54,871	56,519
Percentage of Total Rides	30.27%	24.60%	23.38%	22.64%

Other Student Numbers

This year the department continued delivering training and assessment services to a range of qualifications covering many other facets of the racing industry including track maintenance, barrier attendant and Approved (Picnic) Rider. The year also saw an expansion of online learning resources and an increase in the diverse range of delivery methods for all courses.

The Horsesafe Induction Course too has been accepted by the industry and now has had over 4000 participants complete it.

TRAINEE AND STUDENT FIGURES

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Cert II Stablehand	13	43	27	10	8	10	0
Cert III Advanced Stablehand	101	83	105	47	55	59	60
Cert III Track Rider	77	78	80	34	46	57	78
CIV Jockey		63	55	45	40	26	20
Cert IV Racehorse Trainer	63	97	125	129	118	63	36
Cert II Racing Administration	0	8	0	0	0	0	0
Cert III Racing Administration	3	11	3	3	0	6	3
Cert CIV Racing Administration	No Stats	No Stats	7	0	0	0	0
Cert III Racing Steward	2	4	3	0	0	8	5
Cert III Track Maintenance	No Stats	No Stats	4	4	0	0	0
Barrier Attendant Skill Set	8	21	17	16	20	26	6
Approved Rider (Picnic Race Jockeys) Skill Set	268	129	67	42	28	16	27

RACEFIELDS LEGISLATION – MANAGEMENT OF LEGISLATIVE REQUIREMENTS

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

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

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

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

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

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

At the end of the 2018/19 period the total number of Australian Wagering Operators who had been approved to use NSW Thoroughbred Race Fields Information was 247.

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

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

Media and other publications, such as not-for-profit use for social purposes, and certain racing organisations are authorised to use NSW Thoroughbred Race Fields and are not subject to Racing NSW Standard Conditions. These approvals are sub-delegation or Racing NSW to Racing Australia’s publication arm to ensure suitable contractual arrangements are established.

HANDICAPPING

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

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

The panel consists of Handicapping Manager and Senior Handicapper, Damien Hay, Senior Handicapper and Racing Strategic Development Manager Ben Dunn, Handicappers Nathan Bryant, Harry Smithers, Josh Edwards and Racing Office Assistant Sam Reed.

The Handicapping Department allocated the weights and ballot orders for 5,849 races held across the 826 race meetings which were conducted in the 2018/19 racing season.

Weights were released for the 108,190 nominations at these meetings with each of the 56,519 starters being individually re-assessed by the panel and given a new Benchmark rating within an average of two business days after the race.

Feature Race Weights

The Handicapping Panel released weights early for the four major Group One Handicap races conducted in NSW in the 2018/19 racing season: Doncaster Mile, Sydney Cup, Epsom Handicap and The Metropolitan.

Epsom Handicap – Spring Carnival

The 2018 Epsom Handicap run at Royal Randwick over 1600m received 88 entries with 39 horses weighted above the limit weight of 50.0kg (48.0kg for 3yos). A topweight of 59.5kg was given to Happy Clapper achieving a 11.5kg weight spread at the time weights were released.



Happy Clapper

The Metropolitan – Spring Carnival

The Metropolitan of 2018, a 2400m staying test, received 81 entries with 38 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 58.0kg was given to Harlem (GB), achieving an 8.0kg weight spread at the time weights were released (no 3yos were nominated).

Doncaster Mile – Autumn Carnival

The Doncaster Mile of 2019 received 179 entries with 64 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 59.0kg was given to Happy Clapper, achieving a 10.0kg weight spread at the time weights were released.

Sydney Cup – Autumn Carnival

The 2019 Sydney Cup over the time-honoured stayers' distance of 3200m received 130 entries with 46 horses weighted above the limit weight of 50.0kg (49.0kg for 3yo's). A topweight of 58.0kg was given to Almandin (GER), achieving a 9.0kg weight spread.

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

Registered NSW Syndicate Promoters and Authorised Representatives

Racing NSW continues to act in its appointed role as Australian Securities & Investment Commission lead regulator for the syndication of racehorses in NSW. The rescission of the Class Order CO 02-319 and introduction of the Horse Instrument 2016-790 govern the regulatory relationship between Racing NSW and ASIC.

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

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

At the end of 2018/19 there were 18 Approved Promoters and 13 Authorised Representatives on the Racing NSW registers, which is a similar number in the previous season.

There was a total of 180 approved promotions in the 2018/19 period, a decrease of twenty seven over 2017/18. This likely represents a slight correction in the market which has been experiencing a boom over recent seasons possibly as a result of the success on the race track enjoyed by syndicated horses. Interestingly though, any correction has not been felt at the top of the market with a dramatic increase in the past two seasons of horses that were originally purchased for or valued at \$150,00 or more.

NUMBER OF HORSES SYNDICATED BRACKETED ON PRICE PER 10% SHARE

Price Range – 10% Share	18/19	17/18	16/17	15/16	14/15	13/14
<\$10,000	63	79	57	31	33	52
\$10,000 to \$29,999	117	128	118	103	105	78

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

Price Range – Horse	18/19	17/18	16/17	15/16	14/15	13/14
<\$30,000	31	34	15	8	9	19
\$30,000 to \$59,999	29	46	44	19	21	27
\$60,000 to \$99,999	34	47	49	44	46	35
\$100,000 to \$149,999	36	36	40	43	27	37
\$150,000 +	50	44	27	20	35	12
Total	180	207	175	134	138	130

Functions

Acting with the delegated authority of Racing NSW, the Stewards are responsible for taking all steps to safeguard the image, interests, welfare and integrity of the NSW Thoroughbred Racing Industry.

To ensure these obligations are met, the Stewards are responsible for completing the following functions: -

- Officiating at all race meetings and official trials in NSW;
- Attending and supervising trackwork;
- Conducting track and stable inspections and audits;
- Administering drug testing operations, including out-of-competition testing;
- Addressing rider, track and horse safety issues;
- Inquiring into the conduct of licensed persons;
- Conducting of sampling of riders and stable employees for banned substances;
- Conducting inspection of horses within one clear day of racing;
- Regulating and investigating wagering activities;
- Arbitrating on betting disputes, and
- Investigating the use of illegal substances.

Personnel

There was a number of personnel changes made to the Racing NSW Stewards Panel, including: -

Wade Birch – former Queensland Chairman of Stewards was appointed to the Metropolitan Stewards Panel as a Senior Steward.

Scott Matthews appointed to the Metropolitan Stewards Panel.

Jack Penfold appointed Chairman of Stewards MNCRA following the resignation of Drew Smith.

Rueben Loughlin appointed Deputy Chairman of Stewards NRRRA following the resignation of Nathan Daniels.

Matthew Purse was appointed Deputy Chairman of Stewards CDRA/WRA following the resignation of Sam Fitzgerald.

The integrity department continued to focus on the training of Stewards with the appointment of eight full-time trainee Stewards; Sean Knight, Justin Dinopoulos, Jack Marshall, Jane Dunn, Liam Martin, Todd Kearney, Tilan Lee and Oliver Fleming.

All trainee Stewards will complete a Certificate IV in Racing Administration (Stewards) which provides each trainee with a formal qualification at the completion of their traineeship.

In addition to this qualification, all trainees are provided with on-the-job training and specific training in the conduct of Stewards inquiries and investigations.

Further, trainees are seconded to the Investigations and Surveillance Unit for a period of their traineeship to gain skills in non-raceday investigative functions.

This year also saw Racing NSW increase its investigations team with the appointment of former Steward, Peter Dombkins, as an investigator based in Northern NSW and Daniel Stephenson appointed as a betting analyst operating



Marc Van Gestel
General Manager - Integrity/
Chairman of Stewards

from the Racing NSW Integrity Studio.

The appointment of Daniel has ensured that all meetings conducted in NSW have a thorough and comprehensive analysis of all on and off course wagering, which is provided to the Stewards immediately following the running of each race.

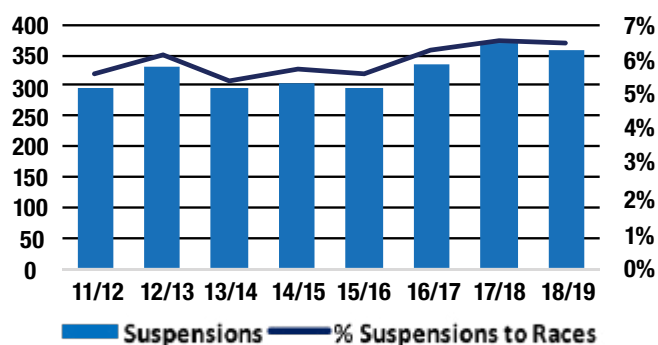
Stewards Inquiries

During the 2018/19 year, the Stewards panel presided over a broad range of inquiries involving offences under the Rules of Racing.

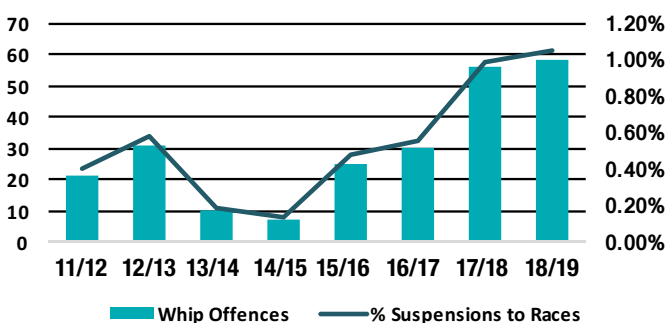
The following periods of suspension were issued against jockeys during this period: -

- AR131(a) Careless Riding - 356 suspensions of licence
- AR131(b) Failure to ride horse out to finish – 12 suspensions of licence
- AR132 Whip related offences – 58 suspensions of licence
- AR211 Jockey weight related – 10 suspensions of licence
- AR129 Failure to take all reasonable and permissible measures to win or obtain the best possible placing – 3 suspensions of licence.

CARELESS RIDING SUSPENSIONS



WHIP OFFENCE SUSPENSION



Stable Inspections

Stewards and Investigators throughout the state continued to conduct unannounced stable inspections to ensure compliance with the Rules of Racing. Inspections focused on compliance with

- Lodgment of stable returns including horse location;
- Horse welfare;
- Adherence to the storage and possession of substances;
- Stable security;
- Work Health and Safety.

Horse Welfare

Racing NSW Stewards and Investigators continued to work with the Racing NSW Equine Welfare department in monitoring and ensuring compliance with LR114. The stable inspections process detailed previously was an integral part of ensuring horse welfare, by Stewards conducting audits of stable returns to ensure that the location of a Thoroughbred during training and retirement is recorded. Stewards issued a number of penalties for trainers who had not complied with the Rules of Racing.

Stewards continued their focus on investigating horse fatalities that occur at race meetings, barrier trials and trackwork.

Stewards obtain veterinary and treatment records for all reported fatalities and conduct an inquiry into the circumstances surrounding the fatalities, in addition to considering autopsy reports.

Stewards and Investigators continued to assist the Racing NSW Equine Welfare department in monitoring and ensuring compliance with LR114.

This season also saw Racing NSW introduce a number of local rules in an additional response to horse welfare including:

- Not permitting a horse to race on more than five occasions in any 30-day period;
- A prohibition of two-year-olds racing on consecutive days;
- Requiring horses that haven't raced for more than 12 months to barrier trial before racing.

New Developments

Installation of CCTV – Metropolitan Racecourses

Racing NSW commenced the upgrade of CCTV at Metropolitan racecourses starting with Royal Randwick and Rosehill Gardens Racecourses.

In excess of 50 cameras have been installed that cover all areas of the horse raceday stalls, including swab boxes, hose bays, stabling stalls and horse tie ups.

Stewards have access to all cameras in real time and vision can be monitored off-site by Stewards and Investigators.

The upgrade of these cameras demonstrates Racing NSW's commitment to integrity and ensuring that horses compete on a level playing field.

Upgrade of Stewards Rooms

With the assistance of Australian Turf Club and Hawkesbury Race Club, Stewards rooms at Rosehill, Canterbury and Hawkesbury were upgraded to allow for technological advancements to be better utilised on raceday.

The installation of high definition televisions and upgraded CCTV within the Stewards room have assisted Stewards with their raceday operations.

Statistical Data

The Racing NSW analysts recently developed a series of reports that is provided to Stewards to review strike rates of participants to allow Racing NSW Stewards and Investigators to better utilise their resources.

Rules of Racing

2018/19 saw an introduction of the re-write of the Australian Rules of Racing which became effective on 1 March 2019.

The aim of the re-write was to modernise the rules, which included the removal of outdated rules and providing participants with a more user-friendly edition.

Major Inquiries

Benjamin Smith – Cobalt and Substance Possession

In September 2018, Stewards commenced an investigation into Newcastle trainer Benjamin Smith having two horses return levels of cobalt above that accepted by the Rules of Racing. The investigation resulted in numerous charges being issued against Mr Smith and a period of disqualification of four years and six months, being penalties for cobalt offences, raceday treatments and possession of unregistered products. The penalties are currently subject to appeal.

TAB Sally Snow Investigation – Supreme Court Hearing; Fletcher Phone

Racing NSW commenced an investigation into the activities of TAB employee, Mrs Sally Snow and her husband, Nathan Snow, following Racing NSW receiving information in respect to betting activities.

The investigation remains ongoing and Mrs Snow was warned off racecourses by Racing NSW following her refusal to hand over her mobile telephone to Stewards.

Drug Testing

Racing NSW Stewards and Veterinary Department and the Australian Racing Forensic Laboratory continued their unique association in sharing intelligence regarding the use of prohibited substances. Regular strategy meetings were conducted between the departments which had allowed the Stewards to channel their resources into relevant areas.

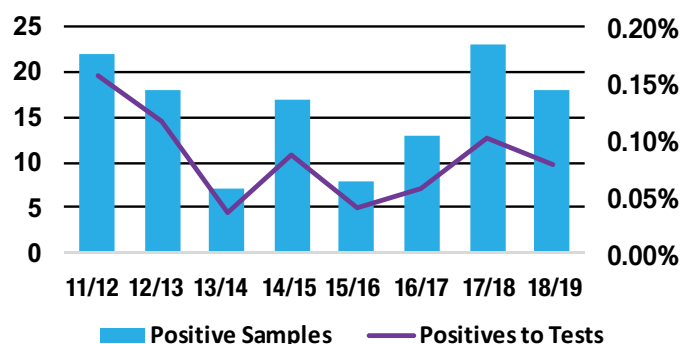
During 2018/19 a total number of 23,336 tests were performed by the ARFL on raceday samples to be analysed for prohibited substances in accordance with the Rules of Racing.

This figure is an increase of the 2017/18 tests, where there was a total of 22,779 tests performed.

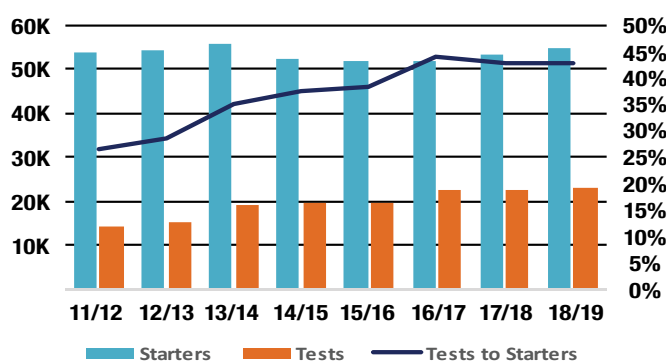
In addition, all Metropolitan and selected Provincial and Country samples were sent to the National Measurement Institute to be analysed for trace metals including cobalt.

16 samples returned positive to 18 prohibited substances, a pleasing decrease on the previous season. Substances detected in these samples included cobalt, phenylbutazone and altrenogest (in geldings).

ANALYTICAL STATISTICS EQUINE



POSITIVE SAMPLES (EQUINES)

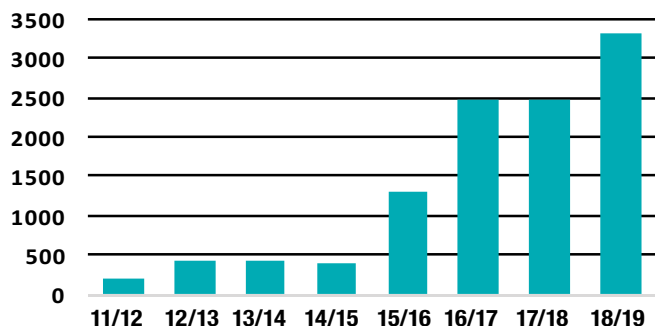


Stewards and the Veterinary Department continued to expand and modify the collection of out-of-competition samples, whereby Stewards ordered samples to be analysed for substances prohibited at any time in accordance with Part 1 of the Prohibited Substance List of the Australian Rules of Racing.

Samples collected for out-of-competition testing also included samples analysed as part of the Equine Biological Passport program in addition to tactical samples collected for comparison with raceday samples.

This year also saw Stewards place an increasing focus on sampling horses at barrier trials and the conduct of hair testing for the detection of anabolic steroids.

OUT OF COMPETITION SAMPLES



Licensee Sampling

Stewards and Investigators collected samples for licensees for analysis by the Australian Racing Forensic Laboratory for banned substances.

Samples were taken from stablehands, working on the ground and riding trackwork, as well as jockeys and trainers.

This year also saw Racing NSW invest in additional Alcolizer units to conduct additional tests for the presence of alcohol.

This year 719 samples were taken from licensed persons to be analysed for substances banned by AR136 and AR137.

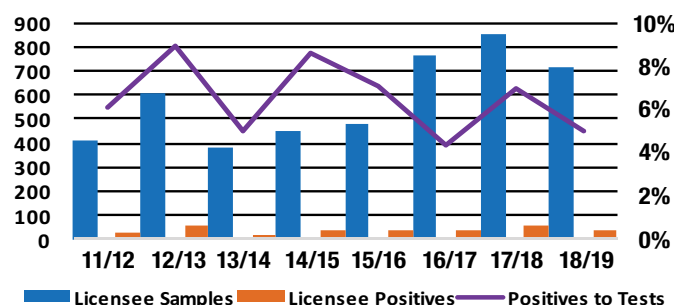
There were 37 recorded offences for the detection of banned substances and penalties of suspension or disqualification of licence handed down.

Over 250 breath tests were also carried out on licensed persons at trackwork and on raceday.

In licensee swab cases, emphasis has been on rehabilitation and educative processes with access to

professional counselling provided and encouragement in the form of reduction in penalty being offered.

LICENSEE SAMPLING



Investigation and Surveillance Unit

The Racing NSW Investigation and Surveillance Unit was proactive during the year, conducting raceday and one clear day stable inspections.

The unit conducted in excess of 4000 inspections of horses racing, in addition to thousands of inspections conducted by Stewards.

Members of the unit continued their close association with the Australian Criminal and Intelligence Commission and NSW Police in providing intelligence to Stewards.

In addition, anonymous complaints and reporting on the Racing NSW website played a vital role in the units gathering of intelligence.

Conferences

During 2018/19, Marc Van Gestel attended the Racing Australia National Chairman of Stewards Advisory Group (NCOS) meeting in Sydney in November 2018.

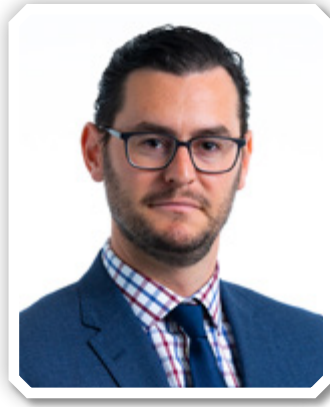
The annual Racing NSW Stewards Conference was conducted in November 2018.

Liaisons and Contacts

Industry matters continued to be addressed through liaison by Stewards with bodies including: Australian Criminal and Intelligence Commission; NSW Police Casino and Racing Investigation Unit; NSW Racehorse Owners Association; Racing Australia; NSW Trainers and Jockeys' Associations; NSW Bookmakers' Co-operative Ltd; Australian Equine Veterinary Association; Royal Society of Prevention of Cruelty to Animals; Racing NSW Integrity Assurance Committee; Veterinary and Analysts Committee; Australian Racecourse Managers Association; Interstate and Overseas Principal Racing Authorities, and Australian Jockeys' Association.

Role of the Racing NSW Veterinary Department

- The provision and supervision of veterinary services at the Metropolitan and Provincial Thoroughbred racetracks, whilst also overseeing and supervising the veterinary services provided around greater NSW, providing gold standard welfare for our equine participants;
- To implement and monitor the sample collection and accreditation processes for all Metropolitan and Provincial race meetings;
- The provision of expert advice to the Racing NSW Board and industry pertaining to veterinary, equine health and welfare matters, whilst also advising regarding therapeutic and non-therapeutic prohibited substances and their detection;
- To assist the Australian Racing Forensic Laboratory (ARFL) in the development and refinement of substance detection methods, through the conducting of drug administration trials and collaborative research;
- To represent Racing NSW on national and international groups and committee, where policy matters are considered pertaining to veterinary, equine welfare, emergency animal disease and substance control policy matters;
- The provision of expert advice and evidence in Stewards' inquiries, appearing and other hearings as required and;
- Facilitation of veterinary supervision of the Canterbury Park approved quarantine facility, including the strict adherence and compliance with biosecurity procedures and the conduct of mandatory disease testing.



Dr Toby J. Koenig
BVSc (Hons)
Senior Official Veterinarian –
assisted by Dr James Mizzi

Key Operational Activities and Achievements

Under the direction of Dr Koenig, the Veterinary Services Department has:

- Provided veterinary treatment and conducted inspections of horses to ensure the welfare of the horse at stables, studs and spelling properties.
- Provided veterinary advice to Racing NSW Stewards in respect to the management of horse welfare, for horses in training and retired from the track.
- Collaborated with ARFL and the Stewards in the management of routine and strategic drug control, including the continued implementation of the equine biological passport and the tactical out-of-competition testing program;
- Participated in and responsible for coordinating other veterinarians in the provision of out-of-competition and tactical testing program for horses in racing stables and the testing for anabolic steroids at the Inglis Sale Series, conducted at Inglis Riverside, Warwick Farm;
- Out-of-competition testing has become a growing tool for the assurance of integrity in racing around the

world and this has been a particular focus for the past season and will continue to be so on an ongoing basis;

- The continued approval process for new veterinarians wishing to apply for permits for the provision of veterinary services with Racing NSW and, also, those applying to officiate at race meetings around NSW, both TAB and non-TAB meetings;
- The provision and oversight of the various policies and guidelines as they pertain to the provision of veterinary services to ensure the welfare of all participants, including:
 - Drug administration trials for the ARFL and participating and management of the Racing NSW Animal Care and Ethics Committee;
- The close monitoring and review of raceday and non-raceday equine injuries and fatalities throughout the state;
- Collaboration with the Pathology Department at the University Veterinary Teaching Hospital Camden (University of Sydney) to perform a retrospective analysis of catastrophic injuries occasioning equine death or euthanasia, from 2003 through 2019, with a view to expanding this locally with the Veterinary Diagnostic Lab at Charles Sturt University (Wagga Wagga) and international collaborators to expand to include and better understand cases of Exercise-Associated Sudden-Collapse;
- In recent times, Dr Koenig has consulted extensively with the Australian Veterinary Association, Australian Pesticides and Veterinary Medicines Authority, NSW Veterinary Practitioners Board, as well as numerous other interested parties and relevant government authorities with regards to the proper provision of compounded medications in the racing industry. This has identified a number of deficiencies that has led to a review of the Guidelines and Policy Statement of the Australian Veterinary Association that is currently in progress.

It is of note that, for the 2018/19 Metropolitan racing season, there was not a single instance of catastrophic breakdown on raceday that resulted in a related equine fatality.

Equine Post-mortem Program

It is anticipated that the detailed collaborative analysis referred to above will seek to identify any trends or correlation, that may allow such incidents to be minimised in the future.

It is intended for the analysis to be peer-reviewed and published in due course and to then take this research further, for the betterment of the industry and its participants and the benefit of equine welfare, which is a core role of the Racing NSW Veterinary Department.

RACING NSW ANIMAL CARE AND ETHICS COMMITTEE (ACEC)

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

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

Category A member (veterinarian) is Dr Craig Suann and Category B member (researcher) is Mr John Keledjian, ARFL General Manager. ARFL Science Manager, Dr Adam Cawley, is Executive Officer to the Committee.

The Committee approved two research proposals during the reporting period.

Included in these proposals was one that facilitated ongoing drug administration trials that would assist the laboratory in improving its drug testing capabilities, as well as a proposal for surveillance testing of gene doping.

Provisions of Permits to Veterinarians to Provide Services in the NSW Thoroughbred Racing Industry

Since the introduction of LR82C in 2015, the number of veterinarians that have been issued a permit by Racing NSW has steadily increased whereas this year there was a total of more than 380 permitted veterinarians.

LR82C states the following:

LR82C (1) Subject to subrule (2):

a) No veterinarian shall provide veterinary services to a horse in training and/or competing in New South Wales unless that veterinarian is registered with the Veterinary Practitioners Board of NSW or equivalent interstate body and has been issued a permit by Racing NSW;

b) A trainer shall not allow a horse under his care or control in NSW to receive veterinary services from any person other than a veterinarian who is registered with the Veterinary Practitioners Board of NSW or equivalent interstate body and who has been issued a permit by Racing NSW;

(2) Subrule (1) of this rule does not apply in emergency circumstances where the health or welfare of a horse is at risk if veterinary services are not provided immediately and a veterinarian who has been issued a permit by Racing NSW is not available to provide these services;

(3) For the purpose of this rule and LR82D:

"permit" is a permit as referred to in the definition of "licence" in the Rules and is subject to the Policy Statement that appears at the end of these Local Rules; "veterinary services" means any services (including the

prescribing or provision of any medication) provided to or in connection with a horse by a person who is a registered veterinarian.

Racing NSW Veterinarians and Stewards have continued to work with the holders of Racing NSW Veterinary Permits to ensure compliance under the Rules of Racing and relevant legislation, including;

- Agricultural and Veterinary Chemicals Code Act (Cth) (Agvet Code);
- Poisons and Therapeutic Goods Act and Regulation (NSW);
- Stock Medicines Act (NSW) and
- Veterinary Practice Act and Regulation (NSW).
- The legislation currently includes, but is not limited to, the following obligations:
 - The proper supply of restricted (S4) drugs, including the proper labelling of an S4 that is dispensed to a client, that the quantity of supply and purpose of any prescription is appropriate and that proper records of supply are maintained by the veterinarian;
 - The possession and supply by the veterinarian of an unregistered veterinary chemical product only occur if:
 - ◆ The product does not require registration according to the requirements of the Agvet code or;
 - ◆ The product is supplied to the veterinarian under a permit issued by the APVMA or;
 - ◆ The product is compounded and properly labelled by the veterinarian or a registered pharmacist for the treatment of a specific horse for a particular condition, when no other product registered for veterinary use can effectively treat that condition.

Since the inception of this permit system in 2015, there have been few instances where trainers have been penalised for allowing veterinary services to be provided by a veterinarian without the necessary permit.

Further, this is consistent with very few isolated incidents relating to the integrity of veterinary services.

This should provide the industry on the whole reassurance that veterinarians are, overall, compliant with the Rules of Racing.



John Keledjian
General Manager - ARFL

Function and Accreditation

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

Similar services may be provided under contract to other racing codes or competitive animal sports organisations.

Non-racing contract work which does not affect the performance of these integrity functions may also be undertaken.

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

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

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

Sampling Kits

Assembling, packaging and dispatch of sample collection kits is performed by Beehive Industries Co-operative.

In an enrichment of an already 15-year partnership with Racing NSW, the contract work has allowed Beehive Industries to support a greater number of seniors and persons with a disability.

Sampling kits for urine and blood collection are distributed to all racing regional areas in New South Wales and to other clients around Australia.

The kits involve several layers of security and are uniquely numbered to enable tracking to ensure that all kits are accounted for.

Non-compliance with sampling protocols during the collection process is monitored and reported to the Stewards for investigation.

Analysis of Samples

Over 26,000 animal samples are tested annually with only a very small percentage found to contain prohibited substances (Table 1).

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

TABLE 1 – ANIMAL SAMPLE STATISTICS 1 JULY 2018 TO 30 JUNE 2019

	Total urine	Total Blood	TCO2 tests	OC tests	Cobalt tests	Enhanced testing	Prohibited Substances Detected
Metro T'breds NSW	2015	6366	3699	–	2287	8171	4
Provincial T'breds NSW	1480	1511	1077	–	1082	444	3
Country T'breds NSW	3933	2323	932	–	2200	1254	11
Other clients	3188	6049	3667	–	630	954	40
TOTAL	10616	16249	9375	–		10823	58
Out-of-competition T'breds				3301	14		
Out-of-competition Others				740			
TOTAL				4041			

OC – Out of Competition tests

The ARFL also performs 'B' sample referee counter analyses to confirm the findings of other Australian and international racing laboratories. From 1 July 2018 to 30 June 2019 this totalled 107 confirmatory requests.

The number of special exhibit samples tested by the ARFL this year totalled 200.

These included unregistered products seized by Stewards and members of the Surveillance and Intelligence Unit such as powders, feed, syringes and liquids.

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

Horse handlers were tested this year in accordance with AR.81BB. Approximately 5.2% of these samples were found to contain banned substances (Table 2).

TABLE 2 – HUMAN SAMPLES STATISTICS 1 JULY 2018 TO 30 JUNE 2019

Human Samples	Urine	Banned Substances Detected
Metropolitan NSW	235	14
Provincial NSW	122	7
Country NSW	345	15
Other Racing NSW	17	1
Other clients	15	1
TOTAL	734	38

Research and Development

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

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

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

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

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

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

Racing NSW Equine Biological Passport (EBP)

Racing NSW has made a significant investment over the past five years to develop and implement the Equine Biological Passport (EBP), a world-first for Thoroughbred racing. Development of the analytical component which is managed by the ARFL continued in 2018/19 to include 25 biomarkers that can be compared for each horse over time to provide intelligence concerning novel doping threats.

Statistical modelling of longitudinal biomarker data can identify abnormal trends in horses that result from doping.

In addition, at the request of Racing NSW Stewards, samples are frozen at minus 80 degrees Celsius for re-testing at a later stage when additional biomarkers are included in the EBP.

Quality Assurance

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

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

Procedures are also regularly assessed through the blind analysis of spiked samples or samples obtained from drug administration trials.

The ARFL scored 100% in the 2019 International Proficiency Testing Program used to assess all Racing Laboratories worldwide.

ARFL also participates in human urine and saliva external proficiency testing programs to monitor human analytical procedures.

Key Milestones

The ARFL has invested significant time and resources towards expanding the surveillance coverage of designer anabolic steroids in both raceday blood and urine samples to combat the threat.

Drug screens target a wide range of illicit steroids that can be readily procured over the internet. In a first-time detection, the ARFL reported the presence of testosterone cypionate in a show horse blood sample.

The detection of low-level equine prohibited and therapeutic substances and human medications in horse biological fluids has prompted Racing NSW Stewards to notify trainers of the risk of contamination in stables with the need to take suitable precautions to avoid such occurrences.

The scope of testing conducted on blood samples at the ARFL was increased further this year with an enhanced testing program implemented for *The Everest* and *The Championships* across the state.

This included additional testing performed on both out-of-competition and raceday samples. Testing to accommodate the rule banning the use of anabolic steroids (AR.178H.) for both Racing NSW and external clients were again performed.

At the request of Racing NSW Stewards, equine urine and blood samples were analysed by the National Measurement Institute to detect the presence of cobalt in accordance with AR.178C. (1)(l) against the threshold level of 100 micrograms per litre in urine and 25 micrograms per litre in plasma.

Additional Clients

ARFL's major external clients during the July 2018-June 2019 period were Harness Racing NSW, Darwin and Alice Springs Turf Clubs, Equestrian Australia and Canberra Race Club. Other clients include Royal Agricultural Society, Show Horse Council of Australia and Inglis Bloodstock.

In addition, the ARFL's capabilities are utilised by external clients undertaking pharmacokinetic studies of drugs in various animal species.



Peter Beer
General Manager –
Development & Promotions

FUNCTIONS

Racing NSW's Marketing, Media and Digital department is responsible for Racing NSW marketing, media, digital and public relations activities. Key objectives include: -

- To raise the profile of and generate engagement with NSW racing as a sport;
- To raise the international profile of NSW racing;
- To nurture and develop *The Everest*, *The Golden Eagle* and *The Championships* into world-class concepts and
- To generate positive brand identity for Racing NSW.

Developments and Achievements

The Marketing, Media and Digital department has expanded and improved social media output, tailor-making it to what the public wants including race previews and tips, and: -

- Providing tips on the major NSW race meeting every day of the week. The tips are also distributed via the Sydney Morning Herald's print edition and social media channels;
- Speed maps produced by the Stewards panel for metro meetings;
- 'Off the Map' – a podcast produced by a member of our team and member of the Stewards panel, explaining the weekend's speed maps. This podcast is only produced during carnival times;
- 'Ready to Win' – a 60 second video with audio of two horses chosen by our team, of horses that are ready to win;
- 'Best Bet' – a 60 second video with audio for metro Wednesday and Saturdays;
- 'Punters Intelligence Spotlight' – a weekly 60 second video with audio of a horse to watch;
- 'Punters Intelligence Sectional Star' – a weekly graphic with facts;
- 'Trial Tracker' – a 60 second video with audio highlighting horses to follow from the trials and;
- 'Punters Intelligence Wrap' – a weekly recap of the weekend races.

All of the aforementioned are based on data supplied through Racing NSW's Punters Intelligence App.

Punters Intelligence provides punters and race fans with a powerful and accurate tool to assess the performance of every horse in a race.

Punters Intelligence provides the ultimate tool to access vital information of a horse's performance and view dynamic 3D simulated replays of the race, control camera angles, speed, and playback options as well as select data to be viewed throughout the race.

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

The Punters Intelligence App is proving very popular with up to a thousand new users per month.

Substantial gains have been made in promoting racing to a wider audience through all channels of media and particularly our social media platform. Racing NSW acknowledges that racing is in a very competitive environment and it is vitally important that we communicate and promote our industry with the younger demographic to grow the industry over the long-term.

Social Media

Our social media platform, namely, Instagram, Twitter, Facebook and LinkedIn have continued with very strong growth from the previous year. This has been achieved by improved and relevant content.

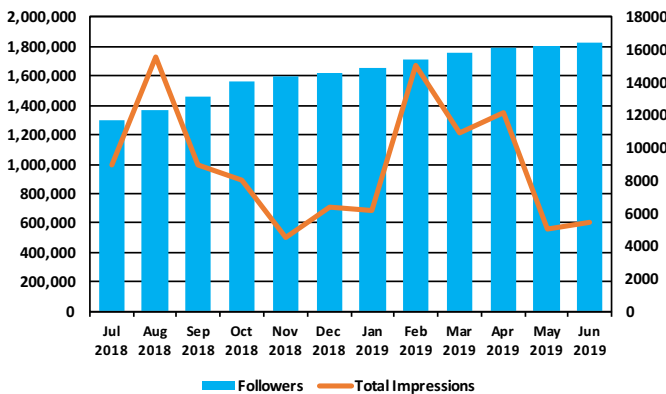
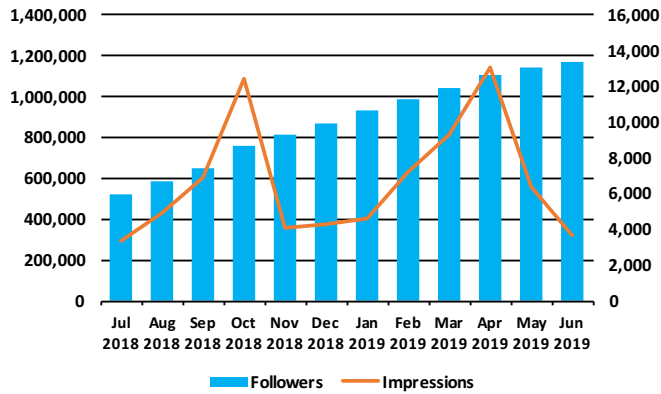
Some of the features of the Marketing, Media and Digital team's improved content include: -

- The leading coverage of *The Everest* with all the news and information on the slot owners, possible contenders, nominated contender announcements and the form of nominated contenders covered comprehensively.

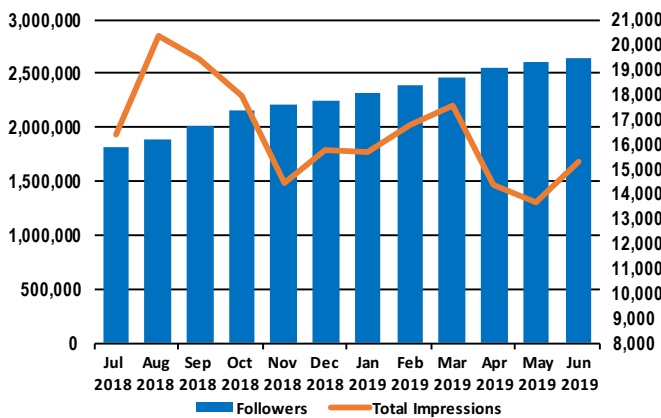
Leading up to and during *The Championships* and *The Everest*, impressions have reached further record levels.

INSTAGRAM

FACEBOOK



TWITTER



- You can follow Racing NSW News (in excess of 19,000 followers) via the handle @racing_nsw
- Racing NSW Stewards also regularly post news and updates on their Twitter account with over 5,000 followers. The Stewards' handle is @RNSWStewards
- Racing NSW Handicapping Department is also part of Twitter enabling fans and participants a 'direct line' to the handicappers with over 1,950 followers. You can find the handicappers via – @RNSWHandicappers
- Racing NSW Magazine which has more than 900 followers via – @RacingNSWMagaz

Website and Digital Enhancements

A major new initiative during the year was the addition of the Stewards vision in the video replays.

The stewards' replays have attracted strong interest, with over 72,000 unique views since its launch in February 2019.

This improvement, along with video form, race replays on all NSW TAB race meetings, barrier trials and the inclusion

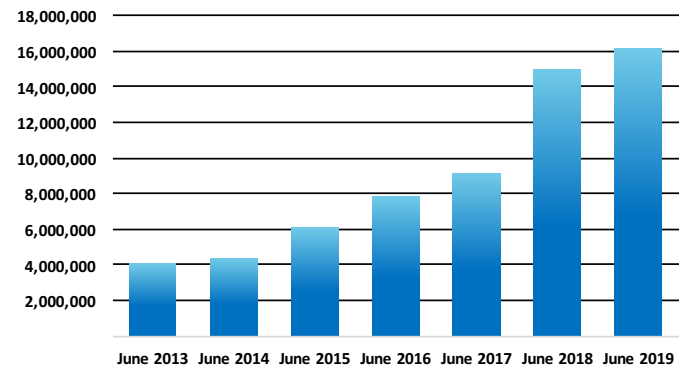
of live racing integrated on the home page provide punters and interested racegoers with the best possible platform for their endeavours.

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

From 3.8 million visits in 2010/11, the Racing NSW website this year received more than 16 million visits.

Racing NSW website traffic via mobile devices now represents approx. 60% of total website traffic.

RACING NSW WEBSITE – TOTAL VISITS



The Everest

'THE RICHEST RACE ON TURF IN THE WORLD'

Redzel, ridden by Kerrin McEvoy and trained by Peter and Paul Snowden, triumphed in the 2018 running of *The Everest*.

This followed their success in the inaugural running of the race the previous year. The successful slot holder for 2018 was Yu Long Investments.

The second running of *The Everest*, which is covered in greater detail in the Chief Executive's Report, was an outstanding success creating widespread interest, particularly targeting a younger audience.

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

- Building *The Everest* brand;
- Securing increased attendance and targeting a younger non-racing audience and
- Increasing interest and awareness to successfully flow through to an increase in wagering.

This was achieved by:

- Providing a dedicated *The Everest* website with comprehensive news and information and everything you need to know about the race/event/day;
- Production of a 15 second radio commercial;
- The extremely successful \$100,000 'Chance to Win' Byron Bay cookie promotion. Byron Bay cookies (100,000) were given away at nine different train stations over a two-week period;
- Numerous presentations of *The Everest* trophy for both media and public events leading into the race;
- The creative for a billboard promotion around Sydney's major traffic points and metro bus advertising;
- The creative for major promotion with News Corp and Nine (previously known as Fairfax) titles both print and digital; and
- Partnering NSW Business Chamber in organising a 500+ seat Everest Business Leaders lunch on *The Everest* eve.

The Championships

'THE GRAND FINALS OF AUSTRALIAN RACING'

The fifth year of *The Championships* was held at Royal Randwick on Saturday 6 and 13 April 2019, featuring 12 *The Championships* races of which eight are Group 1 races.

The Championships Day 2 saw increased prizemoney for the Arrowfield 3YO Sprint (Group 2) and the Percy Sykes Stakes (Group 2), both increased by \$400,000 to \$1 million. Total prizemoney over the two days came to a record \$21.2 million.

The highlight, of *The Championships* Day 1 was Santa Anna Lane winning the TJ Smith Stakes (Group 1) and Brutal winning The Star Doncaster Mile (Group 1).

During *The Championships* Day 2, the highlight was undoubtedly champion mare Winx producing her 33rd consecutive victory in the Longines Queen Elizabeth Stakes (Group 1).

A superb day's racing, which was also Winx's final race, set a modern-day Royal Randwick attendance record of 43,833.

- The Marketing, Media and Digital team provided: -
- A dedicated *The Championships* website with comprehensive information and news
- Dedicated *The Championships* Twitter, Facebook and Instagram accounts
 - ♦ Facebook followers have increased to 9,900 (2018 – 9,500)
 - ♦ Twitter followers have increased to 5,600 (2018 – 5,000)
 - ♦ Instagram followers has increased to 2,200 (2018 – 1,700)

The Country & Provincial Championships

The Country & Provincial Championships goes from strength-to-strength.

In particular, the Country Championships is being embraced by racing participants and the general public and has generated unprecedented interest and coverage.

A series of eight Country qualifying races – each worth \$150,000 (except the Wild Card at Muswellbrook – \$50,000) and five Provincial qualifying races – each worth \$150,000 – were held in February-March with the qualifying horses competing in the \$500,000 Country Final and \$500,000 Provincial Final at Royal Randwick in Sydney.

Each race meeting where a Country heat was conducted was a Racing NSW Country Showcase meeting, with all other races on the program carrying a minimum of \$30,000 prizemoney.

For the Provincial Championships in 2019, qualifying races at Provincial racecourses were held, for the second time, on Saturdays leading into *The Championships*.

The sequence of Saturdays provided the best chance for racegoers at Provincial tracks to get behind the Provincial Championships in the same manner as the Country Championships.

The Saturday racedays resulted in increased attendances and wagering turnover.

The Country Championships Final was taken out by Noble Boy trained by Todd Blowes (Queanbeyan) and ridden by Hugh Bowman.

The Provincial Final was taken out by Bobbing trained by Bernie Kelly (Hawkesbury) and ridden by Koby Jennings.

2019 COUNTRY CHAMPIONSHIPS

DATE	VENUE	DISTANCE	REGION
Sun 10 February	Dubbo	1400m	Western
Sun 17 February	Port Macquarie	1200m	Mid North Coast
Sat 23 February	Albury	1400m	Southern Districts
Sat 2 March	Goulburn	1400m	South East
Sunday 3 March	Mudgee	1400m	Central Districts
Sun 10 March	Tamworth	1400m	Hunter & North West
Sun 17 March	Grafton	1400m	Northern Rivers
Sun 24 March	Muswellbrook	1280m	Wild Card – All Regions
Saturday 6 April	ROYAL RANDWICK	1400m	FINAL

2019 PROVINCIAL CHAMPIONSHIPS

DATE	VENUE	DISTANCE
Sunday 24 February	Hawkesbury	1400m
Saturday 9 March	Newcastle	1400m
Saturday 16 March	Gosford	1200m
Saturday 23 March	Kembla Grange	1400m
Saturday 30 March	Wyong	1350m
Saturday 13 April	ROYAL RANDWICK FINAL	1400m

The Marketing, Media and Digital team's involvement in the Metro, Provincial and Country Championships included: -

- Co-producing separate 30-second Country Championships and special Winx television commercials;
- Creative for ads, wraps and inserts in the Daily Telegraph, Sydney Morning Herald and The Sportsman;
- Creative for digital home page buy-out of Daily Telegraph;
- Creative for outdoor billboards at major metro traffic sites;
- Concentrated social media campaign targeting geographical area of each Country and Provincial heat;
- Creative for regional newspapers digital and print editions;
- Coordinating Ray Hadley, of 2GB, to do an Outside Broadcast on the Friday morning at the racecourse, leading in to the Hawkesbury heat;
- Organising a VIP function at all Country Championships heats, involving the local community and businesses, endeavouring to strengthen the bond and create future opportunities for their involvement in the local racing.

ADDITIONAL PROJECTS

Weekly Communications – Tip Sheet, Front Runner, Industry Media Update & Owners Email

- As part of our expanded coverage of racing and form, we are now producing daily 'tips' for the major NSW race meeting of the day. The Tip Sheet is posted on the Racing NSW Website and distributed via our social media channels plus through the Sydney Morning Herald print and social media channels;
- The weekly e-Newsletter 'Frontrunner' is sent to over 10,000 subscribers each week with a mix of stories, raceday selections and insights into the industry;

- Open rates of the newsletter have continued to remain strong in 2019 as we have focused on providing more interesting information delivered in a timely manner each Thursday;
- A weekly media update is sent on Wednesdays to all licensed personnel with important industry updates, top news stories and new information relevant to the recipients;
- The owners email service has been upgraded with the owners of all horses running in NSW receiving an automated results email after the running of each race, linking to a race replay; and
- The nominations email sent prior to each race meeting is now also automated and continues to provide owners with all the information they need when they have a runner in New South Wales.

Additional Media and Public Relations

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

We are also responsible for the monthly Racing NSW Magazine, the Racing NSW Annual Report and the publication of a wide range of industry media releases and advices throughout the season.

Racing NSW Magazine, with a print run of more than 2,700 and boasting a National and International subscriber base, continues to be a vital source of information for stakeholders, participants, breeders and the general public.

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

We also collate and maintain the point score of the prestigious Bart Cummings Medal and provide updates on the Racing NSW website and Racing NSW Magazine.

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

Final standings – 2018/19 Bart Cummings Medal

133 Chris Waller	67 James McDonald
59 James Cummings	51 Hugh Bowman
44 Tommy Berry	39 Kerrin McEvoy
34 Tim Clark	31 Gai Waterhouse/Adrian Bott
30 Robbie Dolan	28 Josh Parr
27 Blake Shinn	25 Team Hawkes
24 Jason Collett	23 Tye England
19 Team Snowden	

Racing NSW also provides other awards such as the TJ Smith award (top Sydney trainer – Chris Waller), George Moore award (leading Sydney jockey – James McDonald) and Theo Green award (top apprentice – Robbie Dolan).

Another popular award now into its seventh year is the Sydney Strapper of the Year award which was won from by Alexandra Maher from the John O'Shea stable. The award is coordinated by Racing NSW and Australian Racing Christian Chaplaincy.

The final two awards given out by Racing NSW at the annual 'Night of Champions' is the BOBS Horse of the Year

(won by River Bird receiving bonuses of \$73,125) and the NSW Racing Writers' Personality of the Year, awarded to Nini Vascotto.

The Daily Telegraph's Ray Thomas said: "Nini is a wonderful ambassador for Sydney racing, both in her role with the Australian Turf Club and her prolific social media presence, where she promotes the sport to a wider audience. She presents racing in a positive light despite having to deal with her own quite significant health issues. Nini is an extraordinarily brave woman and an inspiration to many."

Young Professionals in Racing

Young Professionals in Racing has celebrated its seventh successful year with close to 400 membership renewals and sign ups.

The Sydney-based not-for-profit organisation engages people aged 18-40 in Thoroughbred horse racing with events, then facilitates deeper involvement by encouraging members to purchase a race club membership or invest in a share in a racehorse.

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

Members pay a fee of \$100 every six months (this increased from \$100 per year on 1 July 2018) and are then invited to attend all YPR raceday events free of charge.

YPR is able to heavily subsidise events thanks to ongoing sponsorship from TAB, Bowermans Office Furniture and Grant Bloodstock.

YPR also receives support in the form of prizes and discounts for members from Australian Turf Club, GlamCorner, Tailor and Co, Mosman Dentistry, Eve 'til Dawn, Mr Fierze, TAB, Dianne Barbour Millinery, Get Racy, Wests Tigers, Embellish Atelier, Style Dr, Hawkesbury Race Club, The Lord Roberts Hotel and Chris Waller Racing.

In the financial year to 30 June 2019, YPR hosted two raceday events at Royal Randwick, one at Rosehill Gardens, one at Warwick Farm, one at Canterbury Park and one at Hawkesbury Race Club.

They also hosted an autumn trackwork breakfast with Gai Waterhouse and Adrian Bott, as well as two networking nights in Sydney's CBD where Adrian Bott, Kerrin McEvoy, Dave Stanley and some of Redzel's owners were the guest speakers. A professional head shot night rounded out the function list.

Overall, close to 1000 people attended YPR functions during the 2018/19 financial year including NRL stars Robbie Farah, Sam Burgess, George Burgess, Chris Saab, Jamie Soward and Adam Reynolds, Wests Tigers coach Michael Maguire, reporters Yvonne Sampson, Chris O'Keefe, Julie Snook, Zara James, Gabrielle Boyle and Jessica Dietrich, Sky personalities Jaimee Rogers, Kristen Fahd, Andrew Hawkins and Dave Stanley, and actor Hugo Johnstone-Burt.

Trainers Chris Waller, Adrian Bott, Bjorn Baker, Clare Cunningham and Luke Pepper, *The Everest* slot holder Max Whitby and jockeys Brenton Avdulla, Kerrin McEvoy and Kayla Nisbet also attended YPR functions in the past 12 months.

YPR Director Julieanne Horsman and YPR member Kathy O'Hara were both profiled on Sky's Women in Racing program with Lizzie Jelfs.

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

BOBS has entered its 17th year and gets stronger each season, having paid out 1324 bonuses during the 2018/19 racing season for a total of \$12.5 million including bonuses and double-up vouchers.

These figures show how successful the BOBS scheme is, but even more impressive when paired with BOBS Extra where last season an extra \$666,250 was distributed to owners of BOBS Extra horses.

BOBS continues to grow each season, with more breeders and owners nominating stallions and two-year-old horses – this in turn leads to more bonuses being paid out and therefore, more nominations.

And the fact that BOBS bonuses can be won at all NSW tracks (except in Group and some Listed Races), means that trainers and owners racing outside of the Metropolitan tracks can continue to race their horses closer to home, reducing travel and increasing the competition and class of racing at Provincial and Country racecourses.

BOBS mare bonuses commenced in August 2017 and in accordance with a proposal from the Thoroughbred Breeders of NSW, the conditions of BOBS were altered to

pay bonuses to the owners of mares breeding to BOBS-eligible stallions.

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

The change has added a further \$2.2 million annually to bonus payments from BOBS to the owner of mares. Racing NSW funds \$1.1 million of the additional monies to broodmare owners.

Some quick facts on BOBS: -

- In 2018/19, there were 1324 BOBS bonuses paid;
- Racing NSW has paid out more than \$147.5 million in bonus prizemoney since BOBS began 17 years ago;
- Of the BOBS bonuses won, two-year-old horses won 188 (14%) and three-year-old horses accounted for 1136 (86%) wins;
- Some 16 of the 18 leading sires by value of bonuses are Australian-bred, and
- Since the double-up option was introduced in January 2005, more than \$42 million has been put back into the NSW Breeding Industry through this scheme, benefitting not just breeders, but also owners and trainers.

BOBS BONUSES WON BY NUMBER PER MONTH

	15/16	16/17	17/18	18/19
August	43	52	54	66
September	66	63	81	69
October	82	89	88	70
November	85	86	91	97
December	88	92	92	100
January	106	106	106	94
February	110	103	100	112
March	115	99	121	123
April	134	147	133	117
May	139	147	150	155
June	126	155	134	162
July	133	162	157	159
TOTAL	1227	1301	1307	1324

BOBS EXTRA BONUSES WON BY NUMBER PER MONTH

	15/16	16/17	17/18	18/19
August	26	11	11	8
September	11	12	7	12
October	14	19	13	7
November	19	14	11	12
December	15	10	18	9
January	8	15	13	6
February	8	10	7	6
March	14	3	8	3
April	11	6	9	8
May	6	4	10	7
June	5	6	7	5
July	12	11	8	5
TOTAL	149	121	122	88

SEASON 2018/19 – BOBS BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
Snitzel	Arrowfield Stud	\$693,281	83
I Am Invincible	Yarraman Park Stud	\$573,750	64
Exceed and Excel	Godolphin	\$354,375	42
Fastnet Rock	Coolmore Stud	\$303,750	29
Epaulette	Godolphin	\$293,906	35
Pierro	Coolmore Stud	\$286,875	34
Medaglia d'Oro (USA)	Godolphin	\$278,437	33
Sebring	Widden Stud	\$275,625	33
Star Witness	Widden Stud	\$254,531	36
Zoustar	Widden Stud	\$236,250	30
So You Think (NZ)	Coolmore Stud	\$230,625	31
All Too Hard	Vinery Stud	\$220,781	32
Smart Missile	Arrowfield Stud	\$220,781	32

SEASON 2018/19 – BOBS EXTRA BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
So You Think (NZ)	Widden Stud	\$80,000	4
Dylan Thomas (Ire)	Coolmore Stud	\$65,000	8
High Chaparral (Ire)	Coolmore Stud	\$50,000	8
Street Cry (Ire)	Godolphin Stud	\$40,000	4
Uncle Mo (USA)	Coolmore Stud	\$40,000	2
Tickets	Widden Stud	\$30,000	2
Teofilo (Ire)	Godolphin Stud	\$26,250	4
Sebring	Widden Stud	\$25,000	4
Pendragon (NZ)	Think Big Stud	\$25,000	2

SEASON 2018/19 – BOBS BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
River Bird	Epaulette	Jason Coyle	\$73,125	4
Kapajack	Lonhro	Michael, Wayne & John Hawkes	\$67,500	3
Handle the Truth	Star Witness	Keith Dryden & Scott Collings	\$61,875	5
Wagner	Bernardini (USA)	James Cummings	\$56,250	4
Ljungberg	I Am Invincible	Ron Quinton	\$56,250	3
Notation	Fastnet Rock	David Hayes & Tom Dabernig	\$56,250	3
Quackerjack	Not A Single Doubt	Mark Newnham	\$56,250	3
Signore Fox	Exceed and Excel	Peter & Paul Snowden	\$45,000	4
Sylvia's Mother	Snitzel	Michael, Wayne & John Hawkes	\$45,000	4
Call Me Royal	Sebring	Gai Waterhouse & Adrian Bott	\$45,000	3
Fasika	So You Think (NZ)	Joseph Pride	\$45,000	3
Reelem In Ruby	Pierro	Peter & Paul Snowden	\$45,000	3
Zalatte	Medaglia d'Oro (USA)	Chris Waller	\$45,000	3
Gongs	Dawn Approach (Ire)	James Cummings	\$45,000	2
Military Zone	Epaulette	Peter & Paul Snowden	\$45,000	2
Royal Celebration	Excelebration (Ire)	Ron Quinton	\$45,000	2
Splintex	Snitzel	Mark Newnham	\$45,000	2
Time to Reign	Time for War	Gary Portelli	\$45,000	2

SEASON 2018/19 – BOBS EXTRA BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
So You Win	So You Think (NZ)	Chris Waller	\$60,000	3
Dylan's Romance	Dylan Thomas (Ire)	Marc Conners	\$50,000	5
Cosmologist	Uncle Mo (USA)	Joseph Pride	\$40,000	2
Royal Stamp	Tickets	Marc Conners	\$30,000	2
Semper Fidelis	High Chaparral (Ire)	Chris Waller	\$25,000	3

SEASON 2018/19 – LEADING BOBS WINNING TRAINER

Trainer	Location	Bonuses	Wins
Chris Waller	Rosehill Gardens	69	\$691,875
Kris Lees	Newcastle	105	\$665,156
Peter & Paul Snowden	Royal Randwick	74	\$663,750
James Cummings	Royal Randwick	71	\$652,500
Gai Waterhouse & Adrian Bott	Royal Randwick	51	\$489,375
Michael, Wayne & John Hawkes	Royal Randwick	38	\$433,125
Mark Newnham	Royal Randwick	37	\$36,0000
Bjorn Baker	Warwick Farm	36	\$224,000
Gerald Ryan	Rosehill Gardens	30	\$219,375
Paul Perry	Newcastle	33	\$202,500

SEASON 2018/19 – LEADING BOBS EXTRA WINNING TRAINER

Trainer	Location	Bonuses	Wins
Chris Waller	Rosehill Gardens	11	\$145,000
Marc Conners	Warwick Farm	7	\$80,000
Joseph Pride	Warwick Farm	3	\$60,000
Barbara Joseph & Paul Jones	Canberra	3	\$30,000
Jason Deamer	Newcastle	4	\$25,000
Peter Cheers	Port Macquarie	4	\$20,000
Peter Kirby	Forbes	4	\$20,000
Gerald Ryan	Rosehill Gardens	1	\$20,000

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

Appeal Panel Members

Mr Richard Beasley SC (Principal Member)

Jo-Anne Avellano	Tom Carlton	Cliff Clare
Ross Clugston	Mark Daniels	John Fletcher
Judith Foley	Tim Hale SC	Tony King
Kevin Langby	Peter Losh	Jo Madsen
Tony Marney	Carole Molyneux-Richards	James Murphy
John Nicholson	Phillip Santucci	Sharon Skeggs
Colin Tuck	Leo Vellis	

Executive for Appeal Panel

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

Avenue of Appeal

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

- The Appeal Panel, constituted under Section 45 of the Thoroughbred Racing Act 1996 (NSW), or
- In limited circumstances, the Racing Association in the region where the decision was made.

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

Appeal Panel

The Sydney-based Appeal Panel sat on 28 occasions during 2018/19, the Panel was chaired on those occasions as follows: -

Chaired By	Number of Occasions
Richard Beasley SC (Principal Member)	18
Tim Hale SC	10

Within those 28 sittings there were 42 charges Appealed. The Appeal on a further 13 charges were withdrawn either prior to or at the time of hearing.

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

Decision on Charges

AREA	UPHELD	DISMISSED	PENALTY VARIED	WITHDRAWN	\$200 REFUNDED	TOTAL CHARGES
Appeal Panel	10	32	12	13	14	55
Racing Association	1	2	2	-	1.5	3

Summary of Charges Applicable to Appeal Cases Lodged

RULE	DESCRIPTION	AMOUNT
AR8(z)	To assist in the control of racing, Stewards shall be appointed according to the Rules of the respective Principal Racing Authorities, with the following powers (z) Notwithstanding anything contained within these Rules, and not in limitation of any power conferred by these Rules, where a person has been charged with a breach of these Rules (or a local rule of a Principal Racing Authority) or a person has been charged with the commission of an indictable criminal offence, the Stewards pursuant to the authority delegated by the Principal Racing Authority, if of the opinion that the continued participation of that person in racing might pose an unacceptable risk to, prejudice or undermine the image, interests or integrity of racing, may: (a) suspend any licence, registration, right, or privilege granted under these Rules to that person; (b) prevent any horse owned (or part-owned) or leased by that person from participating in any race or official trial; (c) order that any registration of the transfer of ownership and/or training of a horse related to that person not be effected; (d) make any other direction or order related to the person which is in the interests of racing, pending the hearing and determination of the charge under these Rules, the relevant local rule or the relevant criminal charge.	2
AR80E(1)	Any person commits an offence if he has in his possession or on his premises any substance or preparation that has not been registered or labelled, or prescribed, dispensed or obtained, in compliance with the relevant State and Commonwealth legislation.	1
AR81A(1)(a)	Any rider commits an offence and may be penalised if a sample taken from him is found upon analysis to contain a substance banned by AR 81B.	1
AR131(a) and AR137(a)	A rider must not, in the opinion of the Stewards engage in careless, reckless, improper, incompetent or foul riding.	23
AR131(b) and AR137(b)	A rider must not, in the opinion of the Stewards fail to ride his or her horse out to the end of the race and/or approaching the end of the race.	3
AR135(b)	The rider of every horse shall take all reasonable and permissible measures throughout the race to ensure that his horse is given full opportunity to win or to obtain the best possible place in the field.	2
AR145	If a horse carries more than a half a kilogram in any race over the weight imposed or declared, the rider and any other person at fault may be penalized.	1

AR175(g)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who gives at any interview, investigation, inquiry, hearing and/or appeal any evidence which is false or misleading in any particular.	3
AR175(h)(ii)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who administers, or causes to be administered, to a horse any prohibited substance which is detected in any sample taken from such horse prior to or following the running of any race.	2
AR175(k)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who has committed any breach of the Rules, or whose conduct or negligence has led or could have led to a breach of the Rules.	1
AR175(l)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who attempts to commit, or conspires with any other person to commit, or any person who connives at or is a party to another committing any breach of the Rules.	2
AR175(o)(i)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person in charge of a horse who in their opinion fails at any time to exercise reasonable care, control or supervision of a horse to prevent an act of cruelty to the animal.	1
AR175(o)(iii)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person in charge of a horse who in their opinion fails at any time to provide for veterinary treatment where such treatment is necessary for the horse.	1
AR175(p)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who fails or refuses to comply with any order, direction or requirement of the Stewards or any official.	1
AR175(q)	The Principal Racing Authority (or the Stewards exercising powers delegated to them) may penalize any person who in their opinion is guilty of any misconduct, improper conduct or unseemly behaviour.	1
AR175A	Any person bound by these Rules who either within a racecourse or elsewhere in the opinion of the Principal Racing Authority (or the Stewards exercising powers delegated to them) has been guilty of conduct prejudicial to the image, or interests, or welfare of racing may be penalised.	1
AR177	Subject to AR 177C, any horse that has been brought to a racecourse and a prohibited substance is detected in any sample taken from it prior to or following its running in any race must be disqualified from any race in which it started on that day.	1
AR178 and AR240(2)	Subject to AR 178C, when any horse that has been brought to a racecourse for the purpose of engaging in a race and a prohibited substance is detected in any sample taken from it prior to or following its running in any race, the trainer and any other person who was in charge of such horse at any relevant time may be penalised.	2
AR178AB(1)(b)	A person must not, without the permission of the Stewards, inject a horse, cause a horse to be injected or attempt to inject a horse, which is engaged to run in any race at any time during the One Clear Day prior to 12.01am on the day of the scheduled race.	2
AR178E(1)	Notwithstanding the provisions of AR 178C(2), no person without the permission of the Stewards may administer or cause to be administered any medication to a horse at any time on race day prior to the commencement of a race in which the horse is engaged to race.	1
AR228(b)	A person must not engage in misconduct, improper conduct or unseemly behaviour.	1
LR80A(1)	A person must not, whilst driving a motor vehicle on a registered racecourse, public thoroughfare or grounds associated with a registered racecourse lead a horse from a motor vehicle in any manner including, but not limited to, by tethering a horse either behind or to the side of a motor vehicle or the use of any apparatus being towed by a motor vehicle.	2
TOTAL		55

REPRESENTATION TABLE

	Dismissed	Upheld
Represented by Solicitor/Master	26	6
Represented Self	6	4
Totals	32	10

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

Racing Appeals Tribunal

Racing Appeals Tribunal comprised of:

David Armati, *Racing Appeals Tribunal*
 Anthony Lo Surdo SC, *Acting Racing Appeals Tribunal*

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

There were 4 Appeals determined by the Racing Appeals Tribunal during 2018/19 which comprised 28 charges: -

Presided Over By	Dismissed	Upheld	Withdrawn
Mr D Armati	26	-	2
Total	26	-	2



John Galvin
General Manager –
Workers Compensation

WORKERS COMPENSATION

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

The Fund also extends workers compensation indemnity to jockeys injured in the Australian Capital Territory.

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

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

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

2018/19 Performance

During 2018/19 the Racing NSW Workers Compensation Fund received 526 new claims which represented a decrease of 3.8% on the 547 claims that were received during 2017/18.

The Fund experienced a claims revenue to claims costs surplus of \$2 million during 2018/19 due primarily to the lower claims incidence and a further reduction in the average claims cost.

Recent analysis by the State Insurance Regulatory Authority showed that the return to work rates of racing industry workers was better than the average across the overall NSW workers compensation jurisdiction and this translated to a reduction in the payment of weekly compensation.

The actuarial valuation of the possible future liability of the Fund at 30 June 2019 was assessed at \$43.8 million which was a deterioration of \$1.6 million on the valuation

at 30 June 2018 of \$42.2 million.

Although the valuation of the possible future claims liability valuation increased, it fell below the assessed future liability \$44.6 million which had been forecast in the 2018 actuarial assessment.

Despite the deterioration in the actuarial valuation and the adjustment to the Fund's result, an overall profit of \$400k was recorded for 2018/19.

The Fund's sound performance during 2018/19 is reflective of the following positive factors:

- Year on year improvement in claims finalisation as a result of early recovery from injury and return to work;
- Lower than expected incurred costs of claims (across all claim years);
- Reduction in the average claims costs, and
- Better than average return to work rates.

The Board of Racing New South Wales has set a strategic target of maintaining a reserve of \$5 million.

It is pleasing to note that the profit for 2018/19 means that the target has now been achieved with reserves totalling \$5.1 million.

The Fund has continued perform soundly over recent years having overcome an accumulated deficit which peaked at \$9.2 million at the end of the 2010/11 financial year.

2018/19 Actuarial Assessment

The 2018/19 actuarial assessment was conducted by Finity Consulting Pty Ltd ("Finity").

The actuarial central estimate of Racing NSW's outstanding workers compensation claims liability as at 30 June 2017 is \$36.4 million (net of reinsurance recoveries and including an allowance for claims handling expenses).

The estimate of the outstanding claims liability includes an allowance for future inflation of claims payments at 2.5% per annum (reduced from 3% in 2018) and is discounted at 1.5% per annum (a worsening of 1.25% from 2018) to allow for future investment income earned between the valuation date and expected payment date. The decrease in the discount rate implies reduced investment earnings and has impacted adversely on the

SUMMARY OF ACTUARIAL ESTIMATE OF OUTSTANDING CLAIMS LIABILITIES

	Estimate of Liability as at 30 June 2019 (\$m)	Projected Estimate of Liability to 30 June 2019 (2018 Valuation) (\$m)	Estimate of Liability as at 30 June 2018 (\$m)	Projected Estimate of Liability to 30 June 2020 (2018 Valuation) (\$m)
Net Central Estimate ¹	36.4	37.2	35.2	38.4
Risk Margin	7.2	7.4	7.0	7.7
Outstanding Claims Provision ²	43.8	44.6	42.2	46.1

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

assessed future liability.

At 30 June 2019, the net provision for outstanding claims liability (inclusive of a 20% prudential margin) is \$43.8 million.

This represents a decrease of \$0.8 million on the projection of \$44.6 million made in the 2018 valuation.

The current valuation of \$43.8 million represents an increase of \$1.6 million on the Fund's assessed liability of \$42.2 million as at 30 June 2018.

Finity found that the Fund's claims experience and management generally exceeded expectations and there were significant improvements in incurred claims costs and average claim size assumptions.

The deterioration in the valuation was attributed to external economic factors particularly the decrease in the discount rate which was assessed to have an adverse impact on the valuation of \$3.6 million.

Claims Incidence

There were 526 workers compensation claims received during 2018/19 which was 3.8% lower than the 2017/18 new claims incidence of 547 claims.

The new claims incidence during 2018/19 was 4% lower than the average claims incidence of 548 claims across the last five claim years. There were 242 open claims at 30 June 2019.

Claim Profiles

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

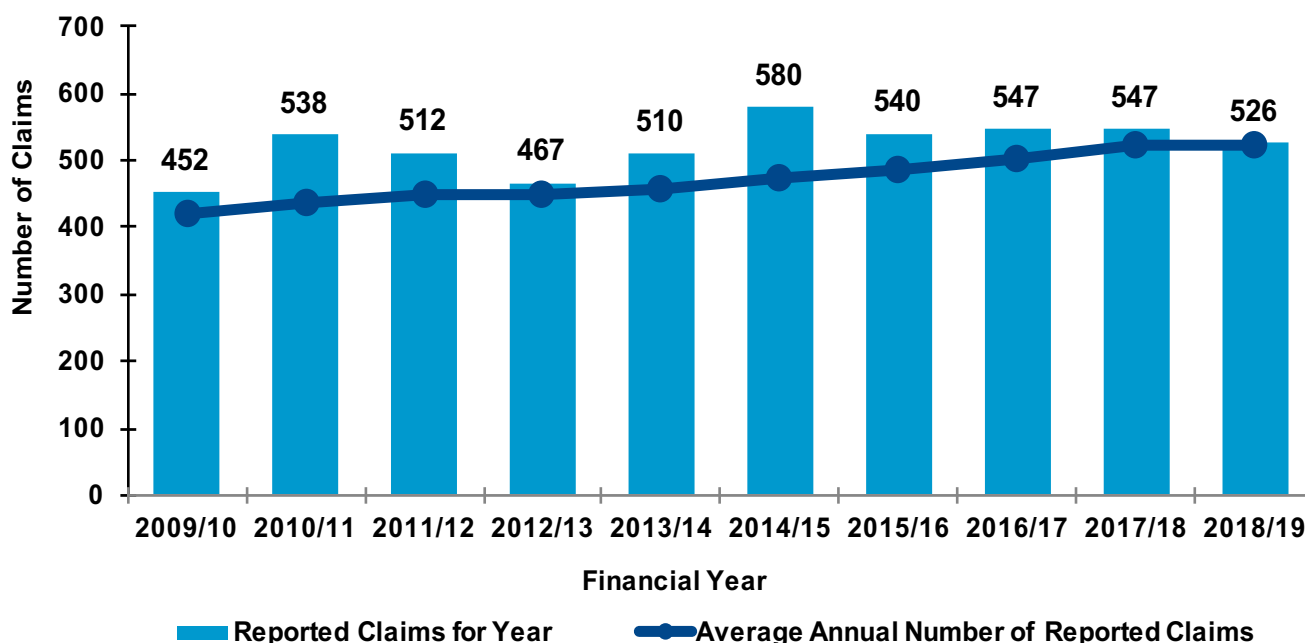
Analysis of claims data by injury type, claimant characteristics and body part are crucial to Racing NSW's ongoing development of risk mitigation strategies and industry safety standards.

The following tables provide an insight into the nature of workers compensation claims lodged during 2018/19.

The profile of the 2018/19 claims portfolio is similar to that of previous years insofar as:

- the highest incidence of injuries arises out of trackwork riding (36.5% of injuries);
- the most common mechanisms of injury arise from

INCURRED CLAIMS BY FINANCIAL YEAR



being struck in some manner by a horse (38% of injuries) and falling from a horse (33.8%), and

- injuries most commonly sustained are sprains, strains and soft tissue injuries (26.8% of all injuries), general fractures (16.8%) and trauma to joints and ligaments (17.4%).

2018/19 CLAIMS BY INJURY TYPE

Sprain, Strain or Soft Tissue Injury	141	26.81%
General Fractures	95	18.06%
Trauma to joints and ligaments	90	17.11%
Contusion, bruising and superficial crushing	52	9.89%
Laceration or open wound	30	5.70%
Trauma to muscles and tendons	19	3.61%
Superficial injury	19	3.61%
Concussion	22	4.18%
Fractured skull and facial bones (including teeth)	15	2.85%
Multiple injuries	14	2.66%
Dislocation	12	2.28%
Fractured vertebrae	6	1.14%
Internal injury of chest, abdomen or pelvis	3	0.57%
Psychological injury	2	0.38%
Burns	2	0.38%
Infection	2	0.38%
Spinal cord and nerve injury	1	0.19%
Foreign body in eye	1	0.19%
TOTAL	526	100.00%

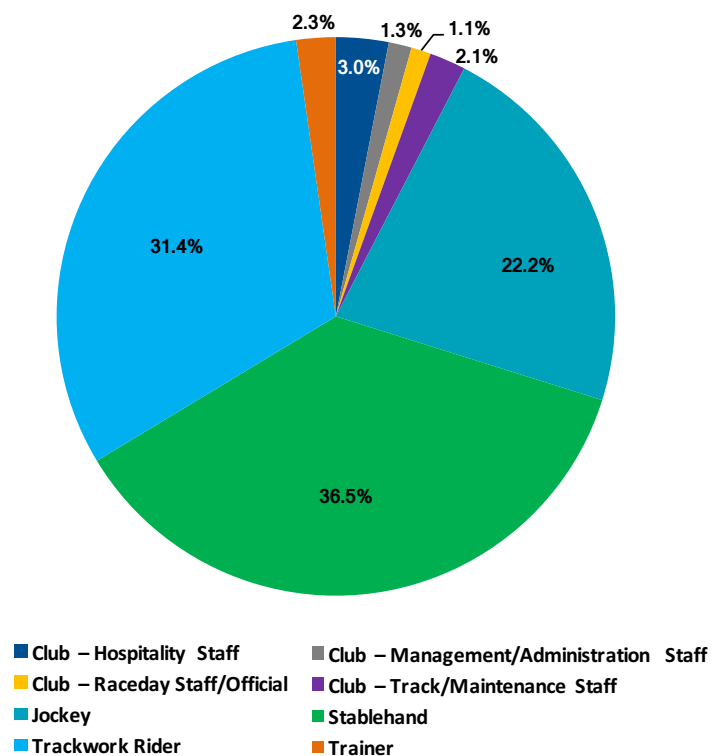
2018/19 CLAIMS BY MECHANISM OF INJURY

Being struck by a horse	200	38.02%
Falls from a horse (or other height)	178	33.84%
Being trapped between stationary and moving objects	47	8.94%
Muscular stress while lifting, carrying or handling	36	6.84%
Falls on the same level (slips and falls)	24	4.56%
Contact with machinery or moving objects	11	2.09%
Hitting stationary objects	12	2.28%
Being hit by falling objects	6	1.14%
Being bitten by a horse	5	0.95%
Workplace conflict	3	0.57%
Infection/insect bites	2	0.38%
Exposure to traumatic event	1	0.19%
Exposure to chemical or other substances	1	0.19%
TOTAL	526	100.00%

2018/19 CLAIMS BY BODY PART

Back	62	11.79%
Shoulder	58	11.03%
Foot/Toes	51	9.70%
Leg	42	7.98%
Hand/Fingers	41	7.79%
Knee	37	7.03%
Ankle	34	6.46%
Head (simple frank injury)	26	4.94%
Neck	26	4.94%
Wrist	22	4.18%
Head with concussion	19	3.61%
Arm	17	3.23%
Face/Nose	15	2.85%
Mouth/Tooth	13	2.47%
Elbow	11	2.09%
Specified multiple locations	10	1.90%
Ribs	9	1.71%
Abdomen	8	1.52%
Hip	7	1.33%
Chest/Trunk	7	1.33%
Pelvic Bones, Muscles and Tendons	5	0.95%
Psychological	3	0.57%
Eye	2	0.38%
Ear	1	0.19%
TOTAL	526	100.00%

2018/19 CLAIMS BY OCCUPATION OF INJURED WORKER



Jockey Safety Officer – Role

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

In the event of a race accident, the JSO is immediately advised of any injuries by the relevant Stewards.

The JSO then contacts the family of any affected jockey(s) to advise them of the accident and to provide any necessary support.

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

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

Dr Duckworth keeps in contact with the hospital and liaises between specialists and jockeys to determine the best course of treatment, also undertaking surgery and delivering consultation on some cases.

– Phillip O’Brien, Safety and Welfare Officer

JOCKEY SAFETY OFFICER INCIDENT REPORTS

	15/16	16/17	17/18	18/19
August	7	13	13	11
September	9	7	14	11
October	11	7	14	7
November	19	4	26	12
December	24	12	18	16
January	20	15	17	10
February	19	13	10	11
March	9	11	11	17
April	14	6	23	16
May	11	10	12	6
June	11	5	16	12
July	12	9	19	10
Total	166	112	173	139

Riding Skills Panel

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

Racing NSW Skills Panel members are Leeann Olsen, Pat Webster, Rodney Quinn and in regional areas assisted by local Stewards, and by jockey coaches Jamie Whitney, Dale Jeffries, Cassandra Schmidt, Brad Clark and Scott Thurlow.

Hearings are convened throughout NSW with the attendance of the referring Steward and in accordance

with Australian Rule of Racing AR144.

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

RIDING SKILLS PANEL HEARINGS

	15/16	16/17	17/18	18/19
August	0	2	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	0	1	1	0
January	0	0	2	1
February	0	0	0	0
March	1	0	0	0
April	0	1	0	2
May	0	0	0	0
June	0	0	0	0
July	2	0	0	1
Total	3	4	3	4

Racing Mates

Established by Racing NSW in 2016, the Racing Mates program empowers mates to look out for mates.

Services available include Clinical Psychologists, Counsellors and Assistance Hotlines. However, people are often more likely to initially reach out to a trusted peer or colleague for support.

Therefore, Racing NSW appointed Ambassadors for the program who are available as a port of call when industry participants are in need of a mate.

The Ambassadors possess a wealth of industry knowledge allowing them to relate to multifaceted concerns people may be experiencing.

Industry specific expertise combined with accredited training ensures Ambassadors can provide a crucial link between those in need and the required support.

Racing NSW mentor and welfare support contact, Pat Webster, is the face of the Racing Mates program, delivering regular workshops and visits to racetracks and stables to promote mental health and well-being in the racing industry.

As an accredited drug and alcohol mentor, Pat also raises drug and alcohol awareness to industry participants, and also delivers workshops annually at Racing NSW Apprentice Jockey Schools across New South Wales.

Further information can be found on the Racing Mates website at www.racingmates.com.au

– Pat Webster, Racing NSW Mentor

(RACING INDUSTRY CONSULTATION GROUP)

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

RICG is comprised of representatives of the following groups: -

- Thoroughbred Breeders NSW – Trevor Lobb (Chairman)
- Australian Turf Club – Steve McMahon (Vice-Chairman)
- Australian Turf Club – James Heddo
- Provincial Racing Association – Matt Benson/Greg Rudolph
- Racing NSW Country – Bob Pavitt
- NSW Jockey's Association – Tony Crisafi
- NSW Trainers Association – Glenn Burge
- NSW Racehorse Owners Association – Ray McDowell
- Unions NSW – Jeff Buhler

During 2018/19 RICG discussions were held on a

number of racing topics which included: -

- Racing NSW Strategic Plan;
- Horse Welfare;
- Racing & training infrastructure;
- Industry training and skills
- Track riders;
- Racing Australia Rule changes; and
- NSW drought relief.

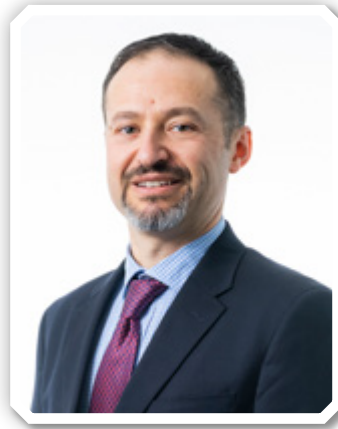
Some of the matters discussed are ongoing and will be further consulted.

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

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

- Trevor Lobb (RICG Chairman)





Ariel Paez
General Manager –
Information Technology (IT)

Racing NSW Information Technology (Racing NSW IT)

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

- Provide support to internal and external Racing NSW end users;
- Oversee the integrity and security of the Racing NSW information systems;
- System Development and Maintenance, and
- Project co-ordination and implementation.

Objectives achieved include: -

- Network Security Upgrades;
- Data protection;
- Single National System enhancements for NSW/ACT; and
- Website enhancements.

Network Security Upgrades

Latest Next Gen firewall technology providing Sandstorm sandboxing to stop unknown threats.

Integrating some of the best technology offering exploit prevention and Crypto Guard Protection combined with top performing Intrusion Prevention System.

Data Protection

Latest industry standards utilising latest hardware and cloud-based backups. Site-to-site live replication of core systems data and servers.

Single National System Enhancements for NSW/ACT

Racing NSW is continuing to work closely with Racing Australia and other Primary Racing Authorities to further enhance the Single National System.

Website Enhancements

Latest Video/Audio technologies are constantly being tested and deployed out to give the website visitors the best possible experience.



Sadly, the NSW Thoroughbred Racing Industry lost many administrators and participants over the past 12 months: -

Max Crockett

Max Crockett (74) was a legend in racing and many say he was the best horseman in the country," said Racing NSW's Chief Executive, Mr Peter V'landys AM.

"Some of the great trainers of our time entrusted Max to break in their horses and he always did an exemplary job. Max will be greatly missed by the industry."

Max was an outstanding horse breaker, having broken in more than 7000 horses for all the best trainers including Bart Cummings, Tommy Smith, Neville Begg, Jack Denham and Les Bridge. He also worked for Inglis before enjoying success as a trainer, winning races on each of the Metropolitan racecourses.

Max prepared numerous gallopers for the Foyster family including top grade American-bred galloper, Seeker's Gold.

John Fletcher

Mr Fletcher, 89, was highly regarded throughout the industry and had been a member on the Racing NSW Appeal Panel since its inception more than 22 years ago.

Mr Peter V'landys said: "This is very sad for racing as John was one of the most popular racing identities that I have been associated with.

"John's smile and bubbly personality will be missed by many people. He was not only a very passionate and conscientious racing administrator, but one of the nicest persons you would ever meet."

Mr Fletcher sat on the Board of Illawarra Turf Club for 39 years and was Vice-Chairman for several years before retiring.

The Club then asked John to be an ITC ambassador to maintain his presence and knowledge before he was awarded life membership of ITC.

Mr Fletcher was also Vice-Chairman of South-East Racing Association from 1982 and became Chairman of SERA from 1989.

In 2011, Mr Fletcher was recognised by the racing industry and received the prestigious Ted McCabe Provincial Recognition award.

John Marshall

The former top jockey died following a battle with cancer.

"John Marshall (60) was an elite jockey; humble and a thorough gentleman," said Mr Peter V'landys.

"John competed with distinction in an era with an abundance of great jockeys and his combination with the legendary Bart Cummings was one of the most successful partnerships in racing."

John won a long list of races for Bart Cummings aboard such outstanding horses as Beau Zam (AJC Derby; one of five Group 1 wins), Sky Chase, Campaign King and Shaftesbury Avenue.

John's sole Sydney jockeys' premiership was during the 1987/88 season when, with 86 wins, he defeated Jim Cassidy (65 wins).

John was also runner-up on three occasions: 1989/90 with 67 wins to Mick Dittman (75), 1986/87 with 85 wins to Malcolm Johnston (92) and in 1982/83 with 52 wins to Ron Quinton (90).

He retired in 2000 having ridden against the likes of Ron Quinton, Darren Beadman, Malcolm Johnston, Jim Cassidy, Wayne Harris and Kevin Moses.

John McNair

The former Gosford trainer passed away peacefully in WA after a short battle with pancreatic cancer.

McNair became a household name in Australian racing being the trainer of the former great sprinter Hay List who became famous for his battles with the champion mare Black Caviar through 2011 and 2012.

McNair was so much more than the trainer of Hay List as he made the trip from WA in the early 1990s to settle in NSW making his home at Somersby on the central coast.

There he turned an old orange orchid into a fantastic training establishment and trained from his Somersby base until his retirement in March 2016. McNair trained many top horses in NSW where he prepared over 335 winners.

His best horses included Highpak with 16 wins, Ears Ronny (12 wins), Sovereign Kite (11 wins) and old marvel Mustard which won 17 races – first as a 3yo and his last at the ripe old age of 13.

Peter Norrgard

The former Chairman of Gosford Race Club Chairman passed away during the year.

"Peter was also a passionate racing administrator who prosecuted his Club's case in a spirited and conscientious manner. However, most of all, Peter was a wonderful father and grandfather."

Mr Norrgard was a Director on the GRC Board since its inception in 1989 before elected to succeed Malcolm Cusick as Chairman in 2005, having served as Vice-Chairman from 1986.

In addition to his services to GRC, Peter served as Chairman of the Newcastle, Hunter & Central Coast Racing Association, and was a member of the NSW Harness Racing Authority Integrity Assurance Panel, as well as a member of the Racing NSW Appeals Committee.

In 2016 Peter was honoured with the 'Ted McCabe Recognition Award' at the Racing NSW Country & Provincial Awards night.

Dato Tan Chin Nam

The four-time Melbourne Cup-winning owner, Malaysian businessman and philanthropist died at 92. Dato's Melbourne Cup winners – Think Big (twice), Sainly and Viewed – were all trained by his long-time friend, the late Bart Cummings, who also prepared his dual Cox Plate winner, So You Think.

The pair raced horses together for more than 30 years.

Other notable passings: -

- **Neil Birney (Casino trainer)**
- **Peter Burnett (Newcastle jockey)**
- **Richard Bourke (Dubbo trainer)**
- **Steve Brem (Bloodstock advisor)**
- **Neil Cross (Casino Racing Club)**
- **Neil Dignam (Manning Valley Race Club)**
- **Bill Dunbier (Warwick Farm trainer)**
- **Bruce Edwards (Taree Race Club)**
- **Errol French (country owner)**
- **Dick Halse (Warwick Farm trainer)**
- **Michael Locke (Shoalhaven City Turf Club)**
- **Les McLennan (Port Macquarie jockey)**
- **Harry 'Matey' Molloy**
- **Debbie Moore (Betting supervisor)**
- **Tom Sewell (Hawkesbury trainer)**
- **Lee Van Den Bos (Orange trainer)**
- **Corey Vitnell (Warwick Farm stablehand)**
- **George Wright (Parkes trainer)**

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
1	WINX STAKES	1400	500,000	WINX	CHRIS WALLER
1	GEORGE MAIN STAKES	1600	500,000	WINX	CHRIS WALLER
1	GOLDEN ROSE STAKES	1400	1,000,000	THE AUTUMN SUN	CHRIS WALLER
1	EPSOM HCP	1600	1,000,000	HARTNELL (GB)	JAMES CUMMINGS
1	THE METROPOLITAN	2400	750,000	PATRICK ERIN (NZ)	CHRIS WALLER
1	FLIGHT STAKES	1600	500,000	OOHOOD	TONY MCEVOY
1	SPRING CHAMPION STAKES	2000	500,000	MAID OF HEAVEN	MARK NEWNHAM
1	CHIPPING NORTON STAKES	1600	600,000	WINX	CHRIS WALLER
1	SURROUND STAKES	1400	500,000	NAKEETA JANE	MARK NEWNHAM
1	RANDWICK GUINEAS	1600	1,000,000	THE AUTUMN SUN	CHRIS WALLER
1	CANTERBURY STAKES	1300	500,000	TRAPEZE ARTIST	GERALD RYAN
1	COOLMORE CLASSIC	1500	600,000	DIXIE BLOSSOMS	RON QUINTON
1	GOLDEN SLIPPER STAKES	1200	3,500,000	KIAMICHI	JAMES CUMMINGS
1	GEORGE RYDER STAKES	1500	1,000,000	WINX	CHRIS WALLER
1	RANVET STAKES	2000	700,000	AVILIUS (GB)	JAMES CUMMINGS
1	ROSEHILL GUINEAS	2000	600,000	THE AUTUM SUN	CHRIS WALLER
1	THE GALAXY	1100	700,000	NATURE STRIP	CHRIS WALLER
1	THE BMW	2400	1,500,000	AVILIUS (GB)	JAMES CUMMINGS
1	VINERY STUD STAKES	2000	500,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	DONCASTER HANDICAP	1600	3,000,000	BRUTAL (NZ)	M, W & J HAWKES
1	T J SMITH STAKES	1200	2,500,000	SANTA ANA LANE	ANTHONY FREEDMAN
1	ATC AUSTRALIAN DERBY	2400	2,000,000	ANGEL OF TRUTH	GWENDA MARKWELL
1	ATC SIRES PRODUCE STAKES	1400	1,000,000	MICROPHONE	JAMES CUMMINGS
1	QUEEN ELIZABETH STAKES	2000	4,000,000	WINX	CHRIS WALLER
1	ATC OAKS	2400	1,000,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	SYDNEY CUP	3200	2,000,000	SHRAAOH (IRE)	CHRIS WALLER
1	QUEEN OF THE TURF STAKES	1600	1,000,000	KENEDNA	C MAHER & D EUSTACE
1	ALL AGED STAKES	1400	600,000	PIERATA	GREGORY HICKMAN
1	CHAMPAGNE STAKES	1600	500,000	CASTELVECCHIO	RICHARD LITT
2	MISSILE STAKES	1200	200,000	PIERATA	GREGORY HICKMAN
2	SILVER SHADOW STAKES	1200	200,000	FIESTA	CHRIS WALLER
2	CHELMSFORD STAKES	1600	250,000	UNFORGOTTEN	CHRIS WALLER
2	FURIOUS STAKES	1200	200,000	PURE ELATION	P & P SNOWDEN
2	TRAMWAY HCP	1400	200,000	COMIN' THROUGH	CHRIS WALLER
2	THE RUN TO THE ROSE	1200	200,000	LEAN MEAN MACHINE	CHRIS WALLER
2	THEO MARKS STAKES	1300	200,000	HOME OF THE BRAVE (IRE)	JAMES CUMMINGS
2	SHERACO STAKES	1200	200,000	INVINCIBELLA	CHRIS WALLER
2	STAN FOX STAKES	1500	200,000	TARKA	DAVID PAYNE
2	THE SHORTS	1100	200,000	BALL OF MUSCLE	JOSEPH PRIDE
2	TEA ROSE STAKES	1400	200,000	MISS FABULASS	KRIS LEES
2	SHANNON STAKES	1500	200,000	NOIRE	CHRIS WALLER
2	GOLDEN PENDANT	1400	400,000	SHUMOOKH	G WATERHOUSE & A BOTT
2	HILL STAKES	2000	500,000	ACE HIGH	DAVID PAYNE
2	PREMIERE STAKES	1200	500,000	SANTA ANA LANE	ANTHONY FREEDMAN
2	ROMAN CONSUL STAKES	1200	300,000	SESAAR	STEVEN O'DEA

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
2	VILLIERS STAKES	1600	250,000	SKY BOY	A & E CUMMINGS
2	EXPRESSWAY STAKES	1200	200,000	ALIZEE	JAMES CUMMINGS
2	APOLLO STAKES	1400	250,000	WINX	CHRIS WALLER
2	LIGHT FINGERS STAKES	1200	200,000	NAKEETA JANE	MARK NEWNHAM
2	SILVER SLIPPER STAKES	1100	250,000	TIME TO REIGN	GARY PORTELLI
2	HOBARTVILLE STAKES	1400	400,000	THE AUTUMN SUN	CHRIS WALLER
2	MILLIE FOX STAKES	1300	200,000	WHITE MOSS	JASON COYLE
2	SKYLINE STAKES	1200	200,000	MICROPHONE	JAMES CUMMINGS
2	SWEET EMBRACE STAKES	1200	200,000	ANAHEED	PETER & PAUL SNOWDEN
2	GUY WALTER STAKES	1400	200,000	ALASSIO	G WATERHOUSE & A BOTT
2	CHALLENGE STAKES	1000	500,000	BALL OF MUSCLE	JOSEPH PRIDE
2	REISLING STAKES	1200	300,000	TENLEY	JAMES CUMMINGS
2	TODMAN STAKES	1200	300,000	YES YES YES	CHRIS WALLER
2	PHAR LAP STAKES	1500	200,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
2	AJAX STAKES	1500	200,000	FIFTY STARS (IRE)	D & B HAYES & T DABERNIG
2	TULLOCH STAKES	2000	200,000	ANGEL OF TRUTH	GWENDA MARKWELL
2	EMANCIPATION STAKES	1500	200,000	INVINCIBLE GEM	KRIS LEES
2	CHAIRMAN'S HANDICAP	2600	300,000	GALLIC CHIEFTAIN (FR)	ARCHIE ALEXANDER
2	ARROWFIELD 3YO SPRINT	1200	1,000,000	CLASSIQUE LEGEND	LES BRIDGE
2	PERCY SYKES STAKES	1200	1,000,000	ANAHEED	PETER & PAUL SNOWDEN
2	SAPPHIRE STAKES	1200	300,000	WHITE MOSS	JASON COYLE
3	UP AND COMING STAKES	1300	150,000	MASTER ASH	WATERHOUSE & BOTT
3	SHOW COUNTY QUALITY HCP	1200	150,000	LE ROMAIN	KRIS LEES
3	TOY SHOW F-&-M QLTY HCP	1300	150,000	EGYPTIAN SYMBOL	BJORN BAKER
3	SAN DOMENICO STAKES	1600	150,000	GRAFF	KRIS LEES
3	PREMIER'S CUP	1900	150,000	AVILIUS (GB)	JAMES CUMMINGS
3	MING DYNASTY QUALITY HCP	1400	150,000	DANAWI	TIM MARTIN
3	CONCORDE STAKES	1000	160,000	REDZEL	P & P SNOWDEN
3	SPRING STAKES	1600	160,000	ARAMAYO	JAMES CUMMINGS
3	CAMERON HCP	1500	160,000	NEW TIPPERARY	JOSEPH PRIDE
3	NEWCASTLE CUP	2300	200,000	CARZOFF (FR)	CHRIS WALLER
3	TIBBIE STAKES	1400	160,000	PRINCESS POSH	KRIS LEES
3	KINGSTON TOWN STAKES	2000	150,000	AVILIUS (GB)	JAMES CUMMINGS
3	BILL RITCHIE HANDICAP	1400	150,000	SIEGE OF QUEBEC	G WATERHOUSE & A BOTT
3	GLOAMING STAKES	1800	200,000	THINKIN' BIG	G WATERHOUSE & A BOTT
3	COLIN STEPHEN QUALITY	2400	160,000	MISS ADMIRATION	D & B HAYES & T DABERNIG
3	BREEDERS' PLATE	1000	160,000	DUBIOUS	CIARON MAHER & D EUSTACE
3	GIMCRACK STAKES	1000	160,000	CATCH ME	PETER & PAUL SNOWDEN
3	ANGST STAKES	1600	160,000	I AM SERIOUS	CHRIS WALLER
3	CRAVEN PLATE	2000	500,000	MOSS 'N' DALE (NZ)	PETER GELAGOTIS
3	THE NIVISON	1200	150,000	RESIN	JAMES CUMMINGS
3	FESTIVAL STAKES	1500	160,000	MY NORDIC HERO (GB)	CHRIS WALLER
3	SUMMER CUP	2000	160,000	FIERCE IMPACT (JPN)	MATTHEW SMITH
3	BELLE OF THE TURF STAKES	1600	150,000	SEXY EYES	CHRIS WALLER
3	WIDDEN STAKES	1100	160,000	AMERCEMENT	JAMES CUMMINGS

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
3	CANONBURY STAKES	1100	160,000	MCLAREN	PETER & PAUL SNOWDEN
3	ESKIMO PRINCE STAKES	1200	150,000	GEM SONG	KRIS LEES
3	SOUTHERN CROSS STAKES	1200	160,000	ECKSTEIN	KURT GOLDMAN
3	TRISCAY STAKES	1200	160,000	ALASSIO	G WATERHOUSE & A BOTT
3	LIVERPOOL CITY CUP	1300	160,000	DREAMFORCE	JOHN THOMPSON
3	NEWCASTLE NEWMARKET HCP	1400	160,000	PRINCESS POSH	KRIS LEES
3	ASPIRATION QUALITY	1600	160,000	NETTOYER	WENDY ROCHE
3	WENONA GIRL QUALITY	1200	160,000	WINTER BRIDE	TOBY EDMONDS
3	BLACK OPAL STAKES	1200	300,000	PIN SEC	JAMES CUMMINGS
3	KEITH F NOLAN CLASSIC	1600	200,000	POHUTUKAWA	JAMES CUMMINGS
3	MAGIC NIGHT STAKES	1200	175,000	KIAMICHI	JAMES CUMMINGS
3	PAGO PAGO STAKES	1200	175,000	COSMIC FORCE	PETER & PAUL SNOWDEN
3	SKY HIGH STAKES	2000	350,000	RED CARDINAL (IRE)	KRIS LEES
3	MAURICE McCARTEN STAKES	1100	160,000	EASY EDDIE	JOSEPH PRIDE
3	BIRTHDAY CARD STAKES	1200	160,000	AVANTAGE	JAMIE RICHARDS
3	EPONA STAKES	1900	160,000	SEMARI (NZ)	T BUSUTTIN & N YOUNG
3	N E MANION QUALITY CUP	2400	160,000	MIDTERM (GB)	LIAM HOWLEY
3	STAR KINGDOM STAKES	1200	160,000	SIREN'S FURY	JASON COYLE
3	T L BAILLIEU HANDICAP	1400	160,000	BELLEVUE HILL	G WATERHOUSE & A BOTT
3	NEVILLE SELLWOOD STAKES	2000	160,000	TAIKOMOCHI	G WATERHOUSE & A BOTT
3	DONCASTER PRELUDE	1500	160,000	MISTER SEA WOLF (IRE)	CHRIS WALLER
3	ADRIAN KNOX QLTY STAKES	2000	200,000	ALIFEROUS	KRIS LEES
3	CARBINE CLUB STAKES	1600	200,000	RINGERDINGDING	CHRIS WALLER
3	KINDERGARTEN STAKES	1100	200,000	BIVOUAC	JAMES CUMMINGS
3	P J BELL STAKES	1200	200,000	MULTAJA	JAMES CUMMINGS
3	JAPAN RACING ASSOC PLATE	2000	160,000	GREY LION (IRE)	MATTHEW SMITH
3	FRANK PACKER PLATE	2000	160,000	THE CHOSEN ONE (NZ)	M BAKER & A FORSMAN
3	JAMES H B CARR STAKES	1400	160,000	LABURNUM	JAMES CUMMINGS
3	HALL MARK STAKES	1200	160,000	TREKKING	JAMES CUMMINGS
3	HAWKESBURY GOLD CUP	1600	200,000	ARCHEDEMUS	GWENDA MARKWELL
3	GODOLPHIN CROWN	1300	175,000	IRITHEA	BJORN BAKER
3	HAWKESBURY GUINEAS	1400	200,000	MILITARY ZONE	PETER & PAUL SNOWDEN
3	DARK JEWEL CLASSIC	1400	200,000	CON TE PARTIRO (USA)	G WATERHOUSE & A BOTT
LR	THE ROSEBUD	1100	150,000	SANDBAR	BRAD WIDDUP
LR	ROWLEY MILE	1100	150,000	MISTER SEA WOLF (IRE)	CHRIS WALLER
LR	WYONG GOLD CUP	2100	160,000	CARZOFF (FR)	CHRIS WALLER
LR	MONA LISA STAKES	1350	125,000	SAVATIANO	JAMES CUMMINGS
LR	HERITAGE STAKES	1100	140,000	RAGGED RASCAL	PAUL PERRY
LR	DULCIFY 3YO QUALITY HCP	1600	140,000	MICKY BLUE EYES	D & B HAYES & T DABERNIG
LR	REGINALD ALLEN QLTY HCP	1400	140,000	I LIKE IT EASY	GERALD RYAN
LR	SYDNEY STAKES	1100	500,000	PIERATA	GREGORY HICKMAN
LR	CITY TATT'S CLUB CUP	2400	140,000	EXOTERIC (GB)	CHRIS WALLER
LR	BRIAN CROWLEY STAKES	1200	150,000	DIPLOMATICO	M, W & J HAWKES
LR	SKIN FITNESS CUP	1400	150,000	PECANS	JOSEPH PRIDE
LR	STARLIGHT STAKES	1100	140,000	INVINCIBLE STAR	G WATERHOUSE & A BOTT

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
LR	ATC CUP	2000	140,000	EXOTERIC (GB)	CHRIS WALLER
LR	RAZOR SHARP HCP	1200	140,000	FELL SWOOP	MATTHEW DALE
LR	CHRISTMAS CUP	2400	140,000	OUR CENTURY (IRE)	KIM WAUGH
LR	GOSFORD GUINEAS	1200	150,000	MILITARY ZONE	PETER & PAUL SNOWDEN
LR	CHRISTMAS CLASSIC	1200	150,000	ALIZEE	JAMES CUMMINGS
LR	TATTERSALLS CLUB CUP	2400	150,000	NAVAL WARFARE (IRE)	CHRIS WALLER
LR	TAKEOVER TARGET STAKES	1200	150,000	TACTICAL ADVANTAGE	KRIS LEES
LR	GOSFORD GOLD CUP	2100	150,000	SIR PLUSH (NZ)	BJORN BAKER
LR	CARRINGTON STAKES	1400	150,000	TOM MELBOURNE (IRE)	CHRIS WALLER
LR	AUSTRALIA DAY CUP	2400	150,000	ETYMOLOGY	JAMES CUMMINGS
LR	INGLIS 3YO SPRINT	1100	1,000,000	FIESTA	CHRIS WALLER
LR	INGLIS MILLENNIUM	1200	2,000,000	CASTELVECCHIO	RICHARD LITT
LR	BREEDERS' CLASSIC	1200	200,000	CHAMPAGNE CUDDLES	BJORN BAKER
LR	LONHRO PLATE	1100	140,000	BIVOUAC	JAMES CUMMINGS
LR	PARRAMATTA CUP	1900	140,000	RED CARDINAL (IRE)	KRIS LEES
LR	FIREBALL STAKES	1100	140,000	PROPHET'S THUMB	DAVID PFIEFFER
LR	RANDWICK CITY STAKES	2000	140,000	HIYAAM (NZ)	MICK PRICE
LR	CANBERRA CUP	2000	200,000	SAMADOUBT	BJORN BAKER
LR	NATIONAL SPRINT	1400	130,000	SNIPPETS LAND	PETER & PAUL SNOWDEN
LR	CANBERRA GUINEAS	1400	130,000	FINAL AWARD	MARK NEWNHAM
LR	ALBURY CUP	2000	180,000	Not run due to wet	Not run due to wet
LR	DARBY MUNRO STAKES	1200	140,000	KRONE	MICK PRICE
LR	SOUTH PACIFIC CLASSIC	1400	150,000	FASIKA	JOSEPH PRIDE
LR	FERNHILL HANDICAP	1600	150,000	POWER SCHEME	D & B HAYES & T DABERNIG
LR	HAWKESBURY RUSH	1100	125,000	INTUITION	JAMES CUMMINGS
LR	WAGGA WAGGA GOLD CUP	2000	170,000	ABDON	CHRIS WALLER
LR	SCONE CUP	1600	200,000	SPECIAL MISSILE	RICHARD & MICHAEL FREEDMAN
LR	LUSKIN STAR STAKES	1300	140,000	TREKKING	JAMES CUMMINGS
LR	WOODLANDS STAKES	1100	140,000	LIBERTINI	ANTHONY CUMMINGS
LR	DENISE'S JOY STAKES	1100	140,000	READY TO PROPHET	G WATERHOUSE & A BOTT
LR	ORTENSIA STAKES	1100	140,000	VIRIDINE	JAMES CUMMINGS
LR	LORD MAYOR'S CUP	2000	150,000	GREY LION (IRE)	MATTHEW SMITH
LR	W J MCKELL CUP	2400	150,000	HUSH WRITER (JPN)	G WATERHOUSE & A BOTT
LR	JUNE STAKES	1100	150,000	DEPRIVE	JAMES CUMMINGS
LR	WINTER CUP	2400	150,000	DESTINY'S KISS	JOSEPH PRIDE
LR	CIVIC STAKES	1350	150,000	GAULOIS	JAMES CUMMINGS
LR	RAMORNIE HANDICAP	1200	160,000	HAVASAY	TOBY EDMONDS
LR	GRAFTON CUP	2350	160,000	SACRED DAY (NZ)	TONY PIKE
LR	WINTER STAKES	1400	150,000	ECKSTEIN	CHRIS WALLER
LR	WINTER CHALLENGE	1500	150,000	SEAWAY (NZ)	CHRIS WALLER
RL	MAGIC MILLIONS WYONG 2YO CLASSIC	1100	200,000	UNITE AND CONQUER	G WATERHOUSE & A BOTT
RL	INGLIS 3YO GUINEAS	1600	300,000	WILD PLANET	M, W & J HAWKES
	THE EVEREST	1200	12,000,000	REDZEL	PETER & PAUL SNOWDEN
	ST LEGER	2600	500,000	BIG BLUE (GB)	CIARON MAHER & D EUSTACE



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GENERAL ACTIVITIES REVENUE AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	Note	2019 \$	2018 \$
REVENUE			
Revenue from Operating Activities			
Sale of Goods - Publications	4(i)	347,182	352,929
Sale of Services	4(ii)	6,968,089	5,964,681
		7,315,271	6,317,610
Revenue from Non Operating Activities			
Interest - General	4(vi)	1,862,024	1,643,419
		1,862,024	1,643,419
First Charge	4(iv)	10,178,760	9,561,720
Share of Racing Australia ("RA") Profit	10	1,485,680	1,526,006
REVENUE		20,841,735	19,048,755
EXPENSES			
Board	4(x)	681,916	657,079
Analytical	4(xi)	219,690	194,788
Finance	4(xii)	811,270	641,868
Administration and Executive	4(xiii)	4,425,884	4,630,596
Legal	4(xiv)	541,715	144,597
Licensing	4(xv)	288,463	233,516
Collection Race Fields receipts	4(xvii)	164,580	162,561
Race Results	4(xviii)	15,607	15,657
Cost of Goods Sold - Publications	4(xix)	325,351	367,187
Laboratory	4(xx)	3,199,336	2,899,905
Handicapping	4(xxi)	526,751	464,925
Stewards & Integrity	4(xxii)	5,078,690	4,654,735
Veterinary	4(xxiii)	1,002,376	998,793
Syndicates	4(xxiv)	173,319	188,624
Stakes Payments	4(xxv)	268,042	276,751
Information Technology	4(xxvi)	1,254,393	1,086,102
Racing Office	4(xxvii)	122,980	251,230
Marketing and promotions	4(xxviii)	1,398,479	1,250,648
Financing Costs	4(xxx)	29,795	28,066
Loss/ (Gain) on Disposal of Asset	4(vii)	7,277	(34,221)
EXPENSES		20,535,914	19,113,407

WORKERS' COMPENSATION FUND (NOT FOR PROFIT)

REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	Note	2019 \$	2018 \$
REVENUE			
Revenue from Operating Activities			
Workers Compensation Premiums & Revenue	4(iii)	13,792,449	13,573,864
		13,792,449	13,573,864
Revenue from Non Operating Activities			
Rent received/ Outgoings recovered	13	-	154,423
Interest received Workers Compensation	4(ix)	1,147,375	1,115,063
		1,147,375	1,269,486
REVENUE		14,939,824	14,843,350
EXPENSES			
Workers Compensation Payments	4(xxix)	10,891,702	9,977,823
Workers Compensation, Administrative, Regulatory & Reinsurance	4(xxix)	1,944,848	1,869,126
Financing Costs	4(xxx)	91,059	91,448
Investment Property Expenses	13	-	33,050
Investment Property Depreciation Expense	13	-	55,220
EXPENSES		12,927,609	12,026,667
Funds surplus before allocation of additional provision for possible future liabilities		2,012,215	2,816,683
Addition/ (Reduction) in provision for possible future liabilities		1,516,371	(46,358)
Funds Transferred to Reserves		495,844	2,863,041

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	Note	2019 \$	2018 \$
REVENUE FROM CONTINUING OPERATIONS			
Sale of Goods - Publications	4(i)	347,182	352,929
Sale of Services	4(ii)	15,197,550	13,846,223
Workers Compensation Fund Premiums & Other Revenue	4(iii)	13,792,449	13,728,287
First Charge	4(iv)	10,178,760	9,561,720
Wagering Revenue	4(v)	205,011,648	171,311,900
Interest other parties	4(vi)	3,009,399	2,758,482
Outside Broadcast	4(xxxi)	5,749,805	5,663,103
Horse Welfare	4(xxxii)	2,531,641	2,313,935
TOTAL REVENUE AND OTHER INCOME		255,818,435	219,536,579
EXPENSES			
Management of Capital Expenditure	4(viii)	396,431	450,706
Board	4(x)	681,916	657,079
Analytical	4(xi)	219,690	194,788
Finance	4(xii)	811,270	641,868
Administration and Executive	4(xiii)	4,425,884	4,630,596
Legal	4(xiv)	541,715	144,597
Licensing	4(xv)	288,463	233,516
Payments made to sustain minimum prizemoney, promotions and other commitments	4(xvi)	190,748,596	158,541,532
Collection of Race Fields receipts	4(xvii)	164,580	162,561
Race Results	4(xviii)	15,607	15,657
Cost of Goods Sold - Publications	4(xix)	325,351	367,187
Laboratory	4(xx)	3,199,336	2,899,905
Handicapping	4(xxi)	526,751	464,925
Stewards & Integrity	4(xxii)	5,078,690	4,654,735
Veterinary	4(xxiii)	1,002,376	998,793
Syndicates	4(xxiv)	173,319	188,624
Stakes Payments	4(xxv)	268,042	276,751
Information Technology	4(xxvi)	1,254,393	1,086,102
Racing Office	4(xxvii)	122,980	251,230
Marketing	4(xxviii)	1,398,479	1,250,648
Outside Broadcast	4(xxxi)	7,119,626	6,217,231
Workers Compensation Fund Expenses	4(xxix)	12,836,551	11,935,219
Financing Costs	4(xxx)	157,451	119,514
Horse Welfare	4(xxxii)	2,673,582	1,765,477
Loss / (Gain) on Disposal of Assets	4(vii)	7,277	(34,221)
Drawdown on Race Fields provision	17(b)	(3,073,923)	(12,848,987)
Capital Expenditure Provision	17(c)	10,000,000	20,000,000
Additional/ (Reduction) provision for possible future Workers' Compensation liabilities	18	1,516,371	(46,358)
TOTAL EXPENSES		242,880,804	205,219,675
Share of profit of associate (Racing Australia "RA")	10	1,485,680	1,526,006
PROFIT BEFORE INCOME TAX		14,423,311	15,842,910
INCOME TAX EXPENSE		-	-
PROFIT AFTER INCOME TAX		14,423,311	15,842,910
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		14,423,311	15,842,910

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	55,124,909	53,408,735
Trade and Other Receivables	7	30,958,542	23,201,889
Other Current Assets	8	108,836	129,984
Other Financial Assets	9	126,775,559	124,934,545
TOTAL CURRENT ASSETS		212,967,846	201,675,153
NON-CURRENT ASSETS			
Investment Accounted for Using the Equity Method	10	11,624,223	10,138,542
Other Non-Current Receivables	14	6,549,712	5,436,175
Property, Plant and Equipment - Land & Buildings	11	30,558,364	13,832,601
Property, Plant and Equipment - Other	12	17,335,325	18,654,858
Investment Property	13	1,386,485	1,441,867
TOTAL NON-CURRENT ASSETS		67,454,109	49,504,043
TOTAL ASSETS		280,421,955	251,179,196
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	55,258,827	51,101,195
Breeder Owner Bonus Scheme	16	20,558,257	20,775,929
Employee Provisions	17(a)	1,710,412	1,505,897
Race Fields Provisions	17(b)	7,500,000	11,000,000
Capital Expenditure Provision	17(c)	30,000,000	20,000,000
Workers Compensation Provisions	18	9,202,571	9,020,672
Other Liabilities	19	8,769,853	8,393,683
TOTAL CURRENT LIABILITIES		132,999,920	121,797,376
NON-CURRENT LIABILITIES			
Breeder Owner Bonus Scheme	16	5,121,451	4,955,706
Employee Provisions	17(a)	573,325	334,191
Race Fields Provisions	17(b)	26,464,945	26,038,869
Workers Compensation Provisions	18	42,516,017	39,708,860
Other Liabilities	19	55,814	77,022
TOTAL NON-CURRENT LIABILITIES		74,731,552	71,114,648
TOTAL LIABILITIES		207,731,472	192,912,024
NET ASSETS		72,690,483	58,267,172
EQUITY			
Reserves	20	72,690,483	58,267,172
Accumulated Surplus	21	-	-
TOTAL EQUITY		72,690,483	58,267,172

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	Note	Reserves \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2017		42,424,262	-	42,424,262
Profit for the year		-	15,842,910	15,842,910
Total Comprehensive Income for the Year	20	15,842,910	(15,842,910)	-
Balance at 30 June 2018		58,267,172	-	58,267,172
Profit for the year		-	14,423,311	14,423,311
Total Comprehensive Income for the Year	20	14,423,311	(14,423,311)	-
Balance at 30 June 2019		72,690,483	-	72,690,483

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

STATEMENT OF CASH FLOWS

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		285,414,524	246,985,313
Payments to suppliers and employees		(265,269,394)	(216,260,437)
Interest received		2,744,494	2,450,673
Finance costs		(157,451)	(119,514)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5(b)	22,732,173	33,056,035
CASH FLOW FROM INVESTING ACTIVITIES			
Short term Investment		(1,841,014)	(29,803,525)
Payments for property, plant and equipment		(18,975,064)	(3,895,698)
Proceeds from sale of plant and equipment		137,273	361,455
NET CASH USED IN INVESTING ACTIVITIES		(20,678,805)	(33,337,768)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans (from)/ to related parties		(337,194)	694,780
NET CASH (USED)/ PROVIDED BY FINANCING ACTIVITIES		(337,194)	694,780
NET INCREASE IN CASH		1,716,174	413,048
Cash at beginning of the year		53,408,735	52,995,687
CASH AT THE END OF THE YEAR	5(a)	55,124,909	53,408,735

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

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

Cost is based on the fair values of the consideration given in exchange for assets.

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

(b) Accounting Policies

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

(c) Property, Plant and Equipment

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

Plant and equipment

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

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

Depreciation

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

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

Leases:

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

(d) Financial assets

Classification

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

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

Cash on Deposit is a financial asset designated at fair value through the profit or loss. This financial asset supports the Workers Compensation and

Race Fields Capital Development provision, Capital Expenditure Provision and Retained Earnings. In line with AASB 1023 'General Insurance Contracts', fair valuing these assets through the profit or loss eliminates recognition inconsistencies that would arise if the assets were classified as available for sale or measured at amortised cost.

(ii) Loans and Receivables:

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. Loans and receivables are included in Trade and Other Receivables (Note 7) in the statement of financial position.

Recognition and Derecognition

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

Subsequent Measurement

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

Impairment

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

(e) Receivables

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

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

The amount of the impairment loss is recognised in the profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the provision.

(f) Investment in Associates

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Investment in Associates (cont.)

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

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

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

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

(g) Foreign Currency Transactions and Balances

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

(h) Employee Benefits

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

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

(i) Cash and Cash Equivalents

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

(j) Revenue

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

(k) Trade, Stakes Payments and Other Payables

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

(l) Breeder Owner Bonus Scheme

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

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

(m) Finance Costs

Finance costs are expensed when incurred.

(n) Workers Compensation Insurance

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

(o) Goods and Services Tax (GST)

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

(p) Government Grants

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

(q) Provisions

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

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

(r) Critical Accounting Estimates and Judgements

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

(i) Estimation of Insurance Liabilities (Refer Note 30)

(ii) Control of Workers' Compensation Fund: Management have determined that Racing NSW ultimately has the underwriting risk of the workers compensation fund and therefore has control of the fund. Refer to note 18.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Critical Accounting Estimates and Judgements (cont.)

(iii) Race Fields provision (Refer Note 17(b))

(iv) Capital Expenditure Provision (Refer Note 17(c))

(s) Investment Property

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

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

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

Accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

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

NOTE 2: CONSOLIDATED OPERATIONS

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

NOTE 3: INCOME TAX

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

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME

(i) Sale of Goods - Publications represents income derived from the sale of advertising space in the NSW Racing Magazine as well as subscriptions to NSW Racing Magazine by industry participants and customers.

(ii) Sale of Services represents income derived from the sale of services to the racing industry - including stewards, handicapping, laboratory, veterinary, race results, syndicates and stakes payments.

(iii) Workers Compensation Fund Premiums and Other Revenue represents premiums, charges, reinsurance recoveries and other revenues of the Racing NSW Workers Compensation Fund other than those disclosed elsewhere in the profit or loss. (Refer to Note 30).

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

(v) Wagering Revenue includes Race Fields fees and interest, tax parity revenue, point of consumption tax revenue, odds and evens revenue and prizemoney subsidies.

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

Interest from Cash at Bank	1,858,958	1,305,565
Interest from Loans to Clubs	3,066	337,854
Interest from Cash on Deposit	1,147,375	1,115,063
	3,009,399	2,758,482

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

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

(ix) Interest from workers compensation includes interest earned from workers comp term deposits.

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

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

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

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME (CONT.)

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

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

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

(xvi) Payments made to sustain minimum prize money, promotions and other commitments.

(xvii) Collection of Race Fields receipts represents staff and office costs associated with the management of Race Fields information use and collection of fees

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

(xix) Cost of Goods Sold - Publications expenditure includes staff and office costs as well as all production, distribution and selling costs.

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

(xxi) Handicapping expenditure includes staff and office costs.

(xxii) Stewards' expenditure includes staffing costs, shorthand writers and office costs.

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

(xxiv) Syndicates expenditure includes staffing and office costs.

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

(xxvi) Information Technology represents the cost of providing an IT platform to Racing NSW and supporting staff costs.

(xxvii) Racing Office represents the cost of coordinating race dates and programming throughout NSW.

(xxviii) Marketing costs include staff, consultants and promotional costs.

(xxix) Workers Compensation Insurance Fund. This Fund is designed to provide workers compensation insurance cover for employees of NSW Racing Clubs, Associations, owners and trainers of racehorses against liability relating to injury, loss or damage either sustained or caused by jockeys, apprentices, stable hands, workers, servants, employees or agents in their employment or acting on their behalf pursuant to NSW Work Cover legislation. Effective from 1 July 2006 the fund has been managed in-house by Racing NSW. (Refer to Note 30).

(xxx) Financing costs include interest expense, bank charges and bank guarantee fees.

(xxxi) Outside broadcast revenue includes revenue from clubs for providing broadcasting services, revenue from Sky Racing television network and revenue from providing broadcasting services and equipment for hire. Outside broadcast expense includes staffing, travel costs associated with the Broadcasting facilities.

(xxxii) Horse Welfare includes income from 1% of prizemoney and income from sale of retrained thoroughbred horses. Horse Welfare income is allocated to staff costs, office costs, horse feed, veterinary, and other horse welfare costs associated with retraining and sale of thoroughbred horses.

The profit has been determined after:

	2019 \$	2018 \$
Finance Costs		
Bank Charges	72,724	34,274
Bank Guarantee	84,727	85,240
Total Finance Costs	157,451	119,514
Depreciation and impairment expense of non-current assets		
- Land and Building Depreciation Expense	203,879	203,879
- Plant and Equipment Depreciation Expense	3,220,568	2,612,699
- Investment Property Depreciation Expense	55,220	55,220
Total Depreciation and Impairment Expense	3,479,667	2,871,798
Bad and Doubtful Debts		
- Trade Debtors written off / (recovered)	18,474	43,747
Total Bad and Doubtful Debts	18,474	43,747
Rental Expense on Operating Lease	-	-
Total Loss/ (Gain) on disposal of non-current assets:		
- Property, Plant and Equipment	7,277	(34,221)
Total Gain/(Loss) on disposal of non-current assets	7,277	(34,221)
Remuneration of Auditor		
- Audit Services	102,485	99,500
Total Remuneration of Auditor	102,485	99,500
Employee Benefits Expense (excluding Superannuation)	17,293,272	15,608,091
Defined Contribution Superannuation Expense	1,452,168	1,505,692
Defined Benefit Superannuation Expense	116,252	(72,601)
Insurance Claim Liability Expenses (Refer Note 18):		
Gross Increase/ (Decrease) in Provision relating to Insurance Claims Liability as recommended by the Actuary	2,989,056	(479,121)
Less Gross (Decrease) / Increase in Reinsurance Recoveries relating to Insurance Claims Liability as recommended by the Actuary	(1,472,685)	432,763
Net Increase/ (Decrease) in Provision relating to Insurance Claims Liability as recommended by the Actuary	1,516,371	(46,358)

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 5: CASH FLOW INFORMATION		
a) Reconciliation of Cash		
Cash and Cash Equivalents	55,124,909	53,408,735
	55,124,909	53,408,735
As at 30 June 2019, Racing NSW had no credit facilities in place.		
b) Reconciliation of Cash Flow from Operating Activities		
Profit after Income Tax	14,423,311	15,842,910
Profit/ Loss on Sale of Assets	7,277	(34,221)
Depreciation	3,479,667	2,871,798
Share of (profit) in associate (RA)	(1,485,680)	(1,526,006)
	16,424,575	17,154,481
Increase/ (Decrease) in Trade Debtors	(7,413,125)	(2,801,891)
Increase/ (Decrease) in Prepayments	21,148	42,786
Increase/ (Decrease) in Other Non-Current Receivables	(1,154,410)	721,481
Increase/ (Decrease) in Trade Creditors and Other Creditors	4,176,299	11,372,701
Increase/ (Decrease) in Breeder Owner Bonus Scheme	(51,927)	(900,164)
Increase/ (Decrease) in Race Fields Provision	(3,073,924)	(12,848,987)
Increase/ (Decrease) in Capital Expenditure Provision	10,000,000	20,000,000
Increase/ (Decrease) in Workers Compensation Provision	2,989,056	(479,121)
Increase/ (Decrease) in Other Liabilities	354,959	636,014
Increase/ (Decrease) in Other Provisions	484,522	158,735
	6,307,598	15,901,554
Cash Flows from operating activities	22,732,173	33,056,035
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash at Bank	24,886,448	30,925,871
Cash at Bank - Redevelopment Grant (Restricted)	17,742	17,742
Cash at Bank - Term Deposits (Maturity of less than 90 days at time of investment)	30,220,719	22,465,122
Total Cash and Cash Equivalents	55,124,909	53,408,735
The Cash at Bank bears floating interest rates between 0.40% and 2.80% (2018: 0.65% and 2.80%). Cash at bank - Redevelopment Grant (Restricted) bears interest rates of between 0% and 1.20% (2018: 0.60% and 1.50%). The Cash on Deposit - Workers Compensation are pledged as security for the Commonwealth Bank of Australia Limited ("CBA") to Work Cover (Note 18).		
NOTE 7: TRADE AND OTHER RECEIVABLES		
Trade Debtors	11,880,059	9,152,918
Provision for Doubtful Debts	(428,789)	(423,129)
Sundry Debtors	7,580,979	3,547,036
Parity Tax Receivable	3,355,686	3,015,050
Amounts receivable from associated entities:		
- Racing NSW Country Limited	5,574,986	5,256,458
- Racing Australia	-	169
Reinsurance Recoveries Receivable	1,417,682	1,202,282
Amounts receivable - Loans to Clubs	220,000	220,000
Stakes Payment Debtors	1,357,939	1,231,105
Total Receivables	30,958,542	23,201,889
Sundry Debtors includes outstanding Race Fields fees, accrued interest, accrued Tabcorp receipts.		
Amounts Receivable - Loans to Clubs is made up of the following:		
- Loan to Ballina Jockey Club	180,000	180,000
- Loan to Lismore Turf Club	40,000	40,000
	220,000	220,000
NOTE 8: OTHER CURRENT ASSETS		
Prepayments	108,836	129,984
	108,836	129,984
NOTE 9: OTHER FINANCIAL ASSETS		
Cash on Deposit - Workers' Compensation Insurance (maturity of greater than 90 days at time of investment)	43,833,200	43,134,928
Cash on Deposit - (maturity of greater than 90 days at time of investment)	82,942,359	81,799,616
	126,775,559	124,934,544
Other financial assets include term deposits with maturity of greater than 90 days. A portion of this balance is subject to bank guarantees as stated in Note 23.		

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 10: INVESTMENT IN RACING AUSTRALIA PTY LIMITED ("RA")		
Investment in RA	11,624,223	10,138,542
	11,624,223	10,138,542

Racing NSW has one material joint venture

Name of the Joint Venture	Country of Incorporation & Principal Place of Business	Principal Activity	Proportion of Ownership Interests Held by the Group	
	Australia	Maximising benefits of racing Information		
Racing Australia Pty Ltd (RA)			35%	35%

The investment in RA is accounted for using the equity method in accordance with AASB 128

Summarised financial information for RA is set out below:

Current assets (a)	7,111,293	9,253,381
Non-current assets	30,284,694	28,255,348
Total assets	37,395,987	37,508,729
Current liabilities (b)	4,073,254	7,119,130
Non-current liabilities (c)	110,667	1,466,896
Total liabilities	4,183,921	8,586,026
Revenue	15,766,508	15,255,207
Profit for the year	4,289,363	4,360,016
Depreciation and amortisation	1,523,473	1,169,822
Interest income	20,130	34,276
a) Includes cash and cash equivalents		
b) Includes financial liabilities (excludes trade and other payable provisions)		
c) Includes financial liabilities (excluding trade and other payables and provisions)		
Movement in carrying amounts:		
At the beginning of the financial year	10,138,543	8,612,537
Share of RA profit current year	1,485,680	1,526,006
At the end of the year	11,624,223	10,138,543

NOTE 11: PROPERTY, PLANT AND EQUIPMENT - BUILDINGS

Land and Buildings - at cost	10,184,085	10,184,085
Less accumulated depreciation	(1,950,148)	(1,746,269)
Total Operational Land and Buildings	8,223,937	8,437,816

Movement in carrying amounts of Operational Land and Buildings:

Balance at beginning of year	8,437,816	8,641,695
Additions	-	-
Transfers from investment to owner-occupied property	-	-
Depreciation expense	(203,879)	(203,879)
Carrying Amount at the end of the year	8,233,937	8,437,816

Level 6, 51 Druitt St Sydney NSW 2000 - at cost	575,361	575,361
Less accumulated depreciation	(75,096)	(63,589)
	500,265	511,772

Level 6, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	511,772	523,279
Depreciation expense	(11,507)	(11,507)
Carrying Amount at the end of the year	500,265	511,772

Level 11, 51 Druitt St Sydney NSW 2000 - at cost	4,829,404	4,829,404
Less accumulated depreciation	(654,152)	(557,564)
	4,175,252	4,271,840

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT - BUILDINGS (CONT.)		
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	4,271,840	4,368,428
Depreciation expense	(96,588)	(96,588)
Carrying Amount at the end of the year	4,175,252	4,271,840
Level 7, 51 Druitt St Sydney NSW 2000 - at cost	4,779,320	4,779,320
Less accumulated depreciation	(1,220,900)	(1,125,116)
	<u>3,558,420</u>	<u>3,654,204</u>
Level 7, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	3,654,204	3,749,988
Depreciation expense	(95,784)	(95,784)
Carrying Amount at the end of the year	3,558,420	3,654,204
Equine Welfare property includes the following:		
Capertee property at cost	6,392,056	5,394,785
Princess Farm property at cost	14,001,451	-
Scone property at cost	115,000	-
Oxley Island property at cost	1,679,819	-
Murray property at cost	160,000	-
Less accumulated depreciation	(23,899)	-
Total Equine Welfare property - at cost	22,324,427	5,394,785
Total Equine Welfare property		
Balance at beginning of year	5,394,785	5,394,785
Additions	16,953,541	-
Depreciation expense	(23,899)	-
Carrying Amount at the end of the year	22,324,427	5,394,785
Princess Farm property - at cost	14,001,451	-
Less accumulated depreciation	(23,899)	-
	<u>13,977,552</u>	<u>-</u>
Princess Farm property - at cost		
Balance at beginning at year	-	-
Additions	14,001,451	-
Depreciation expense	(23,899)	-
Carrying Amount at the end of the year	13,977,552	-
Total Property, Plant and Equipment - Land & Building	30,558,364	13,832,601
NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER		
Plant and Equipment - at cost	32,447,048	30,664,202
Less accumulated depreciation	(15,111,723)	(12,009,182)
Total Plant and Equipment	17,335,325	18,655,020
Movement in Carrying Amounts		
Balance at Beginning of Year	18,655,020	17,699,093
Additions	2,020,766	2,582,055
Disposals	(144,550)	(327,234)
Depreciation Expense	(3,196,669)	(2,612,537)
Transfer from WIP	628,775	2,845,818
Movement in WIP	(628,017)	(1,532,175)
Carrying Amount at the end of the year	17,335,325	18,655,020
Plant and equipment above is comprised of the following categories:		
Laboratory Equipment - at cost	5,676,478	5,668,691
Less accumulated depreciation	(4,821,050)	(4,645,517)
Total Laboratory Equipment	855,428	1,023,174
Movement in carrying amounts		
Balance at beginning of year	1,023,174	773,411
Additions	7,787	410,843
Disposals	-	-
Depreciation expense	(175,533)	(161,080)
Carrying Amount at the end of the year	855,428	1,023,174

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER (CONT.)		
Building Fit-out, Furniture and Fittings - at cost	3,829,634	3,823,984
Less accumulated depreciation	(2,084,599)	(1,790,679)
Total Building Fit-out, Furniture and Fittings	1,745,035	2,033,305
Movement in carrying amounts		
Balance at beginning of year	2,033,305	2,322,867
Additions	5,650	3,770
Depreciation expense	(293,920)	(293,332)
Carrying Amount at the end of the year	1,745,035	2,033,305
Office and Other Equipment - at cost	4,147,441	2,922,609
Less accumulated depreciation	(2,496,039)	(2,048,171)
Total Office and Other Equipment	1,651,402	874,438
Movement in carrying amounts		
Balance at beginning of year	874,438	633,207
Additions	1,224,832	540,037
Disposals	-	-
Depreciation expense	(447,868)	(298,806)
Carrying Amount at the end of the year	1,651,402	874,438
Outside broadcast Equipment - at cost	16,446,129	15,586,424
Less accumulated depreciation	(4,795,662)	(2,945,550)
Total Outside Broadcast Equipment	11,650,467	12,640,874
Movement in carrying amounts		
Balance at beginning of year	12,640,874	10,429,015
Additions	859,705	3,686,182
Disposals	-	-
Depreciation expense	(1,850,112)	(1,474,323)
Carrying Amount at the end of the year	11,650,467	12,640,874
Motor Vehicles - at cost	2,240,036	2,034,479
Less accumulated depreciation	(914,373)	(579,267)
Total motor vehicles	1,325,663	1,455,212
Movement in carrying amounts		
Balance at beginning of year	1,455,212	1,380,401
Additions	444,238	787,042
Disposals	(144,550)	(327,234)
Depreciation expense	(429,237)	(384,997)
Carrying Amount at the end of the year	1,325,663	1,455,212
Capital Works in Progress - at cost	628,774	3,473,835
Less Transfer from WIP	(628,774)	(2,845,818)
Total WIP	-	628,017
Movement in carrying amounts		
Balance at beginning of year	628,017	2,160,192
Additions	757	1,313,643
Disposals	-	-
Transfer from WIP	(628,774)	(2,845,818)
Carrying Amount at the end of the year	-	628,017
Total cost of purchase of Inventory	146,831	-
Total Costs of Goods Sold	(39,501)	-
Total value of stock available for sale	107,330	-

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 13: INVESTMENT PROPERTY (COST MODEL)		
Level 11, 51 Druitt St Sydney NSW 2000 - at cost	1,683,539	1,683,539
Less accumulated depreciation	(297,054)	(241,834)
Total Investment Property - at cost	1,386,485	1,441,705
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	1,441,705	1,497,087
Depreciation expense	(55,220)	(55,382)
Carrying Amount at the end of the year	1,386,485	1,441,705

Level 11 was originally purchased with the intent of leasing out to external parties, however due to a change in circumstances, the Australian Racing Forensic Laboratory was relocated from Royal Randwick to Level 11. Accordingly, in 2015 level 11 was reclassified from solely being an investment property to 77% of floor being classified as PPE for operational purposes. The remaining 23% of Level 11, is leased to Racing Australia on arm's length terms and classified as an investment property.

Level 11 was purchased on 21 September 2012 for \$6,243,843.

NOTE 14: OTHER NON CURRENT RECEIVABLES

Non Current Reinsurance Recoveries Receivable	6,549,712	5,292,427
Loan to Bookmakers Co-op	-	143,748
Total Other Non-Current Receivables	6,549,712	5,436,175

NOTE 15: TRADE AND OTHER PAYABLES

Trade Creditors	1,367,143	1,083,097
Other Creditors and Accruals	27,991,219	26,000,131
Amounts payable to associated entities:		
- RacingCorp Pty Limited	(5,666)	13,000
- Jockey's Benefit Scheme Trust	90,000	90,000
Employee Leave	1,737,258	1,485,987
Jockeys Welfare Fund	4,530,447	3,454,406
Equine Welfare Fund	1,384,376	1,560,363
Stakes Payment Creditors	12,639,838	12,427,121
Stable Hand Fund	4,644,149	4,131,055
Rosehill Redevelopment Fund	17,742	17,742
Benevolent Fund	862,321	838,293
Total Creditors and Accruals	55,258,827	51,101,195

Stakes Payments Creditors represent balances owed to industry participant accounts that are due to be paid with the exception of Stable Hands which is shown separately

The Jockeys Welfare Fund represents amounts held in trust to be applied to payment of Jockey Public Liability and Personal Accident Insurances and welfare and career benefit schemes.

Opening balance	3,454,406
Contributions from prizemoney and BOBS extra prizemoney	2,496,131
Less Jockeys welfare (including superannuation) payments made in 2019 Financial Year	(1,420,090)
Closing balance	4,530,447

The Equine Welfare Fund represents unspent fund in relation to the 1% of prizemoney held for the rehabilitation of thoroughbred horses.

Opening balance	1,560,363
1% of the total prizemoney paid in 2019 Financial Year in NSW and ACT	2,495,545
Less Equine payments made in 2019 Financial Year	(2,671,532)
Closing balance	1,384,376

The Stable Hands Fund represents 1.5% of total prizemoney. The stable hands are paid their portion of this prizemoney on a quarterly basis. In instances where a trainer does not have any stable hand employed, the money is used to fund welfare claims from trainers and stable hands in the industry such as the current drought assistance program.

Opening balance	4,131,055
1.5% of the prizemoney paid in 2019 Financial Year in NSW	3,614,930
Less payments made to Stable Hands & Welfare Payments	(3,101,836)
Closing balance	4,644,149

Redevelopment Fund represents amounts received in relation to redevelopment Rosehill race courses, less progress payments made to 30 June 2019.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 15: TRADE AND OTHER PAYABLES (CONT.)		
	Rosehill	
	\$	
Redevelopment funds received to 30 June 2014	24,000,000	
Less: Progress payments made to 30 June 2019	<u>(23,982,258)</u>	
Balance of Redevelopment liability	<u>17,742</u>	

The Benevolent Fund is an amount held in trust to be applied to eligible industry participants under significant financial hardship and is funded from fines revenue from industry stakeholders.

NOTE 16: BREEDER OWNER BONUS SCHEME

Current

Breeder Owner Bonus Scheme	20,558,257	20,775,929
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Non-Current

Breeder Owner Bonus Scheme	5,121,451	4,955,706
	<u>25,679,708</u>	<u>25,731,635</u>

BOBS current liabilities are those amounts expected to be settled within the next 12 months or within Racing NSW's normal operating cycle. BOBS is funded by stallion owners who pay a fee to nominate their stallion to participate in BOBS and owners of eligible progeny of participating stallions who also pay nomination fees in respect of each eligible progeny which participates in the scheme. Racing NSW supplements the scheme funds with a First Charge from the TAB distributions. (Refer Note 1(l)).

NOTE 17(a): EMPLOYEE PROVISIONS

Current

Employee Benefits	1,710,412	1,505,897
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Non-Current

Employee Benefits	573,325	334,191
Total Employee Provisions	<u>2,283,737</u>	<u>1,840,088</u>

Superannuation Fund

Two employees of Racing NSW are entitled to benefits on retirement, disability or death from the Racing NSW Superannuation Plan. The fund provides target lump sum benefits based on years of service and final average salary.

Present value of employees accrued benefits	723,225	2,010,021
Net market value of assets held by the fund to meet future benefit payments	(606,973)	(2,082,622)
Shortfall/(Excess) of the present value of employees accrued benefits over assets held to meet future benefit payments. (included within employee benefits provision)	<u>116,252</u>	<u>(72,601)</u>

NOTE 17(b): RACE FIELDS PROVISIONS

Current

Race Fields provision	7,500,000	11,000,000
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Non-Current

Race Fields provision	26,464,945	26,038,869
Total Race Fields Provisions	<u>33,964,945</u>	<u>37,038,869</u>

Balance at beginning of the year	37,038,869	49,887,856
Provisions made during the year	-	-
Provisions used during the year	(3,073,924)	(12,848,987)
Provisions reversed during the year	-	-
Balance at end year	<u>33,964,945</u>	<u>37,038,869</u>

Of the \$98,004,216 Race Fields provision raised as at 30 June 2012, the following amounts were subsequently written back due to the assets being provided for the development of the Industry by Racing NSW rather than part of the Race Fields Capital development program.

Purpose	Amount \$	Year
Purchase of Outside Broadcast Equipment & Laboratory Equipment	10,000,000	2015
Purchase of Laboratory Equipment	3,250,000	2015
Tracking & Timing system for tracks throughout NSW	6,067,000	2016
Purchase of Horse Welfare Land	5,394,785	2017
Total	<u>24,711,785</u>	

Refer to Note 31 for further information.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
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NOTE 17(c): CAPITAL EXPENDITURE AND PARITY PROGRAMS PROVISIONS

The capital provision of \$30,000,000 will be invested in capital projects across NSW in accordance with the 2017-2019 Racing NSW Strategic Plan to benefit the NSW Thoroughbred Racing Industry, whilst the provision for parity programs will be provided to the clubs to fund their own strategic expenditure.

Current

Capital Expenditure provision	30,000,000	20,000,000
Total Capital Expenditure Provisions	30,000,000	20,000,000

Balance at beginning of the year	20,000,000	-
Provisions made during the year	10,000,000	20,000,000
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Balance at end year	30,000,000	20,000,000

NOTE 18: WORKERS COMPENSATION PROVISION

Current

Provision for Insurance Outstanding Claims	9,202,571	9,020,672
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Non-Current

Provision for Insurance Outstanding Claims	42,516,017	39,708,860
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Total Provisions for Workers Compensation	51,718,588	48,729,532
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Workers Compensation Provisions

Opening Balance of Workers Compensation Provisions	48,729,532	49,208,653
Gross Movement in Workers Compensation Provisions	2,989,056	(479,121)
Closing Balance of Workers Compensation Provisions	51,718,588	48,729,532

The movement in the Workers Compensation Provision is shown at a Gross of any Reinsurance Recoveries.

Gross Movement in Workers Compensation Provisions	2,989,056	(479,121)
Less Decrease/ (Increase) in Reinsurance Recoveries	(1,472,685)	432,763
Net Movement in Workers Compensation Provision	1,516,371	(46,358)

Provision for Insurance Outstanding Claims

An actuarial valuation of the Insurance Funds' outstanding claims was performed by independent actuaries, Finity Consulting Pty Limited, as at 30 June 2019 in the amount of \$43,800,000. The CBA Bank had issued guarantees amounting to \$42,300,000 as at 30 June 2019 (2018: \$42,300,000) in favour of WorkCover Authority of NSW. This guarantee is required under the terms of Racing NSW's insurance licence. In accordance with the Workers Compensation Act 1987 Clause 7.3.6 and actuarial recommendations, Racing NSW has provided for a prudential margin of 20% (2018: 20%) in respect of the net central estimate of liabilities relating to the specialised insurer's license and a prudential margin of 20% (2018: 20%) in respect of the net central estimate of liabilities relating to the self insurer's license.

The increase in provisions for outstanding claims has been predominantly due to decreasing interest rates.

The directors have determined that these prudential risk margins are appropriate to increase the likelihood that the provision will be adequate to meet the cost of claims. Due to the small amount of claim data and the difficulties in determining a mathematical distribution appropriate to Racing NSW, the probability of adequately corresponding to the margin cannot be reliably estimated.

The movement in Workers Compensation Provision is recognised as either income or an expense of the period.

NOTE 19: OTHER LIABILITIES

Current

Deferred Income	8,769,853	8,393,683
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Non-Current

Deferred Income	55,814	77,022
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Total Other Current Liabilities	8,825,667	8,470,705
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Monies received by Racing NSW at the end of the reporting period for products or services to be provided in more than 12 months time are classified as non current deferred income. These items include subscriptions received for registration of racing colours, license fees, Workers Compensation Insurance premiums and subscriptions to NSW Racing magazine.

NOTE 20: RESERVES

The following reserves have been set aside in accordance with a resolution of Racing NSW.

Reserves

General Reserve	60,904,393	42,625,999
Industry Distribution Reserve	6,552,005	10,902,932
Workers Compensation Reserve	5,234,085	4,738,241
Total Reserves	72,690,483	58,267,172

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 20: RESERVES (CONT.)		
Movement in Reserves		
General Reserve		
Balance at the beginning of the year	42,625,999	31,666,790
Transfers to accumulated surplus	18,278,394	10,959,209
Transfers from accumulated surplus	-	-
Balance reserve at the end of the year	<u>60,904,393</u>	<u>42,625,999</u>
Industry Distribution Reserve		
Balance at the beginning of the year	10,902,932	8,882,272
Payments to Industry Participants	(4,350,927)	-
Transfers to accumulated surplus	-	2,020,660
Balance reserve at the end of the year	<u>6,552,005</u>	<u>10,902,932</u>
Workers Compensation Reserve		
Balance at the beginning of the year	4,738,241	1,875,200
Transfers to accumulated surplus	495,844	2,863,041
Balance reserve at the end of the year	<u>5,234,085</u>	<u>4,738,241</u>
Total Reserves	<u>72,690,483</u>	<u>58,267,172</u>

The Industry Distribution Reserve and General Reserve represent monies that have progressively been accumulated by Racing NSW from its operation since inception, to fund different areas of its general activities segment. The Workers Compensation Reserve represents accumulated profit/ (losses) from Racing NSW Workers Compensation segment.

NOTE 21: ACCUMULATED SURPLUS

Accumulated surplus at beginning of the financial year	-	-
Total Funds transferred (to)/from Reserves	14,423,311	15,842,910
Transfer (to)/from General Reserve	(18,278,394)	(10,959,209)
Transfer from/(to) Industry Distribution Reserve	4,350,927	(2,020,660)
Transfer (to)/from Workers Compensation Reserve	(495,844)	(2,863,041)
Accumulated surplus at end of the financial year	<u>-</u>	<u>-</u>

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Operating lease Commitments		
Non-cancellable operating lease contracted for but not capitalised in the Financial statements	-	-
Payable not later than 1 year	58,708	43,250
Payable later than 1 year and not later than 5 years	-	-
	<u>58,708</u>	<u>43,250</u>

Capital commitments

As shown in Note 31 Racing NSW Board has approved the following spending from the Accumulated Race Fields Provision.

	2019 \$	Cumulative spending total \$	Remaining Commitment as at 30 June 2019 \$
Laboratory Equipment	-	3,250,000	-
Outside Broadcast Equipment	-	10,000,000	-
Tracking/timing project Equipment	-	6,067,000	-
Horse Welfare Land	-	5,394,785	-
Total	<u>-</u>	<u>24,711,785</u>	<u>-</u>

NOTE 23: CONTINGENT LIABILITIES

Of the \$24,000,000 received from the New South Wales Government for the purpose of the Rosehill Gardens Racecourse development, \$17,742 remains on hand as at 30 June 2019 and is due to be paid out during subsequent periods. The accounting treatment will be on a cash basis to reflect when economic benefits and obligations will be received. Payments to the Australian Turf Club (owner of the aforementioned Rosehill Racecourse) will be made on receipt of certified progress claims.

There are currently guarantees provided by the CBA in favour of WorkCover Authority of NSW amounting to \$42,300,000 (2018: \$42,300,000) at the end of the reporting period, against a facility of \$43,833,200 (2018: \$43,134,928). Based on the most recent actuarial valuation, Racing NSW expects WorkCover NSW to vary the guaranteed amount to \$43,800,000 an increase of \$1,500,000 subsequent to year end. Unused facilities at the end of the reporting period amount to \$33,200 (2018: \$834,928). Racing NSW has pledged to CBA to maintain a minimum balance of 100% cash cover security for the WorkCover NSW bank guarantee (2019: \$43,800,000).

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 24: KEY MANAGEMENT PERSONNEL

a) Key Management Personnel

The following persons were key management personnel of Racing NSW during the financial year:

Name	Position Held
Russell Balding AO	Chairman
Anthony Hodgson AM	Vice-Chairman
Dr Saranne Cooke	Board Member
The Hon Kevin Greene (Resigned 18 December 2018)	Board Member
Simon Tuxen	Board Member
Tony Shepherd AO	Board Member
George Souris AM	Board Member
Michael Crismale	Board Member (Commenced 7 January 2019)
Peter V'landys AM	Chief Executive Officer
Marc Van Gestel	Chairman of Stewards
Scott Kennedy	General Manager - Industry & Analytical
Pete Sweney	Legal Counsel
Keith Bulloch	General Manager - Regulatory
Graeme Hinton	Chief Operating Officer
John Keledjian	Laboratory Director - Operations
Adam Cawley	Laboratory Director - Scientific
Craig Barnes	General Manager - Finance
Ariel Paez	General Manager - Information Technology
John Galvin	General Manager - Workers Compensation

b) Key Management Personnel Compensation

	2019 \$	2018 \$
Salary, Bonuses and Fees	3,841,938	3,651,769
Non-Cash Benefits	166,967	168,184
Other Long Term Benefits	73,446	87,879
Superannuation	270,976	261,335
Total	4,353,327	4,169,167

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

c) Policy for determining the nature and amount of key management personnel compensation

The remuneration of Board Members is established by the Thoroughbred Racing Act, 1996.

The remuneration of the Chief Executive is subject to a contract for executive services, with the level of remuneration subject to annual review by the Board of Racing NSW. Due to the nature of Racing NSW as an entity, remuneration while being performance based, is not tied to the achievement of specific objectives tied to shareholder value and no formal bonus structure is in place.

The remuneration of the other key management personnel is determined by the Chief Executive Officer, with the level of remuneration subject to annual review by the Chief Executive Officer. Remuneration whilst being performance based, is not tied to the achievement of specific objectives and no formal bonus structure is in place.

Due to the nature of Racing NSW as an entity, no Board Member or employee receives compensation in the form of equity instruments.

There are no loans to key management personnel and their related parties.

NOTE 25: ENTITY DETAILS

Racing NSW was established as the NSW Thoroughbred Racing Board, an entity under the Thoroughbred Racing Act 1996. As such it is an entity incorporated and domiciled in Australia.

The registered office and principal place of business of the Board is: Level 7, 51 Drutt Street, Sydney, NSW, 2000.

NOTE 26: SEGMENT REPORTING

	2019			2018		
	Racing NSW	Insurance	Total	Racing NSW	Insurance	Total
Primary Reporting - Business Segments						
Revenue						
External Sales	239,016,587	13,792,449	252,809,036	203,049,810	13,728,287	216,778,097
Other Revenue	1,862,024	1,147,375	3,009,399	1,643,419	1,115,063	2,758,482
Share of profit of associate (Racing Australia "RA")	1,485,680	-	1,485,680	1,526,006	-	1,526,006
Total Segment Revenue	242,364,291	14,939,824	257,304,115	206,219,235	14,843,350	221,062,585
Expenditure	224,957,157	14,443,980	239,401,137	190,422,788	11,925,089	202,347,877
Depreciation	3,479,667	-	3,479,667	2,816,578	55,220	2,871,798
Total Segment Expenditure	228,436,824	14,443,980	242,880,804	193,239,366	11,980,309	205,219,675
Segment Result	13,927,467	495,844	14,423,311	12,979,869	2,863,041	15,842,910

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 26: SEGMENT REPORTING (CONT.)

	2019			2018		
	Racing NSW	Insurance	Total	Racing NSW	Insurance	Total
Assets						
Segment Assets	211,736,056	57,034,676	268,797,732	188,247,404	52,752,377	240,999,781
Investments in Assets Accounted for using the Equity Method	11,624,223	-	11,624,223	10,138,542	-	10,138,542
Total Assets	223,387,279	57,034,676	280,421,955	198,385,946	52,752,377	251,138,323
Liabilities						
Segment Liabilities	155,870,684	51,860,788	207,731,472	143,953,661	48,917,490	192,871,151
Total Liabilities	155,870,684	51,860,788	207,731,472	143,953,661	48,917,490	192,871,151
Net Assets/(Liabilities)	67,516,595	5,173,888	72,690,483	54,432,285	3,834,887	58,267,172
Purchase of Non-Current Assets	18,867,734	-	18,867,734	3,895,698	-	3,895,698
Impairment Losses	-	-	-	-	-	-
Significant Non Cash Expenses other than Depreciation	-	2,989,056	2,989,056	-	(479,121)	(479,121)

The primary business activity of Racing NSW is provision of racing services to the industry. The secondary activity is the Workers Compensation Fund. All income and expenditure is incurred within the thoroughbred racing industry within the state of New South Wales, Australia.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

The entity operates in one geographical segment, being NSW Australia.

NOTE 27: RELATED PARTIES

(a) Key Management Personnel

The key management personnel of the entity are disclosed in note 24(a).

The names of the key management personnel who were members of the Board at any time during the year were as follows:

R. Balding AO	A Hodgson AM
Dr S. Cooke	P.N. V'landys AM
The Hon K Greene (Resigned 18 December 2018)	Michael Crismale (Commenced 7 January 2019)
S. Tuxen	T. Shepherd AO
George Souris AM	

Mr R Balding and Mr P N V'landys, both board members of Racing NSW, are also directors of Racingcorp Pty Limited and each beneficially own for Racing NSW one Class A1 share unit in Racingcorp Pty Limited.

Mr R Balding is also a director of Racing Australia.

(b) Other Related Parties

Racing NSW undertakes accounting, administrative, banking and payroll services and support for Racing NSW Country Limited, NSW TRB Training Limited, Racingcorp Pty Limited, Jockeys Benefit Scheme Trust and NSW Thoroughbred Rehabilitation Trust. Refer to Notes 7 and 15 for amounts due from/payable to these related entities. Amounts disclosed below detail transactions with these related entities during the year. These transactions are on normal commercial terms. These are summarised as follows:

	2019 \$	2019 \$
	Expenses Paid on behalf of entity	Receipts taken on behalf of entity
- Racing NSW Country Limited	102,874,366	102,186,142
- Racing Australia	-	-
- Racingcorp Pty Limited	121,976	121,976
- NSW TRB Training Limited	1,280,211	1,110,800
- The Jockeys Benefit Scheme Trust	5,685	11,109
- Thoroughbred Horse Rehabilitation Trust	-	23,606

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

a) General objectives, policies and processes

Activities undertaken by Racing NSW may expose the business to a variety of financial risks: credit risk, liquidity risk, market risk and insurance risk.

The Board has overall responsibility for the determination of Racing NSW's financial risk management objectives and policies. Racing NSW's financial risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of Racing NSW where such impacts may be material.

Racing NSW has a central treasury function which implements the financial risk management policies approved by the Board of Directors.

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

b) Credit risk

Credit risk is the risk that the other party to the financial instrument will fail to discharge their obligations resulting in Racing NSW incurring a financial loss. Racing NSW trades only with recognised, credit worthy third parties. Receivable balances are monitored on an ongoing basis with the result that Racing NSW's exposure to bad debts is not significant.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

2019
\$

2018
\$

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

b) Credit risk (cont.)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the end of the reporting period to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Trade Debtors	11,451,270	8,729,789
Other Receivables	24,699,045	18,636,297
Other Financial Assets	126,775,559	124,934,545
Stakes Payment Debtors	1,357,939	1,231,105
Cash at Bank	55,124,909	53,408,735
	219,408,722	206,940,471

Whilst Racing NSW has a material credit risk exposure to Other Receivables through Amounts Receivable from NSW Country Racing Council Limited, the Board is of the view that this risk is negligible due to control over the funding stream through the Racing Distribution Agreement, Inter-Code Agreement and Intra-Code Agreements.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Policies require that Cash at Bank and Cash on Deposit be placed with major banks approved by the Board.	No changes to investments are made without Board approval. Deposits and term investments are placed with major banks with rating AA or above.	The holdings and performance of Cash at Bank and Cash on Deposit are reported to the Board on a monthly basis.
Debtors are assessed as to likely recovery prior to advancing credit. Stakes Payment Debtors and Trade Debtors are reviewed and treated separately.	Debtors are reviewed on an ongoing basis depending on type of debt. Collectability is assessed on a regular basis.	Aged Debtors Balances are reviewed on a regular basis.
Policies require that all Investments be placed with major institutions approved by the Board.	No changes to investments are made without Board approval.	The holdings and performance of Investments are reported to the Board on a monthly basis.

Concentration of Debtors

Racing NSW determines the credit risk from the type of debtor and type of debt. Stakes Payment debtors are recoverable as Racing NSW has significant control over industry funding and acts as the facilitator between industry participants for the distribution of these funds.

A significant proportion of Trade and Other Receivables comprise amounts receivable from the associated entities as at 30 June 2019 including Racing NSW Country Limited \$5,574,986 (2018: \$5,256,459). The Board believes the credit risk is negligible due to control over the funding through the Racing Distribution Agreement, Inter-Code Agreement and the Intra-Code Agreement.

Impairment

Impairment is determined based on the type of debtor and the type of debt. Normal trading terms are 30 days from date of invoice, however in respect of Stakes Payment debtors this may vary depending on the debtor type. In general the major Stakes Payment debtors have 30 working days following the fortnightly prize money pay run to clear their accounts. This is generally automatic as Racing NSW facilitates distribution of the TAB Product Fees to Stakes Payment debtors.

Unpaid Trade debtor's accounts over 90 days are reviewed for impairment. Outstanding Other Receivables are reviewed for impairment on an individual basis. The provision for impairment is based on the likelihood of recovery after contact with the debtor and assessment of recourse action available.

	Total \$	Current \$	30 days \$	60 Days \$	90 Days \$
2019 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	11,880,059	11,486,070	221,789	13,941	158,259
Maximum Exposure - Stakes Payment Debtors	1,357,939	1,357,939	-	-	-
Maximum Exposure - Other Receivables	24,699,045	24,699,045	-	-	-
Maximum Exposure - Other Financial Assets	126,775,559	126,775,559	-	-	-
	164,712,602	164,318,613	221,789	13,941	158,259
Amount past due but not considered Impaired	393,989	-	221,789	13,941	158,259
Amount past due considered Impaired	428,789	-	-	-	428,789
	822,778	-	221,789	13,941	587,048
Impairment provision	(428,789)	-	-	-	(428,789)
2018 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	9,152,918	6,263,673	2,715,748	12,180	161,317
Maximum Exposure - Stakes Payment Debtors	1,231,105	1,231,105	-	-	-
Maximum Exposure - Other Receivables	18,636,297	18,636,297	-	-	-
Maximum Exposure - Other Financial Assets	124,934,544	124,934,544	-	-	-
	153,954,864	151,065,619	2,715,748	12,180	161,317
Amount past due but not considered Impaired	2,889,245	-	2,715,748	12,180	161,317
Amount past due considered Impaired	423,129	-	-	-	423,129
	3,312,374	-	2,715,748	12,180	584,446
Impairment provision	(423,129)	-	-	-	(423,129)

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

2019
\$

2018
\$

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

b) Credit risk (cont.)

Trade debtor amounts are unsecured. Stakes Payment debtor and Other Receivable amounts are primarily Racing Clubs and are indirectly secured through industry agreements.

Trade debtors are primarily Race Fields fees receivable and are subject to 'Information Use' agreements. The Board does not believe there is any material credit risk on the debtor balances that are past due but not considered impaired due to the mutually beneficial ongoing business association in place.

Allowances for Impairment Loss

Trade Receivables and stakes debtors are non-interest bearing and are generally required to be settled with 30 days. BOBS receivables may be deferred for 12 months. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Movements in the provision for impairment loss were as follows.

Opening Balance	423,129	381,478
Bad Debts written off during year	(12,814)	-
Provision for Doubtful Receivables	42,445	62,747
Add back money recovered	(23,971)	(21,096)
Closing Balance	428,789	423,129

Concentration of Investments

Racing NSW determines the credit risk from the bank or institution that retains funds of the business. There is a concentration of credit risk with respect to current bank deposits and investments in the following institutions.

Institution

Commonwealth Bank (A-1+ rated by S&P)	101,186,604	118,606,850
National Australia Bank (A-1+ rated by S&P)	80,713,576	59,735,938
Total	181,900,180	178,342,788

c) Liquidity Risk

Liquidity risk is the risk that Racing NSW may encounter difficulties raising funds to meet commitments associated with financial instruments.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW maintain adequate cash reserves to meet the liquidity demands when due and payable.	Racing NSW monitors liquidity risk by daily monitoring of the cash position and regular review of the annual cash flow.	Racing NSW manages purchases and staff remuneration within an expenditure budget.
Borrowings are not generally undertaken by the Board. Any borrowing must be approved by the Board.	Borrowings must be 100% supported by the investment.	
Trade Creditors are assessed as to quality of service provided and paid within due date following General Manager Authorisation.	Trade Creditors are paid weekly based on due date and managerial authorisation.	Trade Creditors' ledger is reviewed on a monthly basis.
Stakes Payment Creditors are paid on a fortnightly basis.	Stakes Payment Creditors are paid fortnightly in arrears following authorisation by the Chief Executive.	Industry Creditors are reviewed every fortnight when they are paid.

Concentration of Creditors

Racing NSW determines the credit risk from the type of creditor and type of payable. Stakes Payment creditors are generally offset by Stakes Payment debtors. Racing NSW acts as the facilitator between industry participants for the distribution of these funds.

There is no concentration of credit risk with respect to current payables.

Maturity Analysis for Financial Liabilities - 2019

	Carrying Amount	Contractual Cash Flows	< 6 Months	6-12 Months	1-4 years
	\$	\$	\$	\$	\$
Trade and Other Payables	37,957,098	37,957,098	37,957,098	-	-
Stakes Payment Creditors	17,283,987	17,283,987	17,283,987	-	-
Breeder Owner Bonus Scheme	25,679,708	25,679,708	12,637,386	7,920,871	5,121,451
Redevelopment Funds	17,742	17,742	17,742	-	-
Total	80,938,535	80,938,535	67,896,213	7,920,871	5,121,451

Maturity Analysis for Financial Liabilities - 2018

Trade and Other Payables	34,525,277	34,525,277	34,525,277	-	-
Stakes Payment Creditors	16,558,176	16,558,176	16,558,176	-	-
Breeder Owner Bonus Scheme	25,731,635	25,731,635	15,449,195	5,326,734	4,955,706
Redevelopment Funds	17,742	17,742	17,742	-	-
Total	76,832,830	76,832,830	66,550,390	5,326,734	4,955,706

Economic Dependency

Racing NSW received 3.88% (2018: 4.82%) of its income via a First Charge on the TAB distributions to the Thoroughbred Racing Industry. This distribution is governed by the NSW Racing Distribution Agreement as entered into by Racingcorp Pty Limited and TAB Limited. Consequently, Racing NSW is economically dependent on TAB Limited.

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

d) Market Risk

Market Risk includes interest rate risk and price risk and arises from the use of interest bearing financial instruments. Racing NSW is exposed to fluctuations in interest rates on its cash holdings and cash deposits. Racing NSW is exposed to price risk on its investments.

Interest Rate Risk

Racing NSW is exposed to fluctuations in interest rates on its cash at bank balances. Cash on Deposit have short term fixed interest rates. There are no interest bearing financial liabilities. The effective weighted average interest rate on financial assets is shown below.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW review and negotiate interest rates on Cash at Bank on a regular basis in order to maximise their return.	Racing NSW negotiates an interest rate in line with market rates.	Racing NSW checks interest rates received against market leading interest rates offered by competing financial institutions of a similar credit rating.
Board policies require that Racing NSW review and negotiate interest rates on Cash on Deposit on roll-over of the deposit.	Racing NSW negotiates an interest rate in line with market rates at the time of roll-over.	Racing NSW checks interest rate received against market leading rates offered by competing financial institutions of a similar credit rating.

	Effective Weighted Average Rate	Floating Interest Rate \$	Fixed Interest Maturing < 1 year \$	Non Interest Bearing \$	Total \$
2019					
Financial Assets:					
Cash at Bank	1.400%	55,124,909	-	-	55,124,909
Other Financial Assets	2.500%	-	126,775,559	-	126,775,559
Other Receivables	2.000%	-	-	37,508,254	37,508,254
Total Financial Assets		55,124,909	126,775,559	37,508,254	219,408,722
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	25,679,708	25,679,708
Trade and Other Payables	-	-	-	55,258,827	55,258,827
Total Financial Liabilities measured at amortised cost		-	-	80,938,535	80,938,535
Net financial assets/(liabilities)		55,124,909	126,775,559	(43,430,281)	138,470,187
2018					
Financial Assets:					
Cash at Bank	1.400%	53,408,735	-	-	53,408,735
Other Financial Assets	2.600%	-	124,934,544	-	124,934,544
Receivables	2.000%	143,748	-	28,453,443	28,597,191
Total Financial Assets		53,552,483	124,934,544	28,453,443	206,940,470
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	25,731,635	25,731,635
Trade and Other Payables	-	-	-	51,101,195	51,101,195
Total Financial Liabilities measured at amortised cost		-	-	76,832,830	76,832,830
Net financial assets/(liabilities)		53,552,483	124,934,544	(48,379,387)	130,107,640

Interest Rate Sensitivity

Racing NSW performs a sensitivity analysis to measure market risk exposures at the time of each maturity of the investment to assess the reinvestment opportunities. There is no interest rate sensitivity for trade receivables or payables. Interest rate sensitivity only applies to Racing NSW Cash at Bank, Cash on Deposit, other financial assets and loans.

Based on the calculations as at 30 June 2019, the net profit impact for a 100 basis points movement in interest rates would be \$1,819,005 (2018: 1,784,869)

	Current Weighted Average Rate	Amount \$	100 basis points Increase in Interest rate \$	100 basis points Decrease in Interest rate \$
2019				
Cash at Bank	1.400%	55,124,909	551,249	(551,249)
Other Financial Assets	2.500%	126,775,559	1,267,756	(1,267,756)
Total		181,900,468	1,819,005	(1,819,005)
2018				
Cash at Bank	1.400%	53,408,735	534,087	(534,087)
Cash on Deposit	2.600%	124,934,544	1,249,345	(1,249,345)
Other Receivables	2.000%	143,748	1,437	(1,437)
Total		178,487,027	1,784,869	(1,784,869)

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

d) Market Risk (cont.)

The method used in determining the sensitivity was to evaluate the interest revenue based on the timing of the interest repricing on the deposits for the next 12 months. The following assumptions were applied:

- the rate at the beginning of the 12 month period would apply for the whole period.
- the cash on deposit would all reprice to the new interest rate at the same time.
- the base rate is the weighted average across the cash on deposit.

Insurance Risk

Pursuant to section 13(1)(d) of the Thoroughbred Racing Act 1996 (NSW), Racing NSW's functions include "insuring of participants in the horse racing industry". Racing NSW holds a specialised insurer's licence issued by WorkCover NSW that permits it to offer compulsory workers compensation insurance for employers and employees engaged in activities incidental to thoroughbred horse racing.

The rights and obligations of Racing NSW as a specialised insurer, are regulated by the Workers Compensation Act 1987 (NSW) and the Workplace Injury Management and Workers Compensation Act 1998 (NSW). These Acts define the circumstances in which an employer has a liability to an injured worker, the manner and timing of any decision by Racing NSW as to the granting of indemnity, and the quantum of benefits payable in response to a claim.

Racing NSW provides an annual actuarial report to WorkCover NSW for the period to 30 June each financial year that covers issues such as:

- The quantum of outstanding liabilities.
- The predicted development of such liabilities, payments on new claims and other expenses during the subsequent financial year.
- The number of new claims expected and an estimate of Incurred but Not Reported (IBNR) claims for the preceding financial year.
- The amount of the bank guarantee that Racing NSW must arrange to be executed by an established financial institution in favour of WorkCover NSW to support its ability to fund the thoroughbred racing industry's accumulated and expected workers' compensation liabilities. (Refer Note 18).

Racing NSW is committed to managing legal, operational and financial risk in the conduct of its workers' compensation activities.

Financial payments made by the fund are initially approved by the relevant claims manager. Payments are then entered by a different department and returned to the Insurance Manager for authorisation before being randomly audited and processed by the General Manager – Finance and the Chief Executive.

Established practices and procedures govern the internal management of claims, the selection and remuneration of service providers and the manner in which critical decisions are made in relation to individual claimants (such as decisions to contest liability and/or litigate appropriate cases). These practices and procedures are regularly reviewed and, in conjunction with the Occupational Health & Safety and Workers Compensation summary publicly available on Racing NSW's website, are available for review and comment by WorkCover NSW upon request.

Racing NSW's General Manager, Workers' Compensation is a highly experienced workers' compensation professional with qualifications in general insurance. He has held senior workers' compensation positions with WorkCover, NSW Police Service and Deloitte Touche Thomatsu. Racing NSW also engages external legal and medical specialists and other independent experts as and when needed in the administration or litigation of claims.

NOTE 29: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value has been determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset and liability.

The information is only relevant to circumstances at balance date and will vary depending on market rates and conditions at the time. The carrying value less impairment provisions for trade receivables and payables approximates their fair values due to their short term nature. The carrying value of other short term financial assets and liabilities is assumed to approximate their fair value due to their short term nature. The fair value of financial liabilities, that are maturing in more than 12 months, for disclosure purposes, has been estimated by discounting the future contractual cash flows at the current market interest that is available to Racing NSW. Significant assumptions used in determining the cash flows are that they will be consistent with the contracted cash flows under their respective contracts. Other specific assumptions used are:

- the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2019: 8.46% (2018: 8.71%)
- payments are made evenly throughout the period.
- BOBS has been discounted over 2 years (2018: 2 years) due to the nature of the BOBS agreement.

	Fair Value	2019 Carrying Value	Variance	Fair Value	2018 Carrying Value	Variance
Financial Assets:						
Cash at Bank	55,124,909	55,124,909	-	53,408,735	53,408,735	-
Receivables - term deposits	126,775,559	126,775,559	-	124,934,544	124,934,544	-
Other Receivables	37,508,254	37,508,254	-	28,597,191	28,597,191	-
Total Financial Assets	219,408,722	219,408,722	-	206,940,470	206,940,470	-
Financial Liabilities:						
Breeder Owner Bonus Scheme	25,454,508	25,679,708	(225,200)	25,513,723	25,731,635	(217,912)
Trade and Other Payables	55,258,827	55,258,827	-	51,101,195	51,101,195	-
Total Financial Liabilities measured at amortised cost	80,713,335	80,938,535	(225,200)	76,614,918	76,832,830	(217,912)

NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

RACING NSW ABN 86 281 604 417

	2019 \$	2018 \$
NOTE 30: INSURANCE ACTIVITIES		
Premium revenue	13,399,193	12,998,114
Reinsurance recoveries and other recoveries revenue	219,406	409,050
Other Income	173,850	321,123
	13,792,449	13,728,287
Interest Income	1,147,375	1,115,063
	1,147,375	1,115,063
Underwriting expenses	1,655,909	1,691,344
Direct claims expense	10,891,702	9,977,823
Outwards reinsurance premium expense	380,000	357,500
	12,927,611	12,026,667
Underwriting result for the financial year excluding investments revenue and expense	864,838	1,635,467
Investments		
Investment Property	-	1,441,867
	-	1,441,867
Operating Assets		
Bank	40,967,282	44,815,801
Reinsurance recoveries	7,967,394	6,494,709
	57,034,676	51,310,510
Total Assets	57,034,676	52,752,377
Liabilities		
Outstanding claims	51,718,588	48,775,890
Unearned Premiums	142,200	141,600
	51,860,788	48,917,490
Refer to Note 18 for bank guarantee and other information relating to Workers Compensation Provision		
a) Outstanding Claims		
Gross undiscounted claim liability	50,733,869	52,163,392
Discount to present value	(6,307,148)	(10,472,997)
Third party recoveries	(2,565,467)	(1,823,389)
Reinsurance recoveries	(5,401,926)	(4,671,320)
Central estimate of the expected present value of future payments for claims incurred	36,459,328	35,195,686
Prudential margin	7,291,866	7,039,137
	43,751,194	42,234,823
Current	7,784,889	7,818,390
Non-current	35,966,305	34,416,433
	43,751,194	42,234,823

The average weighted term to settlement of the outstanding liabilities is 8.2 years (2018: 8 years).

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

	2019		2018	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	2.88%	2.88%	3.50%	3.50%
Discount Rate	1.50%	1.50%	2.75%	2.75%

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

	Current Year Incurred \$	Reassess Prior Years \$	Current Year Incurred \$	Reassess Prior Years \$
	Gross undiscounted incurred claims	15,088,854	(4,256,232)	16,666,997
Undiscounted reinsurance & other recoveries	(455,988)	(772,121)	(554,806)	518,271
Net undiscounted incurred claims	14,632,866	(5,028,353)	16,112,191	(5,904,489)
Discounting of incurred claims	(1,143,619)	5,754,341	(2,100,603)	2,144,145
Discounting recoveries	69,298	(784,866)	146,588	(290,914)
	(1,074,321)	4,969,475	(1,954,015)	1,853,231
Gross discounted incurred claims	13,945,235	1,498,109	14,566,394	(4,278,615)
Discounted reinsurance & other recoveries	(386,690)	(1,556,987)	(408,218)	227,357
Net discounted incurred claims	13,558,545	(58,878)	14,158,175	(4,051,258)

The claim cost incurred consists of paid to date plus estimate of outstanding liabilities plus claim management expenses, being 9% of the gross discounted liability.

DECLARATION BY MEMBERS OF THE BOARD

The Members of the Board declare that:

- (1) the financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes:
 - (i) give a true and fair view of the financial position of Racing NSW as at 30 June 2019 and its performance for the year ended on that date.
 - (ii) are in accordance with the Thoroughbred Racing Act 1996 (NSW) and comply with Accounting Standards.
- (2) as at the date of this declaration there are reasonable grounds to believe that Racing NSW will be able to pay its debts as and when they become due and payable.

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

Mr R Balding AO
Chairman

Mr P N V'landys AM
Chief Executive

Dated at Sydney this 22 October, 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING NSW BOARD

Report on the audit of the financial report

Opinion

We have audited pages 56 to 79 of the accompanying financial report of Racing NSW (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Declaration by Members of the Board.

In our opinion, the accompanying financial report of Racing NSW:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2019 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards and the Thoroughbred Racing Act 1996.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit of otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Thoroughbred Racing Act 1996. This responsibility also includes such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance
Sydney, 22 October, 2019

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Noble Boy and Hugh Bowman cruise to the winning post in the 2019 Newhaven Park Country Championships Final at Royal Randwick



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