

NSW THOROUGHBRED RACING BOARD



2003

ANNUAL REPORT



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Mission Statement

"To provide independent, strong and united leadership in the development and enhancement of the NSW thoroughbred racing industry, which will lead to the maintenance and confidence in the integrity of the industry, in its competitive position and increased financial returns to constituent stakeholders."

Members of the Board 1 July 2002 – 30 June 2003



A G Hartnell AM (Tony)

CHAIRMAN
Appointed 12 June 2000 for 4 years
Attended 11 meetings



D E Hopkins (Don)

VICE CHAIRMAN
NSW COUNTRY RACING COUNCIL NOMINEE
Appointed 13 March 2000 for 4 years
Attended 12 meetings



J B Costigan (John)

LICENSED PERSONS NOMINEE
Appointed 13 March 2000 for 2 years
Re-appointed 12 March 2002 for 4 years
Attended 10 meetings



R M Lapointe (Bob)

OWNERS AND BREEDERS NOMINEE
Appointed 13 March 2000 for 2 years
Re-appointed 12 March 2002 for 4 years
Attended 12 meetings



G F Pash (Graeme)

SYDNEY TURF CLUB NOMINEE
Appointed 1 August 2003 for 4 years
Attended 11 meetings



D P R Esplin (Phillip)

AUSTRALIAN JOCKEY CLUB NOMINEE
Appointed 18 March 2002 for 4 years
Attended 11 meetings



B J Reardon (Brian)

PROVINCIAL ASSOCIATION OF NSW NOMINEE
Appointed 18 March 2002 for 4 years
Attended 12 meetings



M J Hill (Merv)

RACING NSW CHIEF EXECUTIVE
Appointed October 1999
Attended 12 meetings

Member's Deputies

David Hall

Australian Jockey Club Member's Deputy
Attended 1 meeting on behalf of Mr Esplin

Functions of the Board

Under section 14(1) of the Thoroughbred Racing Board Act 1996, the Board has the following function:

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



Chairman's Report



Tony Hartnell

1 October, 2003

The Hon Grant McBride MP
Minister for Gaming and Racing
Level 13
55 Hunter Street
Sydney NSW 2000

Dear Minister,

In accordance with Section 29 of the Thoroughbred Racing Board Act 1996 as amended, I submit to you the seventh Annual Report of the NSW Thoroughbred Racing Board (TRB), covering the period from 1 July 2002 to 30 June 2003.

During the past 12 months the New South Wales racing industry has witnessed a year of excellence with some notable highlights – two of which immediately come to mind are the outstanding deeds of locally-bred champion Lonhro, and Newcastle sprinter Choisir. The dashing chestnut did NSW proud by claiming two Stakes races in England and with the stallion now retiring to the Hunter Valley, Choisir will further strengthen our State's breeding ranks.

Betting turnover in all sectors continues to rise and across the State prizemoney offered increased by \$2.6million.

In the last financial year, NSW thoroughbred racing offered a total of \$91.9million in

prizemoney and staged 42% of the top 50 races (by value) in Australia. With the exception of the Melbourne Cup, NSW is home to the next three richest races in the nation – the AAMI Golden Slipper Stakes, the San Miguel Doncaster Handicap and the San Miguel AJC Australian Derby.

I would like to congratulate both metropolitan clubs who reached new heights with their world-class racing carnivals. Of course, I must also commend the Provincial Association of NSW and the Country Racing Council on some excellent racing throughout the season, with a total of 866 race meetings being staged across the State.

Insurance costs continue to pose one of the major threats to the racing industry, with premiums going 'through the roof'. In regard to the industry's public liability premiums, we have now established a national captive fund which should keep premiums lower and ensure future premiums remain more stable.

Turning to the industry's workers' compensation fund; unfortunately due to a number of issues such as falling equity markets, the collapse of HIH, and changes to legislation, we have been forced to increase workers' compensation premiums charged to the industry to cover past losses.

That said, we are now hopeful that the worst is behind us and increases to workers' comp premiums will be minimal in the next financial year - although that does depend on a number of variables beyond our control such as returns on investments and claims.

A band of country trainers has been extremely vocal that insurance costs will cripple their livelihood and, in effect, the rest of the industry should subsidise them. We resist that – the TRB will not promote cross-subsidisation. We will try to get the insurance costs down but, ultimately, we may have to consider withdrawing from the insurance business totally should we not make any inroads.

Our IT sector is making rapid progress in elevating Racing NSW to one of the industry leaders in technology, with several e-commerce initiatives close to fruition. IT has long been one of our highest priorities and our focus on this key area will ultimately result in further cost savings to stakeholders and participants, and a streamlined system with rapid processing allowing an improvement in the flow of information.

I am also pleased to see a constant rise in the numbers of visitors to the Racing NSW website. The site is a valuable asset to this State's racing industry and provides an excellent service to stakeholders, participants and the general public. In the autumn of this year the website gained national recognition when awarded the 'Best Website' in the racing industry, beating some 1200 other sites.

As I write, the Ratings-Based Handicapping system – a joint initiative of Racing NSW and Racing Victoria – is about to be introduced. This new system will deliver transparency of handicapping, improve the turnaround time of the release of weights, provide consistency

and achieve internal processing efficiencies.

BOBS – our State’s incentive scheme – is now into its second season and has received great support from breeders and racehorse owners. Some 120 stallions were paid up for the scheme which is more than double the amount paid up for BOBS’ inaugural season. With country racing now receiving bonuses, the scheme has become more widely accepted as it continues to gather momentum.

An important industry issue is safety, and I am pleased to say Racing NSW has a strong

commitment to Occupational Health and Safety and leads the way nationally (in racing) with education and training. Racing NSW recently completed the project ‘Train the Trainer’ for Race Club employees, and also completed a joint project with Workcover for horse Trainers.

Finally, I would like to pay tribute to the efforts of all TRB staff. Our organisation is slowly coming together and they have all done a tremendous job, including Greg Purcell at NSW Racing. The TRB has made substantial gains from the investment in our Mascot headquarters and the building

has been a great help strategically, fostering strong staff morale.

I must also acknowledge the dedication and commitment from the staff and committees of all NSW Race Clubs which has again resulted in a fantastic racing year.



A G HARTNELL AM
CHAIRMAN



Chief Executive's Report



Merv Hill

The year ended 30 June 2003 was an extremely busy and successful year for Racing NSW, in what was a somewhat difficult year for the racing industry generally.

Looking beyond the administrative side of racing, this was a successful racing year for most of the clubs, with metropolitan racing at carnival times generating a level of interest that has not been seen for a while.

In the country, the economic circumstances have been tough, due mainly to the drought, but there are the consequences of population shift impacting on the regional areas, and whilst the major regional carnivals and special event clubs were also very successful, some significant strategic issues need to be addressed.

Racing NSW has generated discussion within the industry through meetings and the issue of discussion papers. This process continues, and whilst change is inevitable, the plethora of stakeholders and varying agendas make it most likely that the changes that will surely come will emerge somewhat slowly, and will be evolution, not revolution.

On the national front, Racing NSW has been at the forefront of a number of major issues. Never in the recent history of racing has there been a closer relationship between the principal authorities in NSW and Victoria.

In conjunction with Racing Victoria Ltd, and in most cases all other States and the Territories, we have pursued a number of initiatives that seek to capitalise on the combined strength of the industry, and to generate cost savings and efficiencies. The initiatives pursued

include a joint RVL/RNSW system of Ratings-Based Handicapping, which will be launched later in 2003 and will include S.A., the establishment of a Captive Insurance Fund between NSW, VIC and QLD which has the potential to save NSW alone between \$1.5million and \$2million each year, the establishment of an independent company to encompass the operations of the Racing Services Bureau, Trainers Service Centre, and the Registrar of Racehorses – the establishment of that latter company will mean that for the first time NSW will have an equity interest in the operations of managing its data, in conjunction with the other States and Territories.

Racing NSW was also represented on the inter-governmental Cross Border Betting Task Force, and through the Australian Racing Board had a deep involvement in the review of the Commonwealth Governments Interactive Gaming Act, and in dealing with the operations of betting exchanges. Both cross border betting and betting exchanges pose very real threats to the financial viability of the racing industry, and all ARB members share this concern, which is not necessarily shared by all States and Territory governments.

This year saw the implementation of the incentive scheme designed to enhance the attractiveness of racing horses in NSW. Known as BOBS (Breeder Owner Bonus Scheme), the first version was launched after extensive consultations, and it was acknowledged that this was a foundation on which to build.

Further consultation saw many improvements to the scheme for its second year of operation. As always the scheme has its critics, but after 5 years of debate it was time to get a scheme going, and already after one successful year, it is clear that the incentive scheme is here to stay.

Racing NSW has on two occasions in recent years engaged external consultants to provide an

independent assessment of the cost of its operations, and to identify any potential cost savings. The year under review saw no further independent examination, the last review being current, but the Board continued to closely monitor expenditure.

The operations of Racing NSW are further explained through this report – Racing NSW is the only body that is charged with taking an industry-wide perspective and responsibility, and it is the only body that can gain the economies of scale in such things as insurance, and it is the voice of NSW in the national and international forum through the ARB.

Whilst Racing NSW continues to carefully monitor its expenditure, services such as handicapping, drug testing, stewards, licensing, Occupational Health and Safety, stakes payment, industry training, apprentice schemes, veterinary, industry insurance, TAB and government liaison, and participation in the national debate, come at a cost.

Again throughout the year, our colleagues at the Office of Gaming and Racing have used their experience to support racing and I thank them for that. It has been a year of constant dialogue with important and useful input coming from the clubs, associations and representative bodies, and I also thank those who have given their time and expertise.

For the staff, once again it has been a year of change as our policies and procedures change to meet new challenges, to meet the changes in our environment, and as we strive to maximise our cost effectiveness.

All that will continue and we look forward to another successful year for both racing and administration in 2003/04.

MERV HILL
CHIEF EXECUTIVE



The People behind Racing NSW

"Our staff are committed and dedicated to the industry. Performance efficiencies, teamwork, innovation and maximising the potential of all staff, ie. the contribution our people make to the well being of the industry, is the focus of our department."

– Jeanette Brokman, Racing NSW's Human Resources Manager

With more than 100 employees, Racing NSW offers a unique and diverse cross-section of career opportunities from forensic science, finance, media, and industry training to handicapping and stipendiary stewards.

Whilst the majority of staff are based at our head office at Mascot, other staff are based at regional offices and work throughout the state.

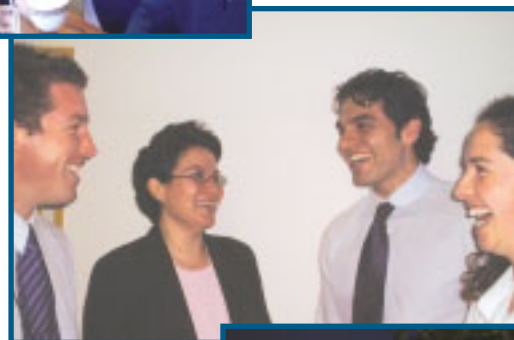
Our emphasis is on both our longer-term employees, many having worked previously with the Australian Jockey Club prior to the Board's inception in 1997, and attracting and retaining the next generation by providing rewarding career opportunities and encouraging innovation.

Our people are constantly bettering themselves through education, training, comprehensive induction programs, mentoring, international secondments and work experience.

Through teamwork and a fresh approach in workplace and technological change, much has been achieved in 2002-03.

The next step is to build the momentum and to set the pace for a new culture.

Our focus is to continue to examine our operations and performance concentrating on service and the contribution Racing NSW can make to the well-being of the industry – not only nationally, but internationally.





Administrative and Financial Structure

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

Racing Distribution Agreement (RDA)

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

Roles of each party

The roles of each party are:

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

Objectives of RDA

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

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

NSW Racing Pty Ltd. (NSWR)

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

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

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

Mr. Tony Hartnell AM
(Chairman)

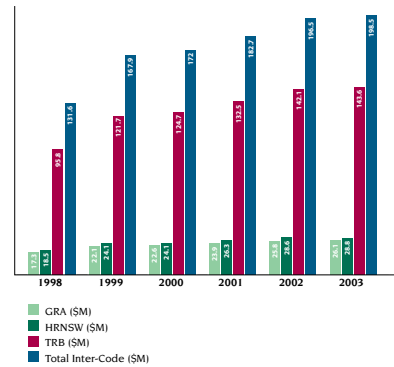
Mr. Don Hopkins

Mr. Graeme Pash

Mr. Phillip Esplin

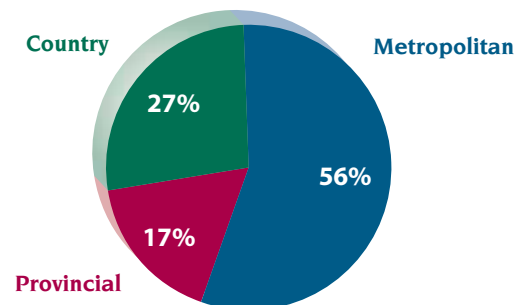
Inter-Code Agreement

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

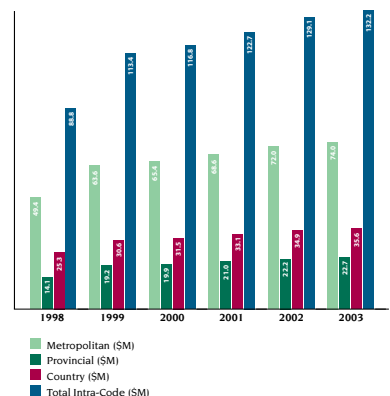


Intra-Code Agreement

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



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



Integrity Assurance Committee



Integrity Assurance Committee

L-R: Alan Davidson, Don Hopkins, John Matthews.

Purpose

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

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

Members

Mr D E Hopkins
CHAIRMAN

The Hon J C J Matthews

Mr A K Davidson AM MBE

Mr M Cummings

Meetings held in 2002/03

- Friday, 11 October 2002

Major items addressed

HANDICAPPING:

Mr MarkWebbey

- Manager Handicapping to advise status of automated handicapping system at next IAC review,
- Further information required as to whether current staff levels enable tasks to be completed on time,
- The presence of a handicapper in a regional area has had some benefit to industry participants.

REGISTRATION:

Dianne Green/Keith Bulloch

- Checking of specimen signatures – Keith Bulloch to review TRB legal liability in this area. Question raised is Liability vs. protection to industry,
- A review to be conducted on whether the TRB should collect specimen signatures and also on the current transfers system /procedures.

LICENSING:

Gary Rudge/Keith Bulloch

- TRB vs. Timbery case noted by Committee,
- IT conversion noted,
- Broad rules, re: Corporate bookmakers were noted by Committee.

AUSTRALIAN RACING FORENSIC LABORATORY:

Allen Stenhouse

- Official Analyst to make comment on pre-race testing,
- The issue of the growth in number and variety of peptide hormone drugs becoming available and the difficulty in detecting them has been referred to the ARB.

STEWARDS:

Mr. Ray Murrhoy

- Issue of setting up a national database of information on legal proceedings has again been raised with ARB,
- Upgrading of stewards towers underway,
- Quality of video footage (HNWRA) following an appeal. CRC to be advised that IAC consider this unsatisfactory quality,
- IAC recommend the issue of pre-race testing be again raised with TRB Board,

IAC supports proposal to ARB, re: raceday treatment.



RIPAC

RACING INDUSTRY PARTICIPANTS ADVISORY COMMITTEE

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

Members

Mr Mark Daniels
TRAINERS

Mr Paul Innes
JOCKEYS

Mr Benedict Chan
OWNERS

Mr Les Young
BREEDERS

Mr Jack Ashman
BOOKMAKERS

Mr Matthew Thistlewaite
INDUSTRY EMPLOYEES

Mr Peter Mair
CONSUMERS

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

- Advise the TRB on industry policy and strategic direction,

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

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

IT



Clinton Gaddes

"The IT department is rapidly becoming one of the industry leaders in technology. Our e-commerce is close to fruition showing that the hard work put in by all IT members will pay dividends to all stakeholders and participants, giving them easy and efficient access to a range of services."

– Clinton Gaddes, Racing NSW's IT Operations Manager

Department members

Clinton Gaddes

IT OPERATIONS MANAGER

Scott Pithers

IT SUPPORT HELPDESK

David Parsa

IT SUPPORT

Alex Blokh

ANALYSTS PROGRAMMER

A year in racing is a long time – likewise a year in the field of Information Technology. Given the diverse nature of the Racing Industry, it can certainly be stated that every day over the last year has posed a challenge at every turn.

Over the past 12 months, Racing NSW has undergone substantial changes with commissioning and implementing the HORSES Racing System. This system provides the industry with a contemporary technology platform that will allow the integration of the internet to generate various benefits to the industry. In the near future we will see the introduction for the system to provide on-line Stakes payment account inquiries, licensing account inquiries and updates.

The role of the information technology department within

Racing NSW encompasses the following:

- General support to internal and external Racing NSW end users,
- Report generation and data analysts,
- System development and maintenance of the HORSES Racing System,
- System development and maintenance of the ROR System,
- Asset management and procurement,
- Project co-ordination,
- Rationalisation of expenditure and Total Cost of Ownership.

Objectives achieved

- Introduction and design of the new BOBS bonus Scheme within the HORSES Racing System,
- Enhancements to the HORSES Racing System including the introduction of new business rules to cater to the ever-changing need of the racing industry,
- Enhancements to the national ROR System,
- Horse name lookup function provided on-
www.racingsw.com.au to allow users to view possible names for their unnamed horses,

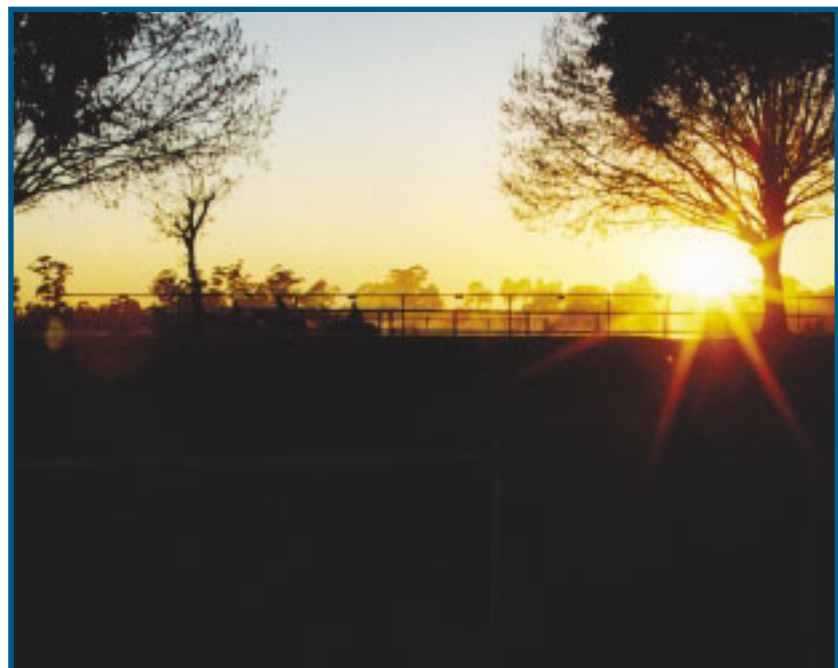
- Stakes Payment upgrade to facility e-commerce projects due for release in the near future.

RISA (Racing Information Services Australia) has been incorporated as a national company with a view to holding IT resources between the States, where each State holds equity in the company. The first benefit of this is the utilisation of the Trainers Service Centre which went live in September 2002. This is the first step of many which will see economies of scale achieved in IT developments across the country.

Racing NSW has continued its commitment to RISA - the first commercial venture that all Australian racing jurisdictions have participated in.

This special purpose company is being formed to:

- Protect industry data and IP,
- Reduce IT and administration costs through aligning business systems and processes between states.



Commercial Report



"Stakes Payment is a core part of Racing NSW, handling more than 1million transactions per year. The system 'keeps the books' of many industry participants, and the coming e-commerce will further dissipate accountant keeping hassles."

– Paul Bittar, Racing NSW's Commercial Manager

Department Members

Paul Bittar

Commercial Manager

Felicia Gibson

Stakes Payment System Accountant

John Patton

Stakes Payment Officer

Maria Ryan

Stakes Payment Officer

Sue Hutchison

Customer Service, Stakes Payment

- Stakes Payments System
- Trainers Service Centre
- E-commerce

Stakes Payments System

The Racing NSW Stakes Payments System has been in operation for three years, catering for all facets of prizemoney distribution and the processing of workers' compensation and industry charges. Importantly, the system ensures GST compliance for all GST registered participants by providing tax invoices for all transactions, and assists Trainers in particular by issuing monthly statements to enable efficient billing of charges.

Statistics for the 2003 financial year show Racing NSW Stakes Payments:

- Processed over 1million transactions for all NSW race meetings and barrier trials,
- Distributed approximately \$100million in prizemoney and bonuses to over 30,000 payees,
- Maintained accounts for over 12,000 Owners and 5,000 Licensees.

Additionally, focus continued on making payments by EFT. The move to EFT is designed to reduce the administration costs associated with cheque processing. For the year ended:

- Almost 100% of Licensee payments were made by EFT,
- 72% of Owner payments were EFT, representing an increase of 12%.

Continuing development of the system incorporating e-commerce functions (refer e-commerce timetable) will continue to deliver efficiencies and focus on reducing costs.

Trainers Service Centre

Overview

September 2002 brought about a significant change for NSW racing in the processing of all racing information. The introduction of the Trainers Service Centre (TSC) in Melbourne for use by NSW Trainers provided a 'one-stop shop' for all their racing information requirements. The TSC is accessible for Trainers on a freecall 1800 number and is responsible for processing all:

Nominations, Acceptances, Riders, Scratchings, Gear changes, Stable Returns.

The TSC efficiently and effectively provides this service for not only NSW, but also Victoria and South Australia. Ultimately, the TSC will deliver significant cost savings to NSW racing through the efficient processing of this information. Additionally, Trainers are no longer required to contact each race club individually for their racing requirements – it can all be done through the TSC.

TSC Performance

Racing NSW has in place a Service Level Agreement with the TSC to ensure an efficient deliver of service for NSW participants. The call statistics below show the effectiveness of the TSC since NSW 'came on-board' in September 2002.

Monthly Total calls	No. of calls answered in under 30seconds	% of calls answered in under 30seconds
202,478	184,290	91.02%

Well over 1 million transactions were processed by the TSC during the period from September 2002 to June 2003.



Stable Assist

The coming year will see the introduction of 'Stable Assist' for NSW Trainers.

'Stable Assist' provides Trainers with an easy-to-use system to nominate and accept horses, and manage their stable via the Internet and will be available for use in October 2003 (refer e-commerce timetable). The advantage for Trainers will be to enable the management of their racing transactions at a time convenient to them.

E-Commerce

Racing NSW is committed to technology solutions that deliver cost efficiencies in administration as well as delivering benefits to participants. The past year saw a number of e-commerce functions developed and implemented, including:

- On-line notification of race extensions (via Racing NSW website),
- E-mail distribution of Nominations, Weights & Acceptances,
- Download of Forms available from Website,
- On-line access to Race Club information (e.g. contact details and special events).

Additionally, the coming year sees a number of new projects planned for implementation, including:

- On-line access to SPS account & transaction information,
- On-line access to past statements & tax invoices,
- Rollout of "Stable Assist",
- Distribution of statements by e-mail,
- On-line account payment facilities,
- On-line update of Contact details,
- On-line Lodgement of Forms,
- On-line Licensing & Registration processes,
- On-line facility to enable download of monthly accounts,
- On-line submission of Race Programs.

Race Dates and Programming



Paul Bloodworth

"The programming of races is crucial to the balancing of racing in this State. Much work and consultation goes into the structure and many positive initiatives have resulted in the past financial year."

– Paul Bloodworth, Racing NSW's Racing Co-ordinator

The Racing Review Panel meets monthly and aims to improve the quality of racing in NSW and to maximise TAB sales. The role of the Review Panel is to advise and recommend to the Board race dates and programming initiatives.

Some of the recommendations from the Panel adopted by the Board over the last 12 months include:

- Formation of the Programming Working Party,
- Balancing metropolitan programs with restricted and open class racing,
- Re-introduction of class five races,
- Abolition of money bars on Open Handicaps in the Country,
- Nine race Metropolitan Saturday trials,
- Introduction of set-weight maidens,
- Formation of cross-sector racedates group,
- Strategic movement of racedays to compliment district and sector initiatives.

Racing Review Panel

John Costigan

Board Member - Racing NSW

Keith Bulloch

General Manager Racing Services - Racing NSW

Paul Bloodworth

(Secretary) Racing Co-ordinator - Racing NSW

Mark Webbey

Chief Handicapper - Racing NSW

John Nicholson

General Manager Racing and Wagering - Sydney Turf Club

Colin Tuck

Racing Manager - Australian Jockey Club

Shane Meaney

Racing Manager - NSW Country Racing Council

James Murphy

Executive Officer - Provincial Association of NSW

**Canberra Racing Club Deputy Chief Executive - Mr Peter Stubbs, is copied all meeting correspondence for comment on behalf of that Club.*

Programming Review

The Review Panel completed a thorough review of the current programming policy in March 2003. Submissions were received from Racing NSW, the Provincial Association NSW and the Country Racing Council.

The Panel, whilst being pleased by the statistics emanating from the review in relation to average field sizes, recommended to the Board

the re-introduction of class five races and the elimination of money bars on Country open handicaps.

These recommendations were made specifically to achieve the objective of 'maximising participation rates at all levels of NSW racing'.

Programming Working Party (PWP)

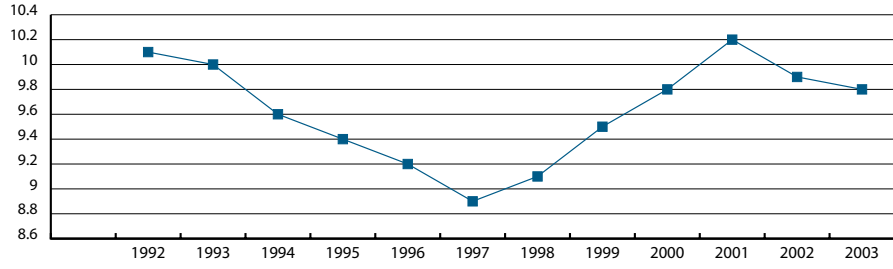
The PWP meets quarterly to discuss the formation of metropolitan, provincial and country race programs.

During its inaugural year, the PWP made an important step in improving programming strategy in NSW. By assisting the provincial and country sectors with statistical evidence, the two sectors have moved to a model of programming races in line with the available horse population.

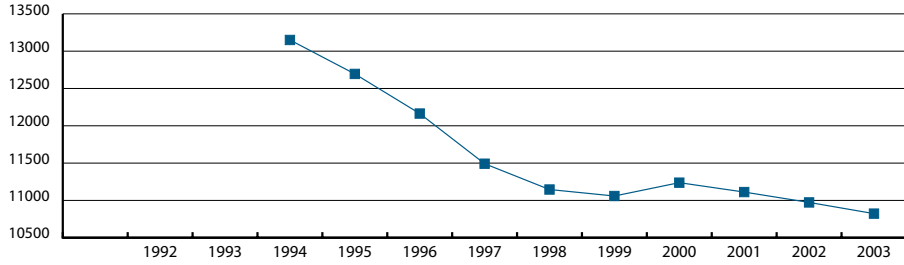
Specifically this will result in lower class races (maiden to class 2) being programmed in amounts commensurate with the horses eligible for each level. In NSW, approximately 70% of raced horses are of Class 2 or lower level, and therefore approximately that amount of races should be programmed at provincial and country venues.



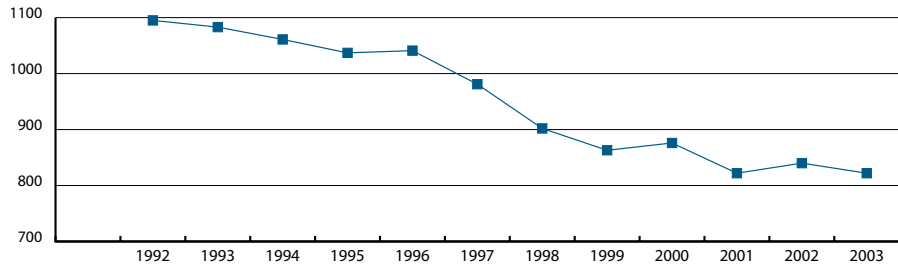
Average number of starters per race



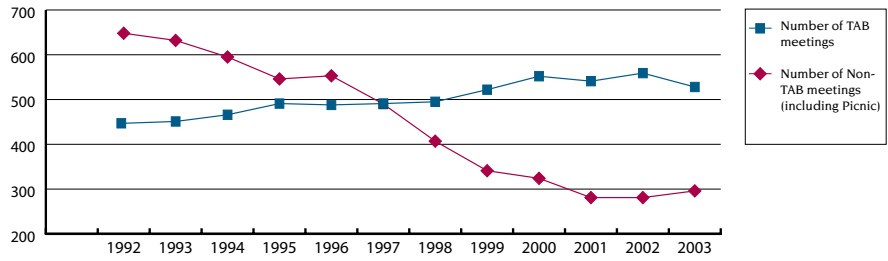
Individual horses that started



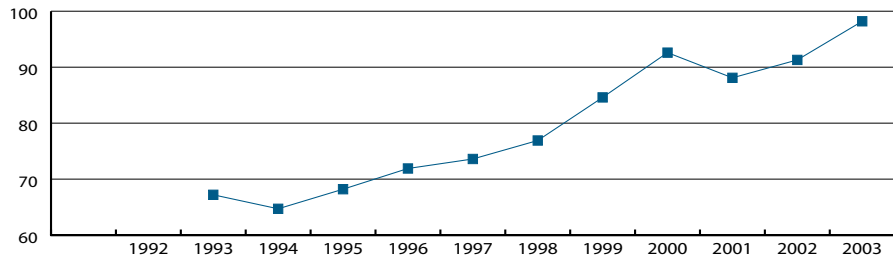
Number of race meetings



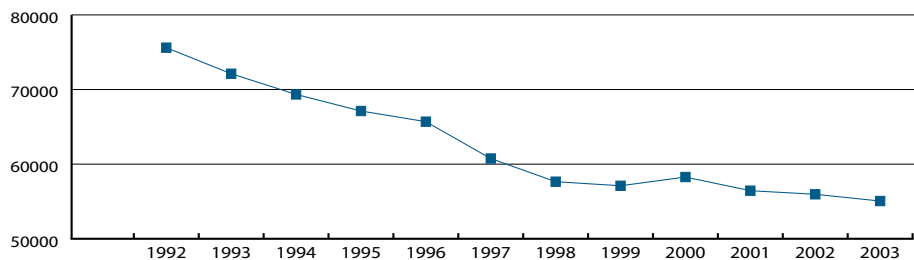
Number of TAB meetings v. Non TAB meetings



Prizemoney, bonuses and starters rebates (\$M)



Total number of starters



BOBS



"Whilst racehorse owners receive the lion's share of the bonuses under the BOBS scheme, breeders also benefit in several ways, as do trainers and jockeys."

– Les Young, representative of RIPAC.

For more than a decade, breeders and owners have been demanding a bonus scheme to rival that of some of those interstate.

Last year the Board of Racing NSW put in place BOBS (Breeder Owner Bonus Scheme).

Whilst many were quick to condemn the initiative, the Board firmly believed in 'getting the scheme out there' and moulding it into shape with regular consultation with industry stakeholders.

Now, with the initial BOBS scheme finishing in August 2003, BOBS has been significantly revamped following further consultation. The end result is the inclusion of two-year-olds, and the country now having been added to the scheme (TAB races).

Other alterations include the addition of a 12.5% stallion nominator bonus, staggered payments to avoid cash flow implications, alignment with conception season, and a Management Committee including breeders and owners.

In the coming season BOBS is geared to pay bonuses totalling \$4million with bonuses available on over 4,000 NSW city, provincial and country races.

These bonuses are \$5,000, \$10,000 or \$20,000 on each win at any NSW TAB meeting. For a horse to be eligible, its sire must have stood in NSW and have paid its Sire Contribution to the scheme.

BOBS is designed to encourage people that race in NSW to breed and race the progeny of NSW stallions. It is also designed to encourage NSW owners to race NSW-bred horses in preference to those bred interstate.

The scheme distributed \$1.96million during the period 1 August 2002 to 30 June 2003.

Broodmare owners and buyers racing in NSW can't afford not to be in BOBS. Why would anyone race for less?



Appeals



Kathy Reece

"The Appeals System is laid out to ensure any aggrieved person(s) has full opportunity to have his or her case given a fair and proper hearing for the sake of justice."

– Kathy Reece,
Appeals Co-ordinator

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

Appeal Panel Members

Mr T E F Hughes AO QC
(Principal Member)

Mr Martin Einfeld QC

Mr Darcy Leo

Ms Margaret Crawley

Mr John Hiatt

Mr Rodney Wicks

Mr Robert Monnox

Mr Dominic Beirne

Mr Ray Nolan

Mr John Vandenberg

Mr John Fletcher

Mr Peter Norrgard

Mr David Campbell SC

Mr Neville Begg

Mr Donald Storey

Mr Peter Capelin QC

Mr Jack Hickman

Mr Cliff Clare

Mr Peter Capelin QC was the only new member appointed to the Appeal Panel during 2002-2003.

Department Members

Mr M J Hill,
Secretary Racing Appeals Tribunal

Ms K Reece,
Appeals Co-ordinator

Avenue of Appeal

At the first level of appeal, any person considering themselves aggrieved by a decision of a racing authority has the choice of appealing to either one, but not both, of the following Appeal Bodies:

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

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

Appeal Panel

The Sydney based Appeal Panel sat on 21 occasions during 2002-2003.

The Hon T E F Hughes AO QC chaired 25 Appeals and Mr M Einfeld QC chaired 2 Appeals. Within those 21 sittings there were 27 appeals heard on 34 individual charges. Appeals on 12 of those charges were withdrawn either prior to or at the time of hearing. The majority of these appeals were against conviction and penalty. A Panel of five members heard most appeals.

Racing Association Appeals

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



Tom Hughes
AO QC



John Vandenberg Rodney Wicks Tom Hughes Neville Begg Cliff Clare

DECISION ON CHARGES

Area	Upheld	Dismissed	Withdrawn	\$200 Refunded	Total Charges
Appeal Panel	5	17	12	2	34
Racing Associations	-	1	-	-	1

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

Summary of Charges Applicable to Appeal Cases

Rule	Description	Amount
AR83(a)	Every jockey or apprentice may be punished – if he misconduct himself in any way	2
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
AR137(a)	Any rider may be punished if, in the opinion of the Stewards, he is guilty of careless, improper, incompetent or foul riding	14
AR175(h)(ii)	The Committee of any Club or the Stewards may punish any person who administers, or causes to be administered, to a horse any prohibited substance which is detected in any sample taken from such horse prior to or following the running of any race.	2
AR175(n)	The Committee of any Club or the Stewards may punish; any person who in their opinion commits or commissions an act of cruelty upon a horse	2
AR175(q)	The Committee of any Club or the Stewards may punish; any person who in their opinion is guilty of any misconduct, improper conduct or unseemly behaviour.	9
AR178	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 punished	3
Total		34

Representation Table

	Dismissed	Upheld
Represented by Solicitor	5	3
Represented Self	12	2
Totals	17	5



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

Racing Appeal Tribunal

4 Appeals were lodged with the Racing Appeals Tribunal and heard by His Honour Mr B R Thorley. The Tribunal dismissed all appeals and varied one penalty.

The Appeals were under the following Australian Rules of Racing:

LR91(q)

Every bookmaker must enter accordingly all book bets in a recognisable name of the person with whom they are made and none but legitimate wagers must be so entered.

AR175(g)

The Committee of any Club or the Stewards may punish any person who gives at any inquiry or appeal any evidence which in their opinion is false or misleading in any particular.

AR178

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 punished.

Legislative Amendments

The Racing Appeals Tribunal has held the view that there should be an avenue of appeal to the Tribunal open to the TRB.

Representations have been made to government, and it is anticipated that legislative changes will be enacted to allow for this.

Further legislative changes are under consideration as a result of a judgment in the Supreme Court which commented on the lack of clarity in the current legislation, and the manner in which the two levels of appeal (Appeal Panel and Tribunal) interact.

Industry Training



Marianne Chaffe

"Investing in training is no longer just an option for people in business. Implementing training programs makes sound economic sense - Trainers, as business managers, are required to be compliant with so many different types of legislation and this directly relates to the ongoing success of their businesses. Industry Training - by securing funding from a number of government sources again this year - has also demonstrated to the general community that the racing industry values young employees entering the industry for the first time." - Marianne Chaffe, Manager Racing NSW Industry Training Dept.

Racing NSW's Industry Training department encourages people to enter the racing industry, identifies appropriate career paths and manages relevant training for new and existing industry workers.

Objectives:

- Increase apprentice jockey and trackwork riders numbers,
- Increase apprentice jockey race riding opportunities,
- Manage the Racing NSW Apprentice School in conjunction with Western Institute of TAFE NSW,
- Manage the Talent Identification programs at the Sydney International Equestrian Centre in conjunction with Western Institute of TAFE,
- Manage the 'Rising Star' Apprentice Race Series in conjunction with DET NAC,
- Encourage greater participation of young people in the racing industry,
- Assist people entering the industry to find their most suitable career path,

- Provide ongoing industry-credible mentoring to apprentice jockey, trackwork rider, strapper and stablehand trainees,
- Ensure participants are informed about changes to the national Racing Industry Training Package,
- Provide equitable training for racing industry participants throughout the country, provincial and metropolitan regions,
- Participate on state training advisory body, Racing Training NSW,
- Liaise with national training advisory body Racing Training Australia to ensure consistency in training and assessment is maintained,
- Expand the scope of training throughout the industry,
- Strategic promotion of careers in the racing industry to school students.

RACING NSW APPRENTICE SCHOOL

As a means of quality control, Industry Training identified the need for a review of Apprentice School training during 2002. Interviews were conducted with students, TAFE teachers, apprentice jockey mentors and employers resulting in an agreement with TAFE NSW that one centre, Western Institute of TAFE, work with Racing NSW in the co-ordination, delivery and assessment of apprentice jockey training.

TAFE NSW has agreed that the administration of NSW racing industry training will be conducted by Western Institute of TAFE with regional TAFE centres continuing to deliver and assess training of existing apprentices.

Apprentice Schools for existing apprentices (2nd, 3rd and 4th year) continues to operate on a fortnightly basis in all regions throughout the state.

- Central Districts Racing Association – Dubbo and Orange,
- Hunter and North West Racing Association – Tamworth,

- Northern Rivers Racing Association (NRRRA) and Mid – North Coast Racing Association – Coffs Harbour,
- South East Racing Association – Canberra,
- Southern Districts Racing Association – via Canberra,
- Metropolitan – Canterbury,
- Provincial – Newcastle and Kembla.

Western Institute of TAFE employs former and current jockeys as part-time teachers to assist in mentoring and coaching of apprentices.

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

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



Training Support Officer Malcolm Fitzgerald works closely with the apprentice school teachers and co-ordinates their apprentice jockey on-the-job assessment activities.

Talent Identification program

Industry Training, working with Western Institute of TAFE, Orange, began the apprentice jockey and trackwork rider Talent Identification training program in March 2003 at the Sydney International Equestrian Centre (SIEC). From 15 young riders, 12 completed the first phase of training over a three-week period, with 11 securing employment. Two riders were referred to Richmond TAFE College for further trackwork rider training.

The program consists of three weeks intensive training, including up to four hours riding tuition each day, before prospective apprentices are placed in employment with trainers. Training is ongoing for the duration of the four-year apprentice jockey indenture and students are required to return for block training on a regular basis at prescribed times.

Training Support Officer Malcolm Fitzgerald plays an integral role in the interviewing, teaching, mentoring and placement of potential apprentice jockeys in conjunction with Stipendiary Steward James Walshe.

Apprentice Jockey Training and the NSW Institute of Sport

Racing NSW has purchased a specialised psychological and motivation training program for apprentice jockeys from the NSW Institute of Sport. Sport Psychologist Dr Mark Gribble conducted introductory and return training sessions for the first and second intake of prospective apprentice jockeys at SIEC.

Promotions and Recruitment

- Schools Career Markets

Industry Training's Malcolm Fitzgerald and Gail Vitale attended the following schools career markets days to promote the racing



Gail Vitale, Marianne Chaffe and Malcolm Fitzgerald

industry, and specifically apprentice jockey careers.

- Tamworth Careers Market,
- Illawarra Careers Expo,
- Hunter and Coalfields Schools Careers Markets,
- Newcastle and Lake Macquarie Careers Expo,
- Cumberland Rotary Markets, Parklea,
- Central Coast Career Expo,
- Career Search 2003 Bankstown,
- Nepean Schools Expo,
- Taree Careers Markets,
- Liverpool Career Search Market,
- Marcarthur Area Careers Markets, Cambelltown,
- Canberra Careers Markets.

Each of the careers markets attract between 2,000 and 7,000 local students.

Barrier Attendants Training

Industry Training held Occupational Health & Safety awareness training sessions for metropolitan and provincial race starters and barrier attendants. The training sessions allowed participants to complete the first module from the TRB OH&S Formguide. Industry Training and Country Racing Council have held discussions regarding the delivery of awareness training for country race starters and barrier attendants.



DET NAC 'RISING STAR' APPRENTICE RACE SERIES

The 2002 'Rising Star' Apprentice Race Series concluded at Randwick

on Monday, 5 August 2002, with metropolitan apprentice Con Karakatsanis taking out the title ahead of Jay Ford and Cody Morgan. There were 45 apprentices from around NSW who competed in the Series and gained valuable and practical on-the-job training.

The Series began again in February 2002 at Broadmeadow with other heats conducted at Canterbury (night meeting), Dubbo, Taree, Mudgee, Goulburn, Gosford, Armidale, Port Macquarie, Hawkesbury and Canberra - with the final scheduled for Randwick on Monday, 5 August 2003. The number of heats in the Series has increased from 10 to 12. Training Support Officer Malcolm Fitzgerald attended each of the races to mentor and support apprentice jockeys.

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

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

The Industry Training department presented prizes to the Best Presented Strapper at each of the venues of the Rising Star heats.

Apprentice Race Riding Opportunities

During the 2002 – 2003 season, apprentice race riding opportunities

increased by 3.56% to nearly 23% which is the highest figure since records have been kept. From 1997 to the close of the 2003 season, the overall increase in apprentice race riding opportunities is 10%.

SEASON	TOTAL STARTERS	APPRENTICE RIDES	%APPRENTICE RIDES
1997 – 1998	60,580	7,704	12.71%
1998 – 1999	60,154	8,718	14.49%
1999 – 2000	61,186	11,246	18.38%
2000 – 2001	57,120	11,872	20.78%
2001 – 2002	58,012	11,216	19.33%
2002 – 2003	56,773	12,996	22.89%

Completion of Funded Projects

Industry Training completed three Government-funded training projects in January 2003.

- 1) NSW Department of Education and Training Industry Skills Training Program: Induction Package for 'New Workers to the Racing Industry', comprising print based resources and video.
- 2) NSW Department of Education and Training Industry Skills Training Program: Resources Development Project – Certificate IV Racing. The resources comprise learner and trainer guides for three modules of the Certificate IV and Diploma Racing Administration – Stewards – courses.
- 3) NSW Department of Education and Training (via Australian National Training Authority): On-Line Learning Project 'Racing Towards Flexible Learning'.

Launch of 'Off and Racing – Induction Package for New Workers'

Some 75 guests, including Racing NSW Chairman Mr Tony Hartnell, and Board members Mr Brian Reardon and Mr Merv Hill, along with Racing NSW department managers, attended the Induction Package launch at Canterbury Park races on Thursday, 24 October 2003. The Induction Package for New Workers in the Racing Industry includes an assessment kit, information, booklet and 14 minute video. The package was developed with \$28,000 funding assistance from the NSW DET Industry Skills Program.

New Funded projects for 2003

The Industry Training department was advised by NSW Learnscope that project application, Racing Towards Flexible Delivery – 2003 was successful and that a contribution of \$19,800 towards the total budget will be made to Racing NSW.

The project builds on the foundation outcomes achieved in the Learnscope 2002 Project with objectives focusing on:

- Further identification and development of skills required to facilitate/teach on-line learning,
- Establishing standards of practice protocols for on-line facilitators/teachers,
- Understanding learner needs,
- Increasing knowledge of Racing On-Line to be able to conduct training using this resource.

The project is sponsored by Racing NSW and includes representatives from NSW Country Racing Council, Provincial Racing Association of NSW, Australian Trainers Association (NSW Branch), NSW Jockeys Association, Illawarra Institute and Western Institute of TAFE.

Racing Training New South Wales

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

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

At the sixth AGM, RTNSW Committee of Management elected office bearers as follows:

Marianne Chaffe ~ President
Racing NSW

John Baker ~ Vice-President
Harness Racing NSW

Tony Mullins ~ Secretary
Harness Racing NSW

Brent Hogan ~ Treasurer
Greyhound Racing Authority

Stewards Training

Industry Training has worked with Deputy Chairman of Stewards, Greg Rudolph, in the co-ordination of Certificate IV Workplace Trainer and Assessor training for metropolitan and regional stewards.

Racing NSW Occupational Health and Safety Seminars

Industry Training Manager, Marianne Chaffe, and Insurance Manager, Michael Thompson, were joint project managers of the NSW TRB Form Guide (Occupational Health & Safety) Training Program for race club managers which ran from December 2002 until March 2003. The Industry Training department administration officer Ms Gail Vitale maintains databases regarding attendees, assessment records, and safe work method statements.



Licensing



Gary Rudge

“The Licensing function is necessary to maintain the integrity of horse racing and to ensure that racing maintains the highest standards - it is vital that the participants in our industry possess the required experience and expertise to perform competently in their role. As racing is largely dependant on wagering, it is also important that the public has confidence that licensees are of suitable character.”

– Gary Rudge, Racing NSW
Licensing Supervisor

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

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

The Licensing Committee met on 6 occasions during 2002/2003. The role of the licensing committee is to set licensing policy and procedure for the TRB. Applicants for licences may be further interviewed at these meetings, and decisions or recommendations forwarded to the Board for approval.

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

TRB Licensing Committee

Mr Don Hopkins (Chairman)

Mr John Costigan

Integrity Assurance Committee

Mr D E Hopkins (Chairman)

Mr M G Cummings

Mr A K Davidson AM, MBE

The Hon J C J Matthews

Department Members

Gary Rudge

Licensing Supervisor

Nick Green

Licensing Assistant

Bookmaker Companies

Following the introduction of legislation that catered for the introduction of Bookmaker Companies in NSW, the necessary amendments to the Local Rules of Racing were made to facilitate the consideration of Bookmaker Company licences.

Licensing Database

The transfer of licensee data to the new Horses system was completed in November. This database possesses the required technology to provide for initiatives such as on-line licensing to be introduced in the near future.

Personnel changes

Nick Green who commenced with this department as a trainee in January, accepted an offer of full-time employment in July. Nick, who hopes for a long and successful career in the racing industry, is also undertaking training in the Handicapping department.



No of NSW Licensees

Type	Metropolitan		Provincial		Country		Total	
	02/03	(01/02)	02/03	(01/02)	02/03	(01/02)	02/03	(01/02)
Trainers	133	(145)	243	(250)	1040	(1095)	1416	(1490)
Jockeys	80	(76)	25	(40)	174	(207)	279	(323)
Apprent.	17	(13)	15	(11)	82	(85)	114	(109)
Approv Rid.	0	(0)	0	(0)	34	(70)	34	(70)
Bmkrs	57	(54)	12	(13)	154	(163)	223	(230)
Bkmks Cl.	412	(409)	56	(62)	421	(442)	889	(913)
S/Hand	1049	(1022)	605	(561)	1398	(1422)	3052	(3005)
Foreman	58	(63)	30	(31)	144	(143)	232	(237)
Rider Agent	17	(13)	6	(6)	8	(8)	31	(27)
Total	1823	(1795)	992	(974)	3455	(3635)	6270	(6404)

Stipendiary Stewards



Ray Murrhiy

"Integrity can never be compromised. Stewards form a highly-skilled, well-organised front line in assuring confidence of the public in NSW racing."

– Ray Murrhiy, Racing NSW's Chairman of Stewards

Function

The activities of the Stipendiary Stewards include:

- Ensuring the welfare of the racehorse,
- Officiating at all race meetings and official trials in NSW,
- Attending and supervising trackwork,
- Conducting track and stable inspections,
- Administering drug testing operation,
- Addressing rider, track and horse safety issues,
- Conducting inquiries into race rides & conduct of licensed persons,
- Investigating wagering activities,
- Investigating the use of prohibited substances.

Personnel Changes

Former Deputy Chairman Kim Kelly on 1 August 2002 took up a position as Deputy Chairman on the Hong Kong Jockey Club Stewards Panel with Stipendiary Steward Greg Rudolph being appointed to fill Kim Kelly's role. Senior Steward Philip Dingwall in May 2003 became Chief Steward with the Malaysian Racing Association. Long-serving Steward Larry Morrison announced his retirement in February 2003. Jim Walshe (SERA) and Raymond Livingstone (CWRO) rejoined the metropolitan panel. Geoffrey

Hausfeld (H&NWRA) took up the appointment of Chief Steward CRWO following James Perry's appointment as Manager, Stewards Division, NSW Greyhound Racing. Drew Smith (CWRO) and Todd Smith (SERA) took up Deputy Chief Steward positions, and trainees Andrew Ray (Southern Districts Racing Association) and Craig Pringle (CWRO) were appointed to country panels. During the year trainee/cadet Stewards Mark Holloway, Jamie Dart, Brett Scelly and Andrew Hayles joined the metropolitan ranks.

Visiting officials

W. Delantey (WATC), M. Santoro (AA), D. Durant and R. de Kok (Jockey Club of South Africa) W. Nunneley and Phillip Tucker (UK Jockey Club) plus officials from Ireland, Malaysia and Korea.

Industry Training

A number of younger panel members have commenced the NSW TRB Diploma of Racing Administration course. At the State Stewards conference panel members heard addresses from Det. Sgts Greg Berry and Matt Riley on evidence gathering and appeal presentation. Ms Nicky Vance, Program Manager to the 2000 Sydney Olympic Games, spoke on sample collection and drug control programs. Mark Van Gestel spent a few weeks in June in Japan attending an Asian Racing Federation Study Program.

Conferences & Tribunals

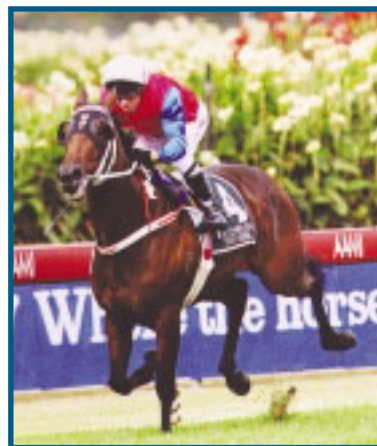
Chairman Ray Murrhiy during the year represented the NSW TRB Stewards at the National Chairmen of Stewards Advisory Group conference in Adelaide and, in addition, represented that group on the National Equine and Integrity Welfare Advisory Group and the Australian Rules Review Advisory Group. Ray Murrhiy also gave an address at the Australasian Racing Appeals Conference.

Deputy Chairman Mr Greg Rudolph represented the TRB on the ARB Working Party for the Welfare of Jockeys. In addition, he gave an

address at the Conference of Racing Training Australia.

New Developments

- Out-of-competition testing – at all major centres,
- Non-raceday medication rule,
- Riders Advisory Panel – to assist in the development of apprentices,
- Horses – development of Windows-based computerised horse and licensee data records,
- Website – display of all Stewards reports around the State,
- Patrol videos – introduction of digital technology and upgrade of towers at Royal Randwick and Wyong.



Liaisons

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

- NSW Racehorse Owners' Association,
- Keeper of the Stud Book,
- ICC Anti-Corruption Unit,
- ARB,
- NSW Jockeys Association,
- Australian Trainers Association (NSW Branch),
- NSW Bookmakers Co-Operative Ltd,
- Australian Equine Veterinary Association,
- RSPCA,
- TRB Integrity Assurance Committee,
- National Equine Integrity & Welfare Advisory Group,
- Combined Racing Codes Committee,
- Licensing Enforcement Agency.

Department Members

Ray Murrhly
CHAIRMAN OF STEWARDS

Greg Rudolph
DEPUTY CHAIRMAN OF
STEWARDS

Karen Hunt
EXECUTIVE REPORTER

Pat Hartmann
SENIOR STEWARD

Marc Van Gestel
STEWARD

Cameron George
STEWARD

Steve Carvosso
STEWARD

Jim Walshe
STEWARD

Ray Livingstone
STEWARD

Terry Griffin
BETTING STEWARD

Mark Holloway
CADET STEWARD

Jamie Dart
TRAINEE

Andrew Hayles
TRAINEE

Brett Scelly
TRAINEE

Bill Fanning
CHIEF STEWARD,
NORTHERN RIVERS

Michael Zarb
STEWARD, NORTHERN RIVERS

Bevan Turner
CHIEF STEWARD,
MID-NORTH COAST

Shane Cullen
CHIEF STEWARD,
HUNTER & NORTH WEST

Jason Whybrow
DEPUTY CHIEF STEWARD,
HUNTER & NORTH WEST

Geoff Hausfeld
CHIEF STEWARD,
CENTRAL & WESTERN

Drew Smith
DEPUTY CHIEF STEWARD,
CENTRAL & WESTERN

Craig Pringle
CADET STEWARD,
CENTRAL & WESTERN

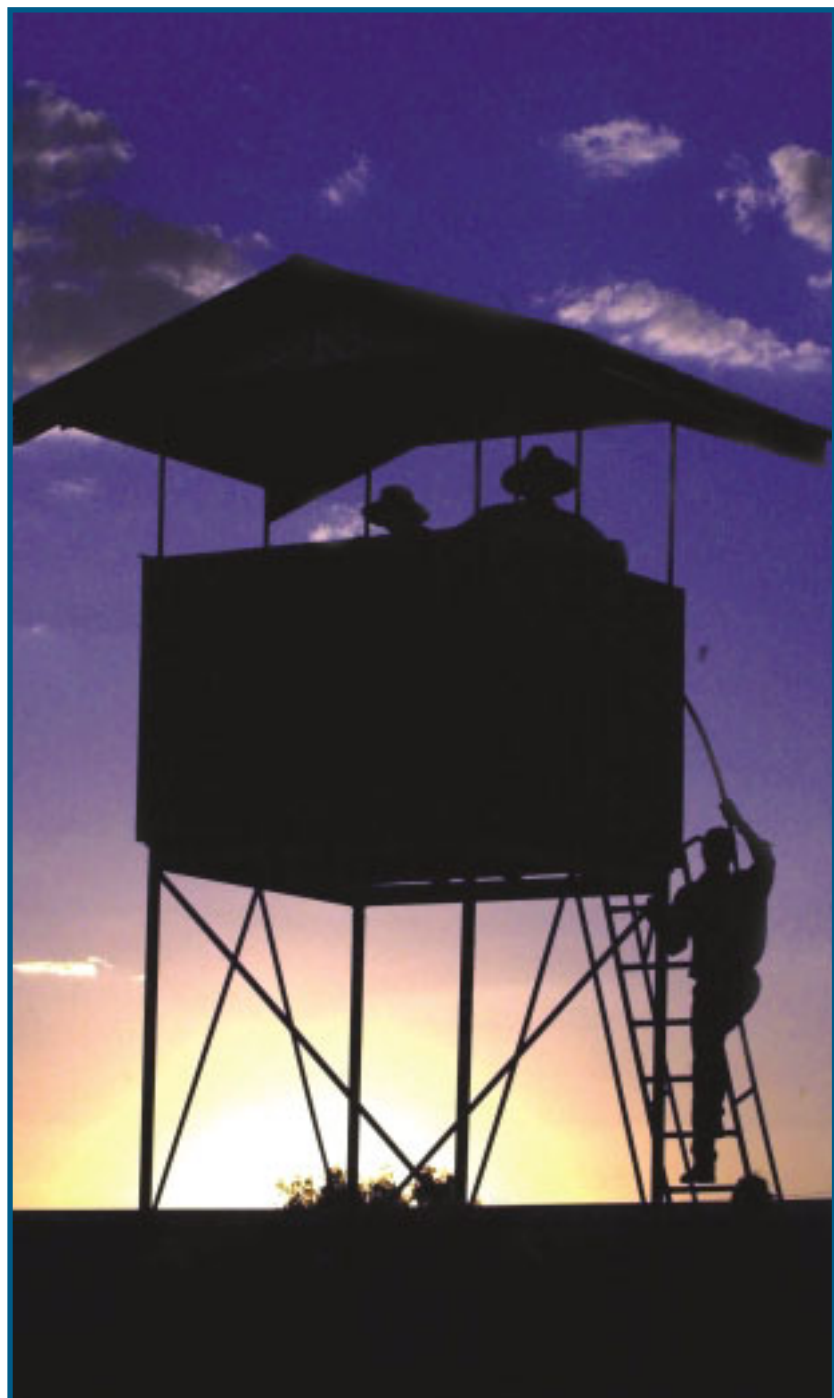
Kevin Williams
CHIEF STEWARD,
SOUTHERN DISTRICTS

Darryl McLean
STEWARD, SOUTHERN DISTRICTS

Craig Yeo
CHIEF STEWARD, SOUTH EAST

Todd Smith
DEPUTY CHIEF STEWARD,
SOUTH EAST

Bob Nicholson
RACECOURSE DETECTIVE



Handicapping



Mark Webbey

"Fair and equitable handicapping is vital to the transparency of racing. Handicapping involves many hours of study and revision to create the right formula for a race."

– Mark Webbey, Racing NSW's Senior Handicapper

Department Members

Mark Webbey
Senior Handicapper

Colin Denson
Handicapper

Craig Leet
Handicapper

Greg Pearson
Handicapper

Debbie Winter
Handicapper

James Ross
Cadet Handicapper

Functions

The Handicapping panel is responsible for the handicapping of all meetings conducted throughout New South Wales and the ACT. During the last racing season the panel issued a total of 84,998 handicap ratings for the 846 race meetings conducted. Importantly the department has developed practices to allow for a smooth transition towards revised starting weights, across the board set weight maidens and ratings-based handicapping in the first half of next season.

Staff

The past year has seen several members of staff transfer to other positions within the industry. Former Deputy Chief Handicapper Paul Bloodworth transferred to the role of NSW Racing Co-Ordinator

and James Ross accepted a position with the Australian Racing Board as Research Officer. The panel welcomed back Deborah Winter following a stint with the Sydney Turf Club, Deborah shares dual roles within both the Handicapping and Registration Departments.

Research and Development

Ratings-Based Handicapping – considerable progress has been made on the Ratings-Based Handicapping project to facilitate its introduction in October 2003. A large amount of this work has been conducted in conjunction with the Racing Victoria Handicapping and IT departments to develop a model that applies to both states.

The panel continued to develop the current ratings-assisted handicapping system as a platform for the introduction of Ratings-Based Handicapping. With all horses that have raced within NSW since the 1st February 2003 now allocated ratings figures, the department established ratings templates and revised track scales to allow for the final system changes to take place and testing to begin.

Technological Developments - This year saw significant changes to the IRIS computer applications used for entering and generating weights. Ongoing co-operation with Racing Victoria has resulted in the development of an application that now allows for a horse's rating to be adjusted shortly after it races. This will have important flow on.

International Horse Ratings - Classifications

It was an important year for Australian Horse Classifications with the success of the Newcastle-trained Choisir at Royal Ascot. Australian horses have become more prominent on the international stage over the last decade however the win of Choisir has created greater recognition of our racing and respect for our ratings. This success has also put Australia in a much better position for future discussions on the alignment of

International classifications. At the national level, Northerly at a rating of 124 is the top rated within the 4-year-old & above category ahead of Defier and Lonhro. Choisir, following his international performances, is the top rated 3-year-old and Hasna the highest rated 2-year-old of the season.

Racing Conferences

The handicapping manager attended the Asian Racing Conference in Auckland in March. A number of important issues were identified and discussed at this conference such as further development of the intercontinental thoroughbred classifications and their continued alignment with the northern hemisphere ratings.

In addition, the handicapping manager attended both the December and July meetings of The Australian Group and Listed Advisory Group. Important foundations were developed at these meetings for a number of enhancements to the listings in the future to ensure more accurate race classifications and greater benefits to industry stakeholders





Public Relations & Media



Mark Brassel

"PR & Media has the responsibility of keeping stakeholders and the general public informed with up-to-the-minute news via the media and, as a consequence, maintains confidence in the industry. Our website has played a vital part in displaying this information which is underlined by the rapid rise in website visitors."

– Mark Brassel, Racing NSW
Public Relations & Media Manager

Department Members

Mark Brassel

PUBLIC RELATIONS AND MEDIA
MANAGER

Bev Ritzau

'RACINGNSW MAGAZINE'
CO-ORDINATOR

Joan Demus

SUBSCRIPTIONS / DATA ENTRY

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

The department is conduit between the Board and the media. It provides the media with information including Board policy and announcements, racing inquiries and appeals, and current affairs. The department seeks to enhance the profile of thoroughbred racing and to present a positive image of both Racing NSW and the racing industry. Radio and TV interviews are also co-ordinated by the department.

PR & Media also answers or redirects public e-mails which come through the 'Contact Us' section of the website, sending replies ASAP. The department also sources quotes, compiles, edits, proofs and sends to print the Annual Report (which is now also loaded onto the website for viewing).

Radio scripts and advertorials are written for BOBS promotions, as well as for 'Messages on Hold' (9 different scripts) for the messages one hears when placed on hold by the switchboard. Regular articles are also written for Turf Monthly, Racetrack and Thoroughbred Express.

PR & Media also provides up-to-the-minute maintenance of the 'award-winning' Racing NSW website www.racingnsw.com.au, adding stories and news items to the site as they happen with a purposely-built 'On-Line Update System'. The Board sees the industry website as being a major promotional tool into the future, in addition to its potential to facilitate e-commerce type transactions within the industry. As the site develops, promotional opportunities for the industry as a whole will be taken. Just some of the initiatives put onto the website include:

- **Ad Rotators** – Special advertisement-type rotators (seen at the top right-hand side of the home page) which alternate every 5 seconds and when clicked on, go to either the race club's website or special written advertisements,
- **NSW Jockey Suspensions** – Updated suspension terms from right around the state,
- **BOBS** (Breeder Owner Bonus Scheme) Section – BOBS Scoreboard (now automated), Final Stallions List, Latest BOBS news, Frequently Asked Questions & Answers, Terms & Conditions, Nomination Forms, etc.,
- **NSW Race Dates** – for the entire racing season,
- **Honour Roll** – Jockey, Trainer & Apprentice winners and runner-up dating back to the 1935/36 season,
- **Metropolitan Premiership Tables & Apprentice Allowances,**
- **Full Results and Stewards Reports,**
- **Reasons for Decision** – comprehensive details on Appeal Panel (and Racing Appeal Tribunal) decisions,

- **Working in Racing** – new section which details any job opportunities, general information and OH&S manuals, etc.,
- **Racebooks** – for all NSW race meetings (including community meetings),
- **Feature Articles** – regularly displays tributes and articles from other racing sources such as issues from Australian Racing Board meetings.
- **Stewards** – late gear changes and important notices to trainers and/or the general public.

Racing NSW Magazine

Racing NSW's official racing calendar is the 'RacingNSW Magazine' - an award-winning magazine which is published each month. The primary purpose of the magazine is to publish official information such as:

- Programmes,
- Licensee details,
- Rule amendments,
- Dates of race meetings and barrier trials,
- Official notices.

Information relating to Clubs and Associations

The magazine also includes updates regarding industry developments, feature stories, advertisements and practical information relevant to all sectors of the NSW racing industry such as Stud Talk and Horse Health. It includes contributions from the following parties:

- NSW Racehorse Owners' Association,
- NSW Trainers Association (NSW Branch),
- Thoroughbred Breeders NSW Ltd.,
- Australian Jockey Club,
- Sydney Turf Club,
- Country Racing Council,
- Provincial Association of NSW.

*Note: Many featured articles from each month's magazine (including the CEO's monthly message) now appear on the www.racingnsw.com.au website under the pop-up menu 'Departments' and then 'Magazine'.

Australian Racing Forensic Laboratory - ARFL



"The integrity of racing is a costly exercise – but one well worth it. NSW has one of the most stringent and well-respected drug testing procedures to be found anywhere in the world. And we are all very proud of that!"

– Allen Stenhouse,
ARFL's Official Analyst

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

Non-Raceday Samples are analysed for nominated therapeutic drugs when trainers wish to ensure that a horse under their care is free of the nominated drug/s, prior to racing. The laboratory also analyses unlabelled medications, syringes and feed preparations at the request of Stewards departments.

The Laboratory's commitment to research and development continued with considerable attention given to peptide hormones, anabolic steroid metabolism in the horse and the development of broad-based automated screening techniques. A staff exchange for a period of one month occurred this year with the Horseracing Forensic Laboratory in Newmarket, England. The exchange was undertaken to advance both laboratories research into peptide hormones and to allow comparisons of the routine drug screening procedures.

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

During 2003, the laboratory commenced out of competition and to date has screened over 90 samples. The laboratory also identified 89 equine and canine samples containing prohibited substances during the year. In addition, the jockey and rider samples yielded 52 samples containing prohibited substances.

Department Members

Allen Stenhouse
Official Analyst
Andrew Vadasz
Manager
John Keledjian
Operations Manager
Cary Murphy
Quality Assurance Manager
Andrew McKinney
Senior Scientific Officer
Nick Basgallop
Senior Scientific Officer
Ben Turco
Scientific Officer
Chris Wong
Scientific Officer
Steve Mulley
Scientific Officer
Aarati Rana-Foley
Scientific Officer
Tony Dunstan
Technical Officer
Corrine Smart
Technical Officer
Lauren Ashurst
Technical Officer
Tom Miller
Laboratory Assistant
Donna Johnson
Section Co-ordinator,
Central Services
Sharon Haining
Administration Assistant
Perico Alcaine
Bottle Relocation Engineer

Sector/Code	Post Race Urine/Blood	Plasma TCO2 Bloods	Pre Race Blood	Total	Prohibited substance/s detected
NSW Metropolitan Thoroughbreds	2965	990		3955	10
NSW Provincial Thoroughbreds	1094	766		1860	0
NSW Country Thoroughbreds	4052	153		4205	10
Other Thoroughbreds	2362	56		2418	5
Harness Racing NSW	1519	1854		3373	12
Pre Race Testing			1083	1083	0
FEI & other amateur groups	203			203	4
Greyhound Racing Authority NSW	3016			3016	47
NSAID Testing for Hong Kong Exports		100		100	1
Out of Competition Testing		145		145	0
TOTALS	15211	4064	1083	20358	89
Human Samples	Urine			Total	Prohibited substance/s detected
NSW Metropolitan	114			114	22
NSW Provincial	53			53	13
NSW Country	116			116	15
Other Thoroughbreds	15			15	2
Quality Assurance Program Human	36			36	
TOTALS	334			334	52
Other Samples Analysed					
Confirmatory Analysis for other laboratories				73	
Non-Raceday/Elective Testing				30	
Quality Assurance				96	
Asian QA Program				31	
Steward's Request for A's & B's				433	
Internal QA Program Equine/Canine				186	
TOTAL				849	

Veterinary



Craig Suann

“Our department plays an important role in maintaining the integrity of thoroughbred racing and ensuring the welfare of the horses that are the lifeblood of the industry. The department supervises veterinary services at racetracks, oversees the collection of samples for drug analysis and through its research program, supports the Australian Racing Forensic Laboratory in its quest for better, more efficient drug detection methods - through these initiatives, the betting public can be assured that fit and healthy horses are competing on their merits.”

– Dr Craig Suann, Racing NSW Senior Official Veterinarian.

Department members

Dr Craig Suann

Senior Official Veterinarian

Dr Mark Caves

Official Veterinarian

Ms Susan Clifford

Research Assistant/Animal Attendant

Assisting veterinary officials

Racing NSW acknowledges the assistance of part-time veterinary officials:

Dr David Hutchins OAM
 Dr Peter Knight
 Dr Meg Brownlow
 Dr Timothy Crisp
 Dr Michael Kidd
 Dr Mark Schembri

Objectives

- Safeguard the health and welfare of horses involved in thoroughbred racing in NSW,
- Provide and supervise veterinary services at metropolitan and provincial racetracks and to supervise veterinary activities at NSW country tracks,

- Provide advice to Racing NSW and industry on veterinary and equine welfare matters, and on issues relating to prohibited substances and their detection,
- Assist the Australian Racing Forensic Laboratory in developing drug detection methods and generating drug detection times,
- Represent Racing NSW on various groups and committees on veterinary and equine welfare matters,
- Provide expert advice to Stewards and to Appeals and other hearings.

Programs

The ongoing monitoring and auditing of the Quality Assurance Program for veterinary services at NSW country race meetings continues.

The “Sample Collection Process Quality Management System” has been developed to ensure the proper collection and transport of samples for drug testing to the ARFL. Integral to this program is a system of formally approving sample collection officials, including their being subject to

probity checks. The veterinary department acts as the auditor of the system. Doctors, Suann and Caves also co-ordinated teams of veterinarians for the implementation of out-of-competition testing as directed by the Stewards.

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

Dr Suann is a member of the Research Advisory Committee of the Rural Industries Research and Development Corporation (RIRDC) Equine Research Program and is the International Group of Specialist Racing Veterinarians (IGSRV) representative on the Scientific Advisory Council of the International Federation of Horseracing Authorities.



Administration trials

Administration trials involving boldenone, detomidine, dextromethorphan, medetomidine, theobromine, triamcinolone acetonide, trometamol and xylazine were conducted. The purpose of these trials was to develop and monitor the detection methods for these drugs, and in the case of some legitimate equine therapeutics, devise suitable "detection periods". Further studies involving the collection of blood, urine and mane hair were conducted as part of a RIRDC funded trial project examining the use of carbon isotope ratio mass spectrometry for confirming the administration of sodium bicarbonate. All of these trials were monitored and supervised by Racing NSW's Animal Care and Ethics Committee.

Meetings and conferences

Dr Suann attended in Adelaide meetings of the Association of Official Racing Veterinarians (AORV), the Australian Racing Laboratories and the Australian Racing Board's National Equine Integrity & Welfare Advisory Group (NEIWAG), called to discuss a number of veterinary regulatory, drug testing and equine welfare issues. He also attended meetings of NEIWAG in Melbourne and Sydney, and represented NEIWAG at a number of meetings of the Australian Racing Board throughout the year. There was ongoing consultation by the veterinary department with the Australian Equine Veterinary Association (AEVA) on a number of relevant equine veterinary and welfare matters.

ANIMAL CARE AND ETHICS COMMITTEE (ACEC)

Racing NSW's Animal Care and Ethics Committee (ACEC) was established under the auspices of the NSW Animal Research Act 1985 to monitor and supervise Racing NSW's team of research horses used for drug administration trials

conducted in association with the Australian Racing Forensic Laboratory (ARFL).

Racing NSW's ACEC comprises the following members:

Mr M J Hill (TRB CEO)

Chairman

Dr Craig Suann

Category A Member

Mr Allen Stenhouse

Category B Member

Mr A Gregory

Category C Member

Mr J L Muir

Category D Member

Mrs S Clifford

Racing NSW Animal Attendant/Research Assistant

Four meetings of the Committee were convened during the year. ACEC members also conducted inspections of the research horses and stabling facilities after each meeting. The operations of Racing NSW as an animal research establishment and its ACEC were the subject of a routine inspection by the NSW Animal Research Review Panel on 11 June 2003.

Applications for research

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

Ongoing Studies into the Detection of Drugs in Racehorses (2003): This study facilitates the process of constantly monitoring new and existing drugs that may have a legitimate use in horses. This permits the ARFL's obligation to the racing industry to rapidly respond to problems relating to the detection of these drugs. Any proposed trials undertaken as part of this proposal are discussed at a formal meeting before being conducted. ACEC members are provided with information on dosages and routes of administration, the pharmacology of the drug/s, and any potential adverse effects.

Evaluation of an independent confirmatory test for total plasma carbon dioxide: This study was part of a

more extensive research proposal funded by RIRDC and which was commenced by Mr Stenhouse while he was at the Queensland Racing Science Centre and involved collaboration with the CSIRO.

An epidemiological investigation of the prevalence of EHV-1 and EHV-4 in racing Thoroughbreds: This was an external project submitted by Ms Caroline Foote, a post-doctoral research student at the Department of Biological Sciences, Macquarie University, with Dr Suann a co-investigator. The project involved the assay of blood samples routinely collected as part of Racing NSW's raceday pre-and post-race testing program. Ms Foote would be co-ordinating the collection, transport and assay of the blood samples collected for this population survey.

Studies into the detection of theobromine and its metabolites in horses: This project was designed to determine the metabolites of theobromine and related substances following the administration of pure theobromine and chocolate to horses. Such a detailed study had not been previously reported.

Studies into the detection of the antihypertensive drug candesartan and its metabolites in horses: This was part of a collaborative project with the Horseracing Forensic Laboratory, UK, designed to study the detection of a number of antihypertensive drugs in racehorses.



Insurance



Michael Thompson

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

Objectives

- Manage the TRB Workers' Compensation Insurance Fund,
- Monitor the Workers' Compensation Insurance Scheme, co-ordinate renewals,
- Initiate and facilitate a general insurance scheme that provides cost savings for participants by taking advantage of industry buying power,
- Investigate initiatives aimed at reducing the cost of delivering a Workers' Compensation policy and claims service to the industry,
- Promote sound Occupational Health and Safety (OH&S) practices and improve awareness about OH&S issues.

Workers' Compensation Claims

During 2002-2003 - 327 workers' compensation claims were received. This is trending down again following last year, which was the highest number in over 10 years.

The number of current claims as at the 30 June 2003 was 244.

During the 2002 calendar year, substantial changes to the NSW Workers' Compensation system and legislation took place. The speculation and uncertainty arising from these amendments resulted in increased litigation. The Insurance Fund was able to favourably settle most of these actions within the year. This resulted in a contained but unexpected increase in claims cost for the year, which is not expected to flow on to the 2003-2004 year.

In general:

- Case estimates have gone down,
- Severity of claims is lower,
- Return to work times are improving,
- Litigation is decreasing,
- Employers are participating in injury management,
- Losses due to HIH collapse are being mitigated.

These are all positive indicators and assist in counteracting the negative effects of increase claims payments brought on by legislative changes in 2003, loss of reinsurance recoveries (HIH), and poor return on investments.

"The insurance department operates a fund which acts as a non-profit workers' compensation insurer for the racing industry's Clubs and Trainers. The department also facilitates the purchasing of a wide-range of insurance covers for the racing industry - taking advantage of the industry's bulk buying power. In recent times the department has been instrumental in the establishment of a public liability arrangement which has produced substantial savings in premiums for NSW, Queensland, the ACT and Victorian Race Clubs."

Michael Thompson, Insurance Manager.

Department Members:

Michael Thompson

Manager

Hesna Whitbread

Senior Claims Officer

Kay Stivactas

Claims Officer

Geetanjali Sharma

Claims Assistant



Premiums

Substantial increases in general (Public Liability etc.) insurance premiums have been the subject of much publicity this year and the thoroughbred racing industry has not escaped in regards to either increased premiums or publicity.

Some increase in workers' compensation premiums has been necessary for 2003/2004, but certainly not on the scale of general insurance.

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

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

OCCUPATIONAL HEALTH & SAFETY (OH&S)

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

In this regard the NSWTRB developed:

1. "Occupational Health & Safety Form Guide" - a video training package for the industry,
2. "A Systems Approach to OH&S" - provides documentation necessary to introduce a first class OH&S program into any business in the industry. Available to all on the Racing NSW website.

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

During the year the NSWTRB conducted a "Train the Trainer" type course for all Clubs in NSW - this course has accredited individuals as presenters of the training package. It is strongly recommended that Clubs should

take full advantage of this opportunity to ensure that their organisation is compliant with OH&S legislation introduced in 2000.

Progressing to the next stage, funding has been obtained by the NSWTRB from WorkCover to assist in delivering the OH&S training to horse trainer operations in NSW over the coming year.

The NSWTRB has invested considerable time and resources in developing and delivering industry-based OH&S training and management tools to assist industry employers to meet their legislative requirements.

The NSWTRB's efforts in this area have been aimed at saving industry employers the not insubstantial time, money and effort they would have been required to invest, had they attempted this individually.

Employers in the industry should not need to be reminded that the legal responsibility for developing and implementing appropriate OH&S systems and training rests with them. The task ahead is to encourage individuals and organisations in the industry to embrace and run with OH&S concepts.

INJURY MANAGEMENT

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

There has been substantial improvement in early notification of injuries, which greatly assist in the early intervention and medical management. There has also been an improvement in the willingness of employers to provide suitable duties to injured employees, which assists in the early return to work.

Employers' understanding of their involvement in the process of injury management has improved, to the extent that some employers are taking the initiative in considering

management options before being approached by the TRB insurance department.

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



GENERAL INSURANCE PROGRAM

The Insurance Fund facilitates the purchase of general insurance cover for Race Clubs in NSW.

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

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

The NSWTRB in conjunction with the Australian Racing Board, Queensland Racing and Racing Victoria Ltd., has entered into an insurance arrangement with Employer Mutual Limited. This arrangement will see a pooling of Public Liability premiums for Race Clubs. The nature of this mutual arrangement will see lower and more consistent premiums.

Registration Department



Dianne Green

"The integrity, service, and a speedy turnaround time of all our services, are together our number one priority. This year various changes to work practices and other initiatives have resulted in savings across the department. This will provide available funds for future development of on-line facilities on our website and enhancements to the IT platform, which will be of benefit to all owners. Our objective is to continue to reduce costs and increase productivity while maintaining an excellent standard of service to all industry participants."

- Dianne Green, Supervisor,
Registration Department

Department Functions

National: Racing NSW administers the Registrar of Racehorses on behalf of all states. The department is one of the busiest units within the racing industry and is responsible for the naming of all horses that race or go to stud within Australia. This year there were a total of 14,376 horses registered including imported horses that come here to race.

NSW: In addition to these national responsibilities, the head office at Racing NSW also records NSW transfers, leases, syndicates, approved promoters and racing colours. We also identify ex-racehorses by their brands and white markings through our coding system which owners use for showing purposes and also to identify potential broodmares. This year we have received 420 enquires of which the majority were positively identified.

Other states: Each interstate Principal Racing Authority has a

deputy registrar whose responsibilities include the recording of transfers of ownership, leases, syndicate renewals and approved promoters within their state.

NSW: There have been major changes in the Registration Department throughout the year which include the introduction of a new IT platform, new team structure and improved work practices. All staff are now multi-skilled which has streamlined procedures, cut turnaround time for registering a horse dramatically, and enhanced customer service. The procedure to register named imported horses from NZ has also been streamlined by eliminating the need to go through the Australian Stud Book process of importation and re-blood typing, which saves time and money for the owner.

Website: There has been a concentrated effort to improve and enhance the registration section on the Racing NSW website www.racingnsw.com.au (pop-up menu - Departments then click on Registration). General information is in expanded format and supported by the availability of all forms for downloading. An initiative introduced this year is the 'Horse Name Search' which enables owners to check the availability of a name before submitting it for registration. This has proved very popular and records a high number of hits. Innovations such as this will continue to be researched for the customer's benefit.

Contribution to Equine Research

The Registrar of Racehorses contributes money each year to equine research which is administered by the Rural Industries Research Development Corporation.

This year a total of \$287,620 was donated which is derived from a levy of \$20 of the total registration of \$100.

Registration Statistics Financial Year

Number of Horses registered
14,376

NSW Transfers of Ownership
1,756

NSW Leases
849

NSW Syndicates
114

Department members

Dianne Green
Supervisor

Pam Gaynor
Team Leader

Beverley Lawless
Registration Officer

Carole Patterson
Registration Officer

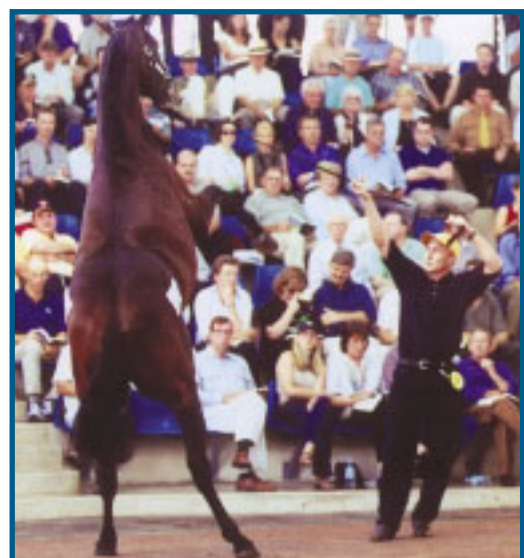
Judy Stevenson
Registration Officer

Cathie Hughes
Registration Officer

Melissa Box
Registration Officer

Kim Watkins
Registration Officer

Debbie Winter
Registration Officer



Finance, Corporate Affairs & Racing Services

Finance



Michael Beith



Julie Hely

"Finance forms an integral part of Racing NSW and ensures the integrity of the financial statements and also ensures the Board understands where money is being spent. It allows the Board to determine the costs of providing various programs to the industry in NSW. Precise finance function is integral to the receipt and distribution of all TAB monies from TAB Ltd to the industry stakeholders - clubs, owners, trainers and jockeys."

– Michael Beith, Racing NSW
G.Mgr Finance & Administration

The aim of the Finance division of Racing NSW is to provide timely and

accurate information to the Board and interested parties within the industry on financial performance.

Finance Department Members

Michael Beith

General Manager Finance & Administration

Julie Hely

Financial Controller

Helen Dalakiaris

Payroll Co-ordinator

Darela Kurtovic

Payroll Co-ordinator

Andrew Martin

Accounts Payable Clerk

Glenn Paine

Assistant Accountant (until 21 February 2003)

Corporate Affairs



Stephen Ferguson

"Racing NSW is the only body in the state representing all stakeholders. Its role includes overseeing and examining the health and direction of the industry as a whole. Corporate Affairs has responsibility for major policy development in areas including industry and operational planning."

- Stephen Ferguson,
Racing NSW's General Manager
of Corporate Affairs

TRB Operational Plan

The Board put in place an Operational Plan for the year. The objectives set out in the Operational Plan were largely achieved and are set out in the department reports.

Industry Strategic Plan

During the year, the Board commenced the process of developing an industry strategic plan. The consultation process with stakeholders has been extensive given that there is a finite amount of resources to be distributed amongst the competing interests. The key issues identified include:

1. Measuring performance of race clubs, benchmarking and standardised financial reporting,

2. Race date allocation, distribution schemes and complementary programming,
3. Administrative structure of racing including roles, responsibilities and layers of administration,
4. Ownership and training of racehorses in NSW,
5. Information technology,
6. National and State roles and issues (including cross-border betting and national information systems),
7. Additional revenue streams.

Racing Services



Keith Bulloch

"Racing Services regulates and oversees five key areas of NSW racing – these departments, which are listed below, are vital to the integrity and goodwill of horse racing in this State. Racing Services reports directly to the Board about current issues such as OH&S or the Microchipping of horses."

- Keith Bulloch, Racing NSW
General Manager of Racing Services

Reporting to the Chief Executive, the General Manager of Racing Services groups together five racing sections within the organisation.

These areas are; Industry Training, Licensing, Handicapping, Registration and Racing Co-ordinator.

The GM Racing Services has a supervisory role in regard to these departments, including Senior Management, reporting to the Board and implementation of Board policy.

Areas such as Race Programming, Race Results and Calendar (magazine) integrity sections are also included.

Specific projects 2002-03 included:

- Occupational Health and Safety - Training program for race club nominees - completed June 2003,

- Handicapping work practices - formatting for introduction of ratings-based handicapping, a joint project with Racing Victoria Ltd, horse ratings displayed on website, weights derived by updating results – first stage to be implemented 1 October 2003,
- Registration department work practices - new IT platform, streamlining of methods, multiskilling of staff, horse name search on website - completed February 2003,
- Registration department future focus - new business initiatives, customer focus, e-commerce, on-line applications,
- Licensing department - review of renewal process, on-line applications, e-commerce.

Financial Statements

For the year ended 30 June 2003

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Statement of Financial Performance

NSW THOROUGHBRED RACING BOARD ABN 86 281 604 417

FOR THE YEAR ENDED 30 June, 2003

	Note	2003 \$	2002 \$
REVENUE			
Revenue from Operating Activities			
Sale of Goods - Publications	6(i)	838,192	873,616
Sale of Services	6(ii)	12,883,617	11,118,927
First Charge	6(iii)	11,122,202	10,153,766
		<u>24,844,011</u>	<u>22,146,309</u>
Revenue from Non Operating Activities			
Proceeds Disposal of Assets	6(iv)	141,154	84,426
Movement in net market value of Land and Buildings integral to insurance activities		871,020	–
Interest other parties	6(v)	350,497	315,289
		<u>1,362,671</u>	<u>399,715</u>
		<u>26,206,682</u>	<u>22,546,024</u>
REVENUE FROM ORDINARY ACTIVITIES			
EXPENSES			
Administration	6(vi)	5,077,625	5,107,232
Licensing	6(vii)	208,187	267,146
Provincial Associations	6(viii)	118,902	111,896
Race Results	6(ix)	90,366	102,433
Cost of Goods Sold - Publications	6(x)	800,701	986,824
Laboratory	6(xi)	2,304,470	2,184,456
Handicapping	6(xii)	427,863	535,404
Stewards	6(xiii)	2,884,600	2,662,801
Veterinary	6(xiv)	712,433	647,605
Syndicates	6(xv)	186,155	177,596
Media	6(xvi)	207,299	272,830
Industry Training	6(xvii)	421,700	342,398
Stakes Payments	6(xviii)	455,156	403,211
Information Technology	6(xix)	1,573,077	1,298,544
Racing Office	6(xx)	205,601	–
Insurance	6(xxi)	7,767,093	10,466,843
Movement in net market value of investments integral to insurance activities		201,712	528,281
Borrowing Costs	6(xxii)	199,704	158,591
		<u>23,842,644</u>	<u>26,254,091</u>
EXPENSES FROM ORDINARY ACTIVITIES			
Share of net losses of partnership accounted for using the equity method		3,854	93,483
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE			
	6(xxiii)	<u>2,360,184</u>	<u>(3,801,550)</u>
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES			
		–	–
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX			
		<u>2,360,184</u>	<u>(3,801,550)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
	20	<u>2,360,184</u>	<u>(3,801,550)</u>

The accompanying notes form part of these Financial Statements.



Statement of Financial Position

NSW THOROUGHBRED RACING BOARD ABN 86 281 604 417

AS AT 30 June, 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash Assets	8	4,687,761	2,876,973
Receivables	9	6,924,067	8,254,515
Other	10	158,906	149,252
TOTAL CURRENT ASSETS		<u>11,770,734</u>	<u>11,280,740</u>
NON-CURRENT ASSETS			
Investment accounted for using the equity method	11	–	–
Other Financial Assets	12	10,690,179	10,891,891
Investment in land and buildings	13	3,733,500	2,862,480
Plant and Equipment	14	3,629,748	3,896,956
TOTAL NON-CURRENT ASSETS		<u>18,053,427</u>	<u>17,651,327</u>
TOTAL ASSETS		<u>29,824,161</u>	<u>28,932,067</u>
CURRENT LIABILITIES			
Payables	15	6,269,893	8,987,089
Breeders and Owners Bonus Scheme	16	1,885,215	–
Interest Bearing Liabilities	17	–	952,501
Provisions	18	6,505,339	7,263,507
Other	19	1,473,900	670,765
TOTAL CURRENT LIABILITIES		<u>16,134,347</u>	<u>17,873,863</u>
NON-CURRENT LIABILITIES			
Provisions	18	16,254,763	15,983,339
TOTAL NON-CURRENT LIABILITIES		<u>16,254,763</u>	<u>15,983,339</u>
TOTAL LIABILITIES		<u>32,389,110</u>	<u>33,857,202</u>
NET LIABILITIES		<u>(2,564,949)</u>	<u>(4,925,135)</u>
EQUITY			
Accumulated Losses	20	(2,564,949)	(4,925,133)
TOTAL EQUITY		<u>(2,564,949)</u>	<u>(4,925,133)</u>

The accompanying notes form part of these Financial Statements.

Statement of Cash Flows

NSW THOROUGHBRED RACING BOARD ABN 86 281 604 417

FOR THE YEAR ENDED 30 June, 2003

	Note	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		27,920,872	28,455,132
Payments to suppliers and employees		(25,621,649)	(27,005,136)
Interest and Investment earnings received		350,497	315,289
Borrowing costs		(199,704)	(158,591)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	7(b)	<u>2,450,016</u>	<u>1,606,694</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,002,810)	(5,858,802)
Proceeds from sale of plant and equipment		141,154	84,426
Loans from related parties		1,174,930	1,194,919
NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES		<u>313,274</u>	<u>(4,579,457)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loan from Australian Jockey Club		–	(550,000)
NET CASH USED IN FINANCING ACTIVITIES		<u>–</u>	<u>(550,000)</u>
NET INCREASE/(DECREASE) IN CASH		<u>2,763,290</u>	<u>(3,522,763)</u>
Cash at beginning of the financial year		1,924,471	5,447,234
CASH AT THE END OF THE FINANCIAL YEAR	7(a)	<u>4,687,761</u>	<u>1,924,471</u>

The accompanying notes form part of these Financial Statements.

Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

- a) **Property, plant and equipment** are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.
- b) The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated

over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset are:

Class of Asset	Depreciation Rate
Plant and Equipment	5 - 40%
Land and Buildings	2.5%

- c) **Leases:** Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Board are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Board will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.
- d) **Investments:** Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by the Members of the Board to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts. Investments integral to the Board's insurance activities, including investments in land and buildings are measured at net

market values at the reporting date. Changes in net market value of such investments are recognised as revenues or expenses in the financial year in which the changes occur.

- e) **Receivables:** All trade debtors are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition. Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.
- f) **Investments in Associates:** Investments in associates are recognised in the financial statements by applying the equity method of accounting.
- g) **Foreign Currency Transactions and Balances:** Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit or loss from ordinary activities as they arise. Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities over the lives of the hedges. Costs or gains arising at the time of entering hedged transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale. Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities when the exchange rate changes.

Notes

to the Financial Statements for the year ended 30 June, 2003

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

- h) **Employee Benefits:** Provision is made for the Board's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at 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 the Board to an employee superannuation fund and are charged as expenses when incurred.
- i) **Cash:** For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.
- j) **Revenue:** Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).
- k) **Trade, Stakes payments and other creditors:** These amounts represent liabilities for goods and services provided to the Board prior to the end of the financial

year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

- l) **Breeders and Owners Bonus Scheme:** The NSW Thoroughbred Racing Board created the Breeders and Owners Bonus Scheme which is administered by the Board through its appointed sub committee. The scheme is an incentive scheme to encourage the use by breeders of stallions based in New South Wales. Nomination fees are collected from stallions and their eligible progeny. A contribution is made by the industry via the TAB Distribution. Prize money is then paid out of these funds to eligible racehorse and stallion owners according to published criteria. The expenses of managing the scheme are also deducted via a management fee. Scheme surpluses at year end are rolled over into the following year for payment in future periods. Any scheme deficit is to be funded by a further deduction from industry funds through the TAB distributions.
- m) **Insurance:** Premiums received are recognised from the attachment date and are measured over the period of insurance in a pattern in accordance with the incidence of risk. Liabilities for outstanding claims are recognised for direct and inwards reinsurance business and measured as the present value of expected future payments.
- n) **Goods and Services Tax (GST):** Revenues and expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the costs of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.
- o) **Comparative Figures:** Where required by Accountings Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.
- p) **Non-Current Assets:** The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The recoverable amount is assessed on the basis the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts. The write-down is recognised in the statement of financial performance in the reporting period in which it occurs.
- q) **Going Concern:** The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the normal course of business. At 30 June 2003, the Board has a net asset deficiency of \$2,564,949. The improvement in the asset deficiency was impacted by the reduction in the estimated claims liability by \$758,554 and a positive revaluation on land and buildings of \$871,020 based on the net market value of the asset. The provision for the prudential margin remains at 25% of estimated claims liability.
- The Members of the Board are of the opinion that the Board will continue to be able to pay its debts as and when they fall due on the basis that the Intra-code Agreement allows the Board to levy an administration charge on wagering receipts received from TAB Limited

NOTE 2: CONSOLIDATED OPERATIONS

The NSW TRB - Administration includes the administrative functions of the Board in accordance with the Thoroughbred Racing Board Act 1996.



Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 2: CONSOLIDATED OPERATIONS (CONT.)

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

NOTE 3: INCOME TAX

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

NOTE 4:

ECONOMIC DEPENDENCY The Board received 42.77% (2002 : 46.12%) of its income via a First Charge on the distribution of wagering receipts to the Thoroughbred Racing Industry. This distribution is governed by the NSW Racing Distribution Agreement as entered into by NSW Racing Pty Limited and TAB Limited. Consequently, the NSW Thoroughbred Racing Board is economically dependent on TAB Limited.

NOTE 5: EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which will significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE 6: STATEMENT OF FINANCIAL PERFORMANCE

(i) Sale of Goods - Publications income is derived from the sale

- of advertising space in the Breeding and Racing and NSW Racing magazines as well as subscriptions by industry participants to these.
- (ii) 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) First Charge represents a charge to the industry based on the budgeted expenditure for the year.
- (iv) Proceeds on Disposal of Assets represents amounts received on sale or trade in of assets.
- (v) Interest - represents earnings and interest income.
- (vi) Administration expenses represent the cost of the administrative areas of the Board including executive, finance, property, human resources, appeals, and consultants.
- (vii) Licensing expenditure represents staff and office costs associated with the derivation of this income stream.
- (viii) Provincial Association costs represent the staffing and administrative costs associated with the Provincial Officer and the representation of the interests of Provincial Association members.
- (ix) Race Results Expenditure represents staff, consultants and office costs associated with the deriving of income for the provision of race result information.
- (x) Publications expenditure includes staff and office costs as well as all production and selling costs.
- (xi) Laboratory expenditure includes staffing, depreciation of capital expenditure, consumables and occupancy costs.
- (xii) Handicapping expenditure includes staff and office costs.
- (xiii) Stewards expenditure includes staffing costs, shorthand writers, office costs as well as the costs associated with the Broadmeadow office.
- (xiv) Veterinary expenditure includes staff, research horses, consumables and office costs.
- (xv) Syndicates expenditure includes staffing and office costs.
- (xvi) Media costs include staff, participation in national advertising, promotional activities and monitoring of media.
- (xvii) Industry Training expenditure represent staffing costs as well as educational costs associated with the training of apprentice jockeys.
- (xviii) Stakes Payments costs include staffing, consultants, system development, bank charges and office costs.
- (xix) Information Technology represents the cost of providing an IT platform to the board and supporting staff costs.
- (xx) Racing Office performs the the administrative function associated with the Boards determination of race date allocations and the servicing, through the trainers service centre of nominations, scratchings and acceptances. The cost of the service provided by the trainers service centre was \$184,735.
- (xxi) Workers Compensation Insurance Fund. This Fund is designed to provide workers compensation insurance cover for employees of NSW Racing Clubs, Associations, owners and trainers of racehorses against liability relating to injury, loss or damage either sustained or caused by jockeys, apprentices, stable hands, workers, servants, employees or agents in their employment or acting on their behalf pursuant to NSW Workcover legislation. In July 2000 the Board signed a service contract with ASWIG Pty Limited. This contract specified that ASWIG are to provide to the Board management services in relation to the insurance fund.
- (xxii) Borrowing costs include interest expense, bank charges and bank guarantee fees.

Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 6: STATEMENT OF FINANCIAL PERFORMANCE (CONT.)

	2003 \$	2002 \$
(xxiii) Profit/Loss from Ordinary Activities. The result from ordinary activities has been determined after:		
Borrowing Costs		
– Other parties	199,704	158,591
Total Borrowing Costs	199,704	158,591
Depreciation of non-current assets		
– Plant and Equipment	1,150,547	623,916
Total Depreciation	1,150,547	623,916
Amortisation of non-current assets		
– Goodwill	–	435,728
Total Amortisation	–	435,728
Bad and Doubtful Debts		
– Trade Debtors	30,000	49,307
Total Bad and Doubtful Debts	30,000	49,307
Rental Expense on Operating Lease	199,661	263,346
Contingent Rental on Cessation of Lease	–	42,400
	199,661	305,746
Total (Gain)/Loss on disposal of non-current assets:		
– Property, Plant and Equipment	(21,683)	7,269
Total (Gain)/Loss on disposal of non-current assets	(21,683)	7,269
Remuneration of Auditor		
– audit	82,844	65,700
– other services	16,790	74,976
Total Remuneration of Auditor	99,634	140,676
(xv) Individually Significant Items:		
Increase/(Decrease) in Provision relating to Insurance Claims Liability as recommended by the Actuary	(758,554)	1,911,700

NOTE 7: STATEMENT OF CASH FLOWS

a) Reconciliation of Cash

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

Cash	4,687,761	2,876,973
Less: Bank Overdraft	–	952,501
Cash	4,687,761	1,924,472

b) Reconciliation of Cash Flow from Operating Activities

Operating profit/(loss) after tax	2,360,184	(3,801,550)
(Profit)/loss on Sale of Assests	(21,683)	7,269
Amortisation	–	435,728
Reduction in Success Fee Reserve	(314,406)	(550,000)
Increase in Leave Provisions	271,811	(61,895)
Depreciation	1,150,547	623,916
Unrealised loss on investment	201,712	528,281
Gain on revaluation of Land and Buildings	(871,020)	–
	2,777,145	(2,818,251)



Notes

to and forming part of the Financial Statements for the year ended 30 June, 2003

NOTE 7: STATEMENT OF CASH FLOWS (CONT.)

	2003	2002
	\$	\$
(Increase)/decrease in trade debtors	153,803	165,480
(Increase)/decrease in prepayments	(9,654)	(55,685)
(Increase)/decrease in Stakes Payment debtors	1,335,890	72,775
(Increase)/decrease in other debtors	(1,334,177)	3,745,091
Increase/(decrease) in trade creditors	(3,734)	(3,099,801)
Increase/(decrease) in Stakes Payments	675,192	851,000
Increase/(decrease) in sundry creditors and accruals	(385,896)	834,381
Increase/(decrease) in Insurance Claims Provision	(758,554)	1,911,704
	<u>(327,129)</u>	<u>4,424,945</u>
Cash Flows from operating activities	<u>2,450,016</u>	<u>1,606,694</u>

NOTE 8: CASH

Cash at Bank	1,262,526	2,100
Deposits at Call	3,425,235	2,874,873
Total Cash	<u>4,687,761</u>	<u>2,876,973</u>

The deposits bear floating interest rates between 3.8% and 4.73% (2002: 3.5% and 3.8%). Cash at bank bears interest at 3.45%. The deposits at call are pledged as security for the ANZ Bank Guarantee to Workcover (Note 18).

NOTE 9: RECEIVABLES

Trade Debtors	542,861	675,551
Provision for Doubtful Debts	(51,113)	(30,000)
Sundry Debtors	1,384,534	131,525
Amounts receivable from associated entities		
– NSW Country Racing Council Limited	2,107,754	2,721,030
– Registrar of Racehorses	340,948	181,427
– NSW Racing Pty Ltd	295,744	1,016,921
– Australian Racing Board	148,274	(502)
– Stakes Payment Debtors	2,104,331	3,440,221
– Other Racing Clubs	–	69,319
Bank Guarantee	50,734	49,023
Total Receivables	<u>6,924,067</u>	<u>8,254,515</u>

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

	Expenses Paid on behalf of entity	Receipts from
– NSW Country Racing Council Limited	54,570,914	55,184,190
– Registrar of Racehorses	1,657,310	1,497,789
– NSW Racing Pty Ltd	8,073,674	8,794,852
– Australian Racing Board	1,944,057	1,795,282

NOTE 10: OTHER CURRENT ASSETS

Prepayments	158,906	149,252
	<u>158,906</u>	<u>149,252</u>

NOTE 11: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interest in joint venture partnership;

(a) Name of Entity	Principal Activity	Balance Date	Ownership Interest	
			2003	2002
Registrar of Racehorses	Registration of Racehorses in Australia	30/06/2003	42%	42%
Movements in carrying amounts			2003	2002
			\$	\$
At beginning of financial year			–	–
Investment during year			3,854	93,483
Share of operating loss after income tax			(3,854)	(93,483)
At end of financial year			<u>–</u>	<u>–</u>

Notes

to the Financial Statements for the year ended 30 June, 2003

	2003 \$	2002 \$
NOTE 12: OTHER FINANCIAL ASSETS		
ANZ Wholesale Investment Trust	10,690,179	10,891,891
	<u>10,690,179</u>	<u>10,891,891</u>

The ANZ Wholesale Investment Trust is mortgaged to the ANZ Bank and acts as security for the ANZ Bank Guarantee to Workcover. (Note 18)

	2003	2002
NOTE 13: INVESTMENT IN LAND AND BUILDINGS		
Land and Buildings at net market value	3,733,500	2,862,480
Total Land and Buildings	<u>3,733,500</u>	<u>2,862,480</u>

The Baxter Road property is mortgaged to the ANZ Bank and acts as security for the ANZ Bank Guarantee to Workcover (Note 18). The valuation was prepared on the basis of Net Market Value as defined by the Australian Property Institute in a report dated 16 July 2003. The 2003 valuations at net market value were based on an independent assessment by Colliers International, a member of the Australian Property Institute.

	2003	2002
NOTE 14: PLANT and EQUIPMENT		
Plant and Equipment - at cost	5,841,318	5,232,916
Less accumulated depreciation	2,211,570	1,335,960
Total Plant and Equipment	<u>3,629,748</u>	<u>3,896,956</u>
Movement in Carrying Amounts		
Balance at Beginning of Year	3,896,956	1,616,245
Additions	1,002,810	2,996,322
Disposals	(119,471)	(91,695)
Depreciation Expense	(1,150,547)	(623,916)
Carrying Amount at the end of the year	<u>3,629,748</u>	<u>3,896,956</u>

NOTE 15: PAYABLES		
Trade Creditors	209,126	2,098,075
Other Creditors and Accruals	559,736	1,739,500
Stakes Payment Creditors	5,078,581	4,403,389
Privatisation Success Fee	-	314,406
Benevolent Fund	422,450	431,719
Total Creditors and Accruals	<u>6,269,893</u>	<u>8,987,089</u>

Stakes Payments Creditors represent balances on industry participant accounts that are due to be paid out. Benevolent Fund is an amount held in trust to be applied to eligible industry participants under significant financial hardship.

NOTE 16: BREEDERS AND OWNERS BONUS SCHEME		
Breeders and Owners Bonus Scheme	1,885,215	-
	<u>1,885,215</u>	<u>-</u>

NOTE 17: INTEREST BEARING LIABILITIES		
Bank overdraft - unsecured	-	952,501

The bank overdraft is unsecured and is subject to a floating interest rate of approximately 8.6% (2002: between 8.6% and 12.6%).

		2003 \$	2002 \$
NOTE 18: PROVISIONS			
Current			
Employee Benefits	18a	1,039,352	773,962
Provision for Insurance Outstanding Claims		5,465,987	6,489,545
Total Current		<u>6,505,339</u>	<u>7,263,507</u>
Non-Current			
Employee Benefits	18a	406,800	400,379
Provision for Insurance Outstanding Claims		15,847,963	15,582,960
Total Non-Current		<u>16,254,763</u>	<u>15,983,339</u>
18a) Aggregate Employee Benefit Liability		<u>1,446,152</u>	<u>1,174,341</u>
18b) No of employees at balance date		84	93



Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 18: PROVISIONS (CONT.)

Provision for Insurance Outstanding Claims

An actuarial valuation of the Insurance Funds outstanding claims was performed by independent actuaries McMahon Actuarial Services as at June 30 2003. The ANZ Bank have issued guarantees amounting to \$21,193,000 in favour of Workcover Authority of NSW. As at 27 September 2002 the limit was increased to \$21,200,000 as required under the terms of the Board's insurance licence. In accordance with actuarial recommendations the Board has provided for a prudential margin of 25% (2002 - 25%) of the central estimate of liabilities in recognition of the uncertainty of future estimates and the inherent variability of conditions affecting future claim payments.

	2003	2002
	\$	\$
Deferred Income	1,473,900	670,765
	<u>1,473,900</u>	<u>670,765</u>

Monies received by the NSW TRB at the balance date for products or services not yet provided are classified as deferred income. These items include subscriptions received for registration of racing colours, license fees, Workers Compensation Insurance premiums and subscriptions to NSW Racing magazine.

NOTE 20: ACCUMULATED LOSSES

Accumulated losses at beginning of the financial year	(4,925,133)	(1,123,583)
Net profit/(loss) from Ordinary Activities after income tax	2,360,184	(3,801,550)
Accumulated losses at end of the financial year	<u>(2,564,949)</u>	<u>(4,925,133)</u>

NOTE 21: CAPITAL AND LEASING COMMITMENTS

Operating lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the Financial statements

Payable not later than 1 year	62,914	62,914
Payable later than 1 year and not later than 5 years	158,273	221,359
	<u>221,187</u>	<u>284,273</u>

NOTE 22: CONTINGENT LIABILITIES

The Board are not aware of any material contingent liabilities which are required to be disclosed in these financial statements, other than the guarantees provided by the ANZ Bank in favour of Workcover Authority of NSW amounting to \$21,193,000 (2002 : \$18,084,000) at balance date, against a facility of \$21,200,000 (2002 \$18,084,000). Unused facilities at balance date amount to \$7,000 (2002 : NIL).

Assets Pledged as Security

The carrying amounts of assets pledged as security for the financial guarantees issue by the ANZ bank in favour of Workcover are set out in notes 8,12 and 13.

A registered mortgage debenture over all the assets of the Board is held by the ANZ bank.

The deposits at call are pledged as security for the ANZ Bank Guarantee to Workcover.

NOTE 23: MEMBERS

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

- A.G Hartnell (Chairman)
- Nominated by Australian Jockey Club – P Esplin
- Nominated by Sydney Turf Club – G Pash (Appointed 01/08/2002)
- Nominated by Sydney Turf Club – R W Lucas (Retired 31/07/2002)
- Nominated by Provincial Association of NSW – B Reardon
- Nominated by Board of Directors of NSW Country Racing Council – D E Hopkins (Deputy Chairman)
- Nominated by eligible industry bodies to represent the interests of Licensed Persons and Race club employees – J. Costigan
- Nominated by eligible industry bodies to represent the interests of Owners and Breeders of thoroughbred racehorses – R. M. Lapointe
- M J Hill (Chief Executive)

b) Remuneration of Non-Executive Board Members

	2003	2002
	\$	\$
Income paid or payable to all directors	<u>434,036</u>	<u>476,813</u>

Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 23: MEMBERS (CONT.)

Number of Non-Executive Board Members whose income was within the following bands	2003	2002
\$0 - \$9,999	1	2
\$10,000 - \$19,999	–	1
\$40,000 - \$49,999	5	5
\$70,000 - \$79,999	1	–
\$90,000 - \$99,999	–	1
\$110,000 - \$119,999	1	–

NOTE 24: COMPANY DETAILS

The NSW Thoroughbred Racing Board was established as an entity under The Thoroughbred Racing Act 1996. As such it is an entity incorporated and domiciled in Australia.

The registered office and principal place of business of the Board is: 81-83 Baxter Road, Mascot, NSW,2020.

NOTE 25: FINANCIAL INSTRUMENTS

	Note	Floating Interest Rate		Non Interest Bearing		Total	
		2003	2002	2003	2002	2003	2002
Financial Assets:							
Cash	8	4,687,761	2,876,973	–	–	4,687,761	2,876,973
Receivables	9	–	–	6,924,067	8,254,515	6,924,067	8,254,515
Investments	11	10,690,179	10,891,891	–	–	10,690,179	10,891,891
Total Financial Assets		15,377,940	13,768,864	6,924,067	8,254,515	22,302,007	22,023,379
Weighted average interest rate		1.23%	0.76%				
Financial Liabilities:							
Bank Loans and Overdrafts	17	–	952,501	–	–	–	952,501
Trade and sundry creditors		–	–	6,269,893	8,987,089	6,269,893	8,987,089
Total Financial Liabilities		–	952,501	6,269,893	8,987,089	6,269,893	9,939,590
Weighted average interest rate			8.60%				
Net financial assets/(liabilities)		15,377,940	12,816,363	654,174	(732,575)	16,032,114	12,083,789

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements. A significant proportion of receivables from associated entities include amounts receivable from NSW Country Racing Council Limited. The receivable as at 30 June 2003 was \$2,107,754 (2002 \$2,721,030). The entity does not have any other material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

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

NOTE 26: SEGMENT REPORTING

	2003			2002		
	NSW Thoroughbred Racing Board	Insurance	Total	NSW Thoroughbred Racing Board	Insurance	Total
Primary Reporting - Business Segments						
Revenue						
External Sales	15,789,196	9,054,815	24,844,011	15,777,014	6,369,295	22,146,309
Other Revenue	361,726	1,000,945	1,362,671	176,296	223,419	399,715
Total Segment Revenue	16,150,922	10,055,760	26,206,682	15,953,310	6,592,714	22,546,024
Expenditure						
Amortisation	–	–	–	550,000	–	550,000
Depreciation	1,150,547	–	1,150,547	623,916	–	623,916
Share of Loss of partnerships	3,854	–	3,854	93,483	–	93,483
Total Segment Expenditure	15,783,721	8,062,777	23,846,498	15,287,370	11,060,203	26,347,574
Segment Result	367,201	1,992,983	2,360,184	665,940	(4,467,489)	(3,801,550)



Notes

to the Financial Statements for the year ended 30 June, 2003

NOTE 26: SEGMENT REPORTING (CONT.)

	2003			2002		
	NSW Thoroughbred Racing Board	Insurance	Total	NSW Thoroughbred Racing Board	Insurance	Total
Assets						
Segment Assets	11,924,512	17,899,648	29,824,161	11,803,799	17,128,268	28,932,067
Total Assets	11,924,512	17,899,648	29,824,161	11,803,799	17,128,268	28,932,067
Liabilities						
Segment Liabilities	10,253,966	22,135,141	32,389,110	11,494,273	22,362,929	33,857,202
Total Liabilities	10,253,966	22,135,141	32,389,110	11,494,273	22,362,929	33,857,202
Net Liabilities	1,670,546	(4,235,493)	(2,564,949)	309,526	(5,234,661)	(4,925,135)

The primary business activity is the NSW Thoroughbred Racing Board provision of racing services to the industry. The secondary activity is the Workers Compensation Fund. All income and expenditure is incurred within the thoroughbred racing industry within the state of New South Wales, Australia.

NOTE 27: RELATED PARTIES

An amount of \$15,380 (2002 : \$57,186) was expended on legal fees to Atanaskovic Hartnell. A G Hartnell is both a partner in the firm of Atanaskovic Hartnell and Chairman of the NSW Thoroughbred Racing Board. These transactions are conducted at arms length.

Agistment fees for research horses of \$6,359 (2002 : \$5,784) were expended to Muskoka Farm. Muskoka Farm is owned by R M Lapointe, a Board member of the NSW Thoroughbred Racing Board. These transactions are conducted at arms length.

Mr A G Hartnell and Mr D E Hopkins, both board members of the NSW Thoroughbred Racing Board, are also directors of NSW Racing Limited and each beneficially own one Class A1 share unit in NSW Racing Limited.

NOTE 28: INSURANCE ACTIVITIES

	2003	2002
	\$	\$
Premium revenue	7,234,257	5,679,305
Reinsurance recoveries and other recoveries revenue	617,598	74,150
Investment revenue	1,000,945	223,419
First Charge	621,818	450,000
Other Income	581,143	165,840
	10,055,761	6,592,714
General and Administration	989,891	971,833
Direct claims	6,151,174	9,001,089
Outwards reinsurance	720,000	559,000
Investment expense write-down	201,712	528,281
	8,062,777	11,060,203
Underwriting result for the financial year excluding investments revenue and expense	1,193,751	(4,162,627)
Investments		
Land and buildings	3,733,500	2,862,480
ANZ Trust	10,690,179	10,891,891
	14,423,679	13,754,372
Operating Assets		
Bank	3,425,235	2,874,873
Other Debtors	-	450,000
Bank guarantee	50,734	49,023
Reinsurance recoveries	1,706,679	2,842,000
	5,182,648	6,215,896
Liabilities		
Outstanding claims	23,020,629	24,914,504
Unearned Premiums	821,191	290,425
	23,841,820	25,204,929

Notes & Declaration

to the Financial Statements for the year ended 30 June, 2003

NOTE 28: INSURANCE ACTIVITIES (CONT.)

	2003 \$	2002 \$
a) Outstanding Claims		
Gross undiscounted claim liability	23,410,000	26,373,000
Discount to present value	(3,680,000)	(4,647,000)
Third party recoveries	(972,000)	(1,226,000)
Re-insurance recoveries	(1,707,000)	(2,842,000)
	17,051,000	17,658,000
Prudential margin	4,262,750	4,415,000
	21,313,750	22,073,000
Current	5,466,250	6,490,000
Non-current	15,847,500	15,583,000
	21,313,750	22,073,000

The average weighted term to settlement of the outstanding liabilities is 3.1 years (2002: 3.4 years).

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

	2003		2002	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	4.00%	4.00%	4.00%	4.00%
Discount Rate	5.00%	5.00%	6.00%	6.00%

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

	2003		2002	
	Current Year Incurred \$	Reassess Prior Years \$	Current Year Incurred \$	Reassess Prior Years \$
Gross undiscounted incurred claims	6,223,000	(900,000)	7,080,000	(658,000)
Undiscounted reinsurance & other recoveries	(144,000)	923,000	(360,000)	2,321,000
Net undiscounted incurred claims	6,079,000	23,000	6,720,000	1,663,000
Discounting of incurred claims	(765,000)	102,000	(869,000)	203,000
Discounting recoveries	16,000	(105,000)	62,000	(403,000)
	5,330,000	20,000	5,913,000	1,463,000
Gross discounted incurred claims	5,458,000	(798,000)	6,211,000	(455,000)
Discounted reinsurance & other recoveries	(128,000)	818,000	(298,000)	1,919,000
Net discounted incurred claims	5,330,000	20,000	5,913,000	1,464,000

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

DECLARATION BY MEMBERS OF THE BOARD

The Members of the Board declare that:

- (1) the financial statements comprising the Statement of Financial Performance, Position and Cash Flows and accompanying notes:
 - (i) give a true and fair view of the financial position of the NSW Thoroughbred Racing Board as at 30 June 2003 and its performance for the year ended on that date.
 - (ii) are in accordance with the NSW Thoroughbred Racing Board Act 1996 and comply with the Accounting Standards and other mandatory professional reporting requirements and
- (2) as at the date of this declaration there are reasonable grounds to believe that the NSW Thoroughbred Racing Board will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Members of the Board and is signed for and on behalf of the NSW Thoroughbred Racing Board.



Mr. A G HARTNELL
Chairman



Mr D HOPKINS
Deputy Chairman

Dated at Sydney this 15th day of September, 2003.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE NSW THOROUGHBRED RACING BOARD

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the NSW Thoroughbred Racing Board ("the TRB") or the year ended 30 June 2003 included on the TRB's web site. The Members of the Board are responsible for the integrity of the TRB's web site. We have not been engaged to report on the integrity of the TRB's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information that may have been hyper linked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report and Members of the Board's Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the Declaration by the Members of the Board of the NSW Thoroughbred Racing Board, for the year ended 30 June 2003.

The Members of the Board are responsible for the preparation and true and fair presentation of the financial report in accordance with the Thoroughbred Racing Board Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the Members of the Board of the TRB. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Thoroughbred Racing Board Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the TRB's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Members of the Board.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

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

- a) the Thoroughbred Racing Board Act 1996, including:
 - i) giving a true and fair view of the TRB's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia; and
- b) other mandatory reporting requirements.



BDO

Chartered Accountants



D P GOMAN

Partner

Signed at Sydney, this the 15th day of September 2003.



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