



Racing NSW

ANNUAL REPORT 2021





MISSION STATEMENT

TO ESTABLISH A DYNAMIC NSW THOROUGHBRED RACING INDUSTRY WHICH ADVANCES PARTICIPATION, ENSURES INTEGRITY AND DELIVERS QUALITY RACING AT ALL LEVELS

VISION

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

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

Provide a Racing Product that appeals to all demographics and takes all actions necessary to guarantee integrity and confidence in the sport. In particular, ensuring animal welfare is of the highest standard.

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

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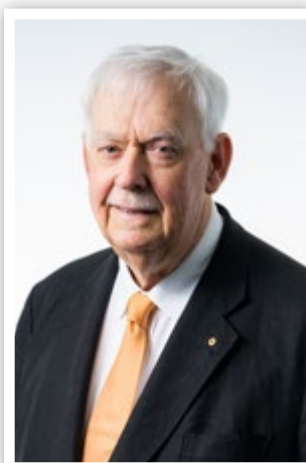
Front cover: *Classique Legend (Kerrin McEvoy) takes out the TAB Everest at Royal Randwick and Sydney's champions for the 2020/21 racing season (L-R): James McDonald, Chris Waller and Tom Sherry*

CURRENT MEMBERS OF THE BOARD



R Balding AO (Russell)

CHAIRMAN
Re-appointed
19 December 2019
Attended 8 meetings



A G Hodgson AM (Tony)

DEPUTY CHAIRMAN
Re-appointed
19 December 2019
Attended 8 meetings



P N V'landys AM (Peter)

RACING NSW
CHIEF EXECUTIVE
Appointed 23 February 2004
Attended 8 meetings



Dr S Cooke (Saranne)

Re-appointed
19 December 2019
Attended 8 meetings



S Tuxen (Simon)

Re-appointed
20 December 2018
Attended 8 meetings



A Shepherd AO (Anthony)

Re-appointed
20 December 2018
Attended 8 meetings



**The Hon G Souris AM
(George)**

Appointed 19 December 2017
Attended 8 meetings



M Crismale (Michael)

Appointed 20 December 2018
Attended 7 meetings

FUNCTIONS OF THE BOARD

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

- a) all the functions of the principal club for New South Wales and committee of the principal club for New South Wales under the Australian Rules of Racing,
- b) to control, supervise and regulate horse racing in the State,
- b1) such functions in relation to the business, economic development and strategic development of the horse racing industry in the State as are conferred or imposed by this Act,
- c) to initiate, develop and implement policies considered conducive to the promotion, strategic development and welfare of the horse racing industry

- d) in the State and the protection of the public interest as it relates to the horse racing industry,
- d) functions with respect to the insuring of participants in the horse racing industry, being functions of the kind exercised by the AJC on the commencement of this section, and such other functions with respect to insurance in the horse racing industry as may be prescribed by the regulations,
- e) such functions as may be conferred or imposed on Racing NSW by or under the Australian Rules of Racing or any other Act,
- f) such functions with respect to horse racing in New South Wales as may be prescribed by the regulations.



**Russell Balding
AO**
Chairman

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

Dear Minister,

In accordance with Section 30 of the Thoroughbred Racing Act 1996, I am pleased to submit to you the 25th Annual Report of Racing NSW covering the period 1 July 2020 to 30 June 2021.

Importantly, I am delighted to report that we have had a very successful year and have been able to attain many initiatives, achievements and milestones which have proved beneficial to the NSW Thoroughbred Racing Industry and have helped to secure its future in the years to come while at the same time benefiting the overall NSW economy.

These have included:

- Record wagering turnovers on NSW Thoroughbred racing events,
- Record levels of prizemoney and other returns to owners,
- Record numbers of starters in NSW races,
- Consolidation of the Sydney Spring Racing Carnival,
- Significant funding of investments in racing and capital infrastructure projects at Metropolitan, Provincial and Country racecourses,
- Acquisition of several properties to assist with our equine welfare program and the development of training and pre-training facilities, thereby securing the long-term sustainability and future proofing of the industry,
- Continuing to make a significant contribution to the NSW economy.

These initiatives and achievements have only been possible because of the extraordinary and untiring efforts of the Chief Executive, Peter V'landys AM and his executive team and staff who have continued to deliver outstanding service to the industry in the most trying of circumstances, particularly during a period of uncertainty and difficulty arising from the COVID-19 pandemic.

Board meetings were held on 8 occasions throughout this period and I again acknowledge the contributions and support of my fellow Board Members whose

knowledge, experience and passion contributed to the well-being of the NSW Thoroughbred Racing Industry and its many participants.

Like the rest of the community, the NSW Thoroughbred Racing Industry was severely affected by the Coronavirus COVID-19 pandemic and the various lockdowns and restrictions which have been necessary to mitigate the effects of the virus on the wider community.

The strict bio-security protocols and restrictions put in place by Racing NSW and the stringent adherence to them by industry participants allowed the Government and its health officials to approve of the continuation of racing activities during the worst of the virus in 2020 and more recently during the onset of the Delta Variant strain.

Racing NSW Management has adopted a pro-active approach and continued to implement and refine these protocols to ensure the continuation of Thoroughbred racing in New South Wales. During the latter part of the year Racing NSW became one of the first industry groups in Australia to develop a program for the use of rapid antigen testing technology in the workplace as a further means of protecting the health of our participants and ensuring the continuation of racing. This has been a highly successful initiative.

On behalf of the Board and the Industry I thank the NSW Government, particularly the Minister for Health and his officials whose support in allowing the Thoroughbred industry to continue operating during these difficult times is very much appreciated and is testimony to their faith in the current administration of the industry.

During the year, Racing NSW maintained a close relationship with the Parliamentary Friends of Racing and Breeding Group and took the opportunity of briefing members on developments within the industry including hosting them on a visit to Bart's Farm to acquaint them with Racing NSW's Equine Welfare Program.

Despite the difficulties brought on by the COVID-19 virus and the associated restrictions, I am again pleased to report that overall, the NSW Thoroughbred Racing Industry had another successful year with returns to owners reaching a record \$291 million. Racing NSW also approved of major prizemoney increases of \$19.5 million per annum commencing on 1 July 2021.

Notwithstanding the impacts that the pandemic had on the on-course trading activities of our race clubs, wagering on NSW Thoroughbred racing events through

the various off-course betting outlets reached record levels bet on our race meetings. All of the recently established major races including *The Everest*, *The Kosciuszko*, *The Golden Eagle*, *The Hunter* and *The Gong* attracted significant increases in betting turnover. This has greatly enhanced the Sydney Spring Racing Carnival and quickly cemented its place on the Australian racing calendar and ensured its recognition as one of the best racing carnivals in the world.

The overall increases in wagering demonstrated the high esteem and confidence that Australian punters have in the integrity and management of NSW Thoroughbred racing. In this regard we have continued to enhance and police strict rules and practices to ensure the overall integrity of the industry and the maintenance of public confidence in racing. This has included the acquisition of two sniffer dogs to assist the Stewards and their surveillance team in detecting illicit drugs and other illegal paraphernalia at racecourses or training establishments.

Apart from the benefits this betting activity has on industry revenues, the NSW taxpayer is also a beneficiary of the Crown revenue received from betting taxes, including the recently introduced Point of Consumption Tax. These taxes form part of the overall contribution that Thoroughbred racing in New South Wales makes annually to the NSW economy (\$3.58 billion). In addition, the industry continues to employ more than 27,600 full-time-equivalent jobs, with 17,700 of these being in regional and rural New South Wales.

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

In furtherance of its strategy to future-proof the industry by acquiring landholdings and other assets, Racing NSW acquired the Cessnock Racecourse and the Bong Bong Farm south of Sydney to be developed as training and pre-training centres. We also acquired The Scone TAFE and several lots adjacent to that facility as well as several properties adjacent to the Kembla Grange and the Bathurst Racecourses plus the Hay Production Property 'Tryalion' near Bylong and additional land adjacent to our equine welfare property at Capertee (Bandanora).

We continued our search to locate and acquire a suitable site in an area on the outskirts of Sydney to establish a large-scale training complex like those which exist in other major racing centres throughout the world.

Racing NSW management is also liaising with officers of the NSW Department of Planning, Industry & Environment, Housing and Property to facilitate the transfer to Racing NSW of the administration of Crown Lands upon which Thoroughbred racecourses are located thereby providing certainty of tenure of those racecourses for the Thoroughbred Racing Industry.

During the year we were pleased to receive advice of the Government's commitment to provide a series of infrastructure grants totalling \$67 million for various NSW racecourses. This was in addition to your previous announcement of several grants totalling \$10.6 million for other country racecourses plus an \$8.2 million Federal Government grant for the Casino Racecourse.

In addition to these grants, over recent years, Racing NSW also provided a further \$63 million to race clubs for improvements to racing and training facilities at NSW racetracks and has committed an additional \$18.5 million towards future infrastructure developments. This does not include the \$150 million provided for the development of the Queen Elizabeth Grandstand at Randwick Racecourse from the sale of Trackside.

On behalf of the Board, I again thank and acknowledge the Chief Executive, Peter V'landys AM and the staff of Racing NSW for their outstanding service to the Board and the NSW Thoroughbred Racing Industry. Peter and his staff are to be congratulated on their major achievements during the year.

Finally, I would like to thank you and your personal staff, as well as your Departmental Officers for your assistance and support during the year including the provision of grants totalling \$77.6 million for capital developments at various country racecourses. I look forward to working with you during the upcoming year for the further enhancement and development of the NSW Thoroughbred Racing Industry.

Yours Sincerely,



Russell Balding AO

Chairman

14 September 2021



**Peter V'landys
AM**
Chief Executive

Executive Summary

The NSW Thoroughbred Racing Industry continued to be impacted by NSW Government restrictions and lockdowns implemented in response to the COVID-19 virus.

Fortunately, the procedures and protocols implemented by Racing NSW during the first wave of the virus which occurred during the early part of 2020 held the industry in good stead. This led to the Government and Health Authorities allowing racing to continue, albeit either without patrons or with limits on the number of patrons who could attend meetings. Strict compliance with these protocols by industry participants was a major factor in racing being allowed to continued.

However, despite the adversities resulting from COVID-19, the industry received increased revenues because of record betting turnovers on our racing events. This further resulted in Racing NSW being able to increase prizemoney for existing races as well as establishing several new feature races thereby increasing the overall returns to owners and other industry participants. During the 2020/21 financial year, Racing NSW paid more prizemoney than any other State in Australia, by a considerable sum.

Financial Performance

Racing NSW reported a very strong Operating Surplus of \$2.620 million for the 2021 financial year. The most pleasing aspect of this year's financial performance is that Racing NSW set aside money for long term strategic goals including building an asset base through the purchase of properties including some that were adjoining NSW Thoroughbred Race Clubs and land for horse welfare purposes.

As detailed in the 2017/2018/2019 Strategic Plan, Racing NSW allocated \$98.5 million towards the funding of new racing training centres and for racecourse infrastructure and improvements to ensure public facilities for customers are world class. Racing NSW set aside an additional \$89 million in

the current financial year towards this strategic goal and Racing NSW is working with various NSW Thoroughbred Race Clubs to improve facilities for stakeholders with this funding. Racing NSW now has in-excess of \$142 million in the Capital Expenditure fund to support this strategic goal.

Highlights

- Continuing to conduct race meetings during the extended stringent and lengthy lockdowns imposed to combat the spread of the COVID-19 virus as a result of the strict protocols established by Racing NSW and the conscientious adherence to those protocols by industry participants.
- The implementation of Rapid Antigen Testing at NSW racecourses as a further measure to allow the continuation of racing during the COVID-19 lockdowns. The NSW Thoroughbred Racing Industry was one of the first industries in Australia to utilize this technology.
- Returns to owners again reaching record levels making racehorse ownership more affordable. Returns to owners for the financial year amounted to \$291.07 million. This is higher than any other State in Australia, by a large margin.
- Racing NSW's strategy to concentrate on the Spring is highlighted by the list of the most wagered NSW races, with *The Everest* and *The Golden Eagle* being by far the two most wagered NSW races. Below is a list of the most wagered NSW races in the financial year:
 1. Everest
 2. Golden Eagle
 3. Golden Slipper
 4. Doncaster
 5. ATC Derby
 6. Yes Yes Yes Stakes on Golden Eagle day
 7. Epsom
 8. The Metropolitan
 9. Queen of the Turf
 10. George Ryder
 11. Sydney Cup

12. The Kosciuszko
 13. The Galaxy
 14. Rosehill Gold Cup
 15. Queen Elizabeth
 16. Spring Champion Stakes
 17. Bondi Stakes
 18. Golden Rose
 19. Vinery Stud
 20. All Aged Stakes
- Racing NSW submitted a strong business case and detailed proposal to the NSW Government for funding of racing infrastructure at racecourses and Racing NSW properties. After considering that submission, which highlighted the substantial economic return to the NSW economy, the NSW Government provided \$67 million in funding for that racing infrastructure.
 - Acquisition of several new properties for the provision of additional training and pre-training centres and for the Equine Welfare Program.
 - Announcement that prizemoney for the 2021/22 financial year would increase by a further \$19.5 million including increases to minimum prizemoney for all levels of Country racing. This will take returns to owners to \$310 million.
 - The announcement of a new Midway series of races commencing on 1 July 2021 with only small-medium Metropolitan and Provincial stables being able to compete in these races. The Midway will be a 10th race at Saturday Metropolitan race meetings and will carry \$100,000 in prizemoney.
 - The announcement of a new \$2 million feature race for elite fillies and mares called *The Invitation* to be held as part of the Sydney Spring Carnival, with the field being selected on an invitation only basis.
 - The successful running of major NSW racing carnivals despite the absence of spectators or capped crowds because of the COVID-19 lockdowns and restrictions. *The Everest/Kosciuszko*, *Golden Eagle*, *The Hunter* and *The Gong* race meetings and *The Championships* all generated substantial increases in wagering turnover.

COVID-19

The impacts of COVID-19 on the NSW Thoroughbred Racing Industry continued through 2020/21.

Whilst there was a gradual re-opening of racecourses to the public, the caps on overall numbers and density limits significantly impacted the number of patrons that were able to attend racecourses.

Those restrictions meant that feature races such as the 2020 staging of *The Everest* and *The Golden Eagle* and the 2021 staging of *The Championships* and *The Golden Slipper* were conducted before capped crowds of only 25% of pre-COVID-19

numbers. Feature regional race meetings were also held with lower crowd numbers.

Racing NSW's strict bio-security measures and protocols, which were crucial in enabling the NSW Thoroughbred Racing Industry to continue through the pandemic, continued throughout the year. Those measures and protocols were increased when the highly infectious Delta strain of COVID-19 infiltrated NSW towards the end of the reporting year and again enabled race meeting to proceed even when the most severe Government lockdowns and restrictions were imposed.

Racing NSW also identified the importance of detecting COVID-19 cases before they entered a racecourse. Accordingly, it implemented Rapid Antigen Testing at NSW racecourses as a further precaution to protect the industry. This was crucial as when the industry had positive cases it was still able to race due to the utilisation of these tests.

Revenue

Wagering Revenue

Excluding the TAB distribution, \$299.18 million was received from the various other wagering sources listed as follows:

Point of Consumption Tax

The Point of Consumption Tax (PoCT) commenced in New South Wales on 1 January 2019. The PoCT, which is administered by the NSW Government, is levied on all wagering operators accepting bets from NSW residents and applies to all online, telephone and face to face betting.

Previously, other than the NSW TAB, no tax was payable to the NSW Government in respect of bets placed by a NSW resident with a wagering operator located in another Australian State or Territory. The NSW Racing Industry received a Race Field fee in respect of bets on NSW races, but no fee was payable when the bet was placed on interstate or overseas races.

The introduction of the PoCT enabled the NSW Government to collect revenue from all wagering operators (NSW and Interstate) who accept wagers from NSW residents.

The NSW Racing Industry (all codes) receives 20% of the total proceeds of the PoCT and 72% of this amount is paid to the NSW Thoroughbred Racing Industry. Importantly, the Industry's annual share of this revenue stream is protected because following strong representations from Racing NSW it is prescribed in the legislation rather than being reliant on the annual budgetary process.

The revenue received by the NSW Thoroughbred Racing Industry from the PoCT for the year ended 30 June 2021 was \$39.32 million taking the total amount received to date to \$81.48 million.

Parity with Victoria on the Sharing of TAB's Gross Wagering Revenue via NSW State Tax Rebates

In 2015, the NSW Government passed the Betting Tax Legislation Amendment Act 2015, which provided for the NSW Racing Industry (all three codes) to receive the same share of NSW TAB's gross revenue so as its the same share as the Victorian Racing Industry.

The legislation provided for a staged introduction commencing from 1 July 2015 with full parity with the Victorian Racing Industry being received from 1 July 2020.

With the 2021 financial year being the first year of full wagering tax parity, the NSW Thoroughbred Racing Industry's share was \$72.39 million taking the total amount received to date to \$254.54 million.

Year	Racing NSW Proceeds from Parity
FY16	\$18.53 million
FY17	\$35.76 million
FY18	\$36.84 million
FY19	\$43.14 million
FY20	\$47.87 million
FY21	\$72.39 million

Race Fields Scheme

The funding for the New South Wales Thoroughbred Racing Industry from the Race Fields scheme has continued to grow significantly and is now almost on par with the revenue received from the NSW TAB. During the year, the revenue received under the Race Fields scheme from the 231 wagering operators that were granted approvals increased by 21.33%.

The annual review of the structure and function of the Race Fields scheme to ensure that it is performing to its optimum level has not resulted in any changes. The Race Field fees remain as in the previous year, being:

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

Prizemoney and Returns to Owners

During the year, Racing NSW maintained its commitment to maximise returns to owners to assist them in offsetting the costs incurred by them in keeping their horses involved in racing activities. Returns to owners for the financial year amounted to \$291,077,165.

Total returns to owners were made up of the following amounts.

Item	2020/21	2019/20	2011/12
Prizemoney and BOBS	\$271,025,394	\$260,946,594	\$135,324,443
Other Payments on behalf Of Owners (i.e. jockeys riding Fees etc.)	\$19,936,110	\$19,314,209	\$12,978,013
Total	\$291,077,165	\$279,339,603	\$148,302,456

Total returns to owners paid in NSW has now grown by \$143 million since 2012 as summarised above and in the chart on the following page.

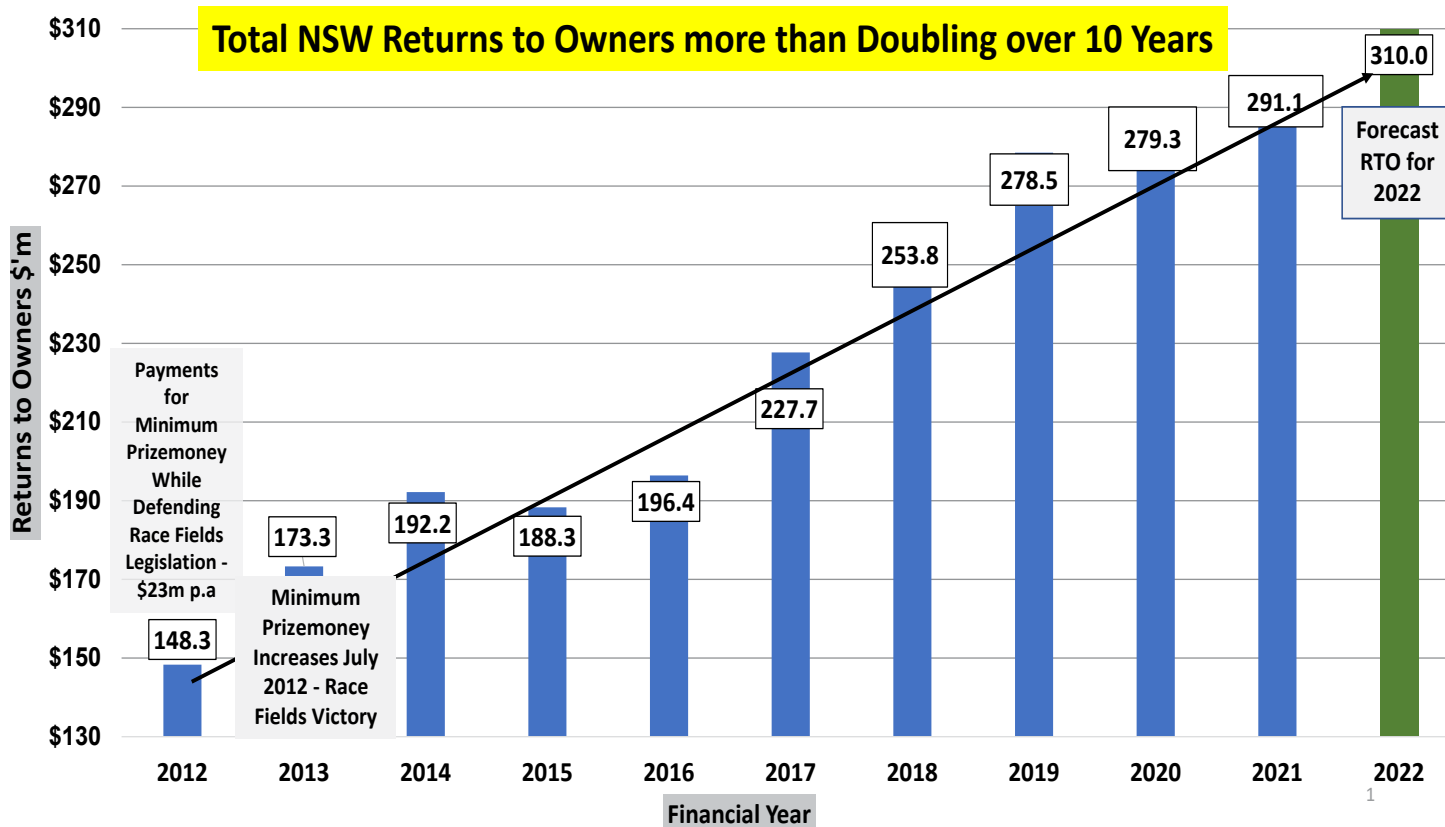
BOBS

Racing NSW's Breeder Owner Bonus Scheme (BOBS) has entered its 19th year and gets stronger each season, having paid out 1,264 BOBS bonuses during the 2020/21 racing season for a total of nearly \$12 million including bonuses and double up vouchers.

Racing NSW has paid out more than \$164 million in BOBS bonuses since BOBS began 19 years ago.

The unique Double-up option which allows owners

GROWTH IN TOTAL NSW RETURNS TO OWNERS OF \$143M SINCE 2012



to rather than take cash, double the cash component in a voucher to be used buying another horse at the sales or used to pay stallion fees if they wish to breed. For example, a Metropolitan Saturday bonus is \$16,000 cash, and can be Doubled-up to \$32,000 as a voucher.

Since the Double-up option was introduced in January 2005 more than \$52 million has been put back into the NSW breeding industry through the payment of stallion fees or purchasing BOBS eligible horses at the sales.

These figures show how successful the BOBS scheme is, but even more impressive when paired with BOBS Extra where last season an extra \$535,000 was distributed to owners of BOBS Extra horses, BOBS Extra is added to races at a distance of 1800m and further. The BOBS Extra bonuses on these races are available to BOBS Extra nominated horses aged four years and older.

BOBS continues to grow each season, with more breeders and owners nominating stallions and two-year-old horses – this, in turn, leads to more bonuses being paid out and therefore, more nominations. And the fact that BOBS bonuses can be won at all NSW tracks (except in Group and some Listed Races), means that trainers and owners racing outside of the Metropolitan tracks can continue to race their horses closer to home, reducing travel and increasing the competition and class of racing at Provincial and Country racecourses.

Country Racing

With total annual Country prizemoney now at \$77.5 million it was significant that the sector was able to conduct 488 race meetings throughout the State despite the impact of COVID-19. The Country racing sector adapted to the Racing NSW protocols during the period and the Country clubs were instrumental in supporting Country participants to continue to race and provide facilities for training that resulted in the continuation of industry operations throughout the State. This was significant for the Country sector which generated in excess of 27,300 starters trained from country facilities.

The Country sector conducted a number of Country Cup Carnival Prizemoney meetings throughout the State which distributed over \$10 million in prizemoney for these races. Whilst a number of these race meetings in 2020 were run without crowd attendance, following the easing of restrictions, the Country clubs worked closely with Racing NSW and the Health authorities to enable race meetings to be conducted in front of the best possible crowd of patrons.

Racing NSW, in maintaining its policy of ensuring the viability of Country racing, announced prizemoney increases across all sectors of Country racing to come into effect from 1 July 2021. A total increase of \$9 million in prizemoney including an additional 20 Country Showcase status meetings

throughout the State will take total annual prizemoney to be paid for Country racing in NSW to more than \$90 million, an increase of \$58 million (176%) since 2012, the largest increase of any sector over this time that broadens and strengthens racing in NSW.

The Country sector will continue to have races for Country trained horses only such as;

- \$1.3 million *The Kosciuszko*
- \$1.05 million Country Championship qualifiers throughout NSW
- \$500,000 Country Championships Final
- \$75,000 weekly Highway races (increased to \$100,000 from 1 July 2021)
- \$40,000 maidens for Country-trained horses only

The Everest

The fourth running of *The Everest* was held at Royal Randwick on 17 October 2020 and the event continued to excite patrons and the off-course audience alike, including a global audience watching the race through Sky Racing, and both TVG and Fox Sports in North America.

As a result of the COVID-19 pandemic, crowd numbers were restricted to 11,000 under limitations set by the NSW Government, with tickets selling out almost immediately. Racing NSW continued its strategy to target the under 35 demographic which has been one of the major reasons for the race's on-going success.

The race was won by the Les Bridge trained grey *Classique Legend* ridden by Kerrin McEvoy who had previously ridden the winner of the first two editions of the race, *Redzel*.

In accordance with the Board's earlier decision and the commitment of Racing NSW and the Australian Turf Club to reinvest any incremental profits from *The Everest* back into prizemoney, prizemoney for the race totalled \$15 million. This level of prizemoney is befitting Australia's richest race and the World's richest race on turf.

Importantly, options continue to be exercised by all slot holders, two years in advance.

The Kosciuszko

Also held on *The Everest* race meeting was the third running of *The Kosciuszko*. In this \$1.3 million race for Country trained horses, starters were again selected by sweepstakes winners who shared in the prizemoney.

The Kosciuszko concept has been widely embraced by the general public throughout the State with 271,000 tickets sold (an increase from 210,000 in 2019) and apart from individual ticket buyers,

numerous syndicates were formed to participate in the event.

The race continued to receive extensive media coverage, particularly throughout regional NSW.

The Golden Eagle

2020 marked the second running of *The Golden Eagle*, the only elite race specifically for 4-year-old horses during the spring. The race was staged on 31 October 2020 with prizemoney for the race totalling \$7.5 million.

Importantly, *The Golden Eagle* is conducted at Rosehill Gardens thereby providing a feature race for Western Sydney. The path to the Golden Eagle also included the running of the \$500,000 *Silver Eagle*, held at Royal Randwick three weeks prior.

Unfortunately, COVID-19 restrictions limited the on-course attendance to 6,000 patrons. However, the race created enormous interest from the off-course audience watching the race through Sky Channel and other media outlets.

The field included 18 of the best 4-year-olds in Australia including 4 Group 1 winners with runners from NSW, Victoria, Queensland and Western Australia. This highlighted how the race has quickly been embraced by owners and trainers across Australia. Punters also made it the second most wagered NSW event with only *The Everest* procuring more wagering turnover.

Godolphin mare *Colette* won the race. She was trained by James Cummings and ridden by Koby Jennings. The Brad Widdup trained *Icebath* ran second with the Gai Waterhouse and Adrian Bott trained *Dawn Passage* finishing third.

As in the previous year, ten per cent of all prizemoney from *The Golden Eagle* was directed to charities as nominated by the owners of each of the horses. On the back of *Colette*'s win, Team Tye Foundation, chosen by *Colette*'s owners Godolphin received a cheque for \$410,000. Second place getter *Icebath*'s owners nominated the Mark Hughes Foundation who received \$150,000 while third placed *Dawn Passage* was racing for the Children's Cancer Institute which picked up \$75,000.

The Golden Eagle again formed the central element of several major additions to the Sydney Spring Carnival including the \$1 million *Bondi Stakes* for three-year-olds and the \$1 million *Golden Gift* for two-year-olds. The carnival again provided races of at least \$1 million over ten consecutive Saturdays.

The Hunter and The Gong

The second running of the \$1 million *The Hunter* was held by the Newcastle Jockey Club at its Broadmeadow racecourse on 14 November 2020 followed a week later by the Illawarra Turf Club's \$1 million *The Gong* at Kembla Grange.

The races have been enthusiastically supported, not only by local patrons but by racing fans throughout the State.

The Hunter was won by the John Thompson trained Sweet Deal while *The Gong* was taken out by the Hawkes' trained Archedemus.

The success of these races and their acceptance by the racing public, together with the expectation that they will continue to grow in relevance, will ensure that they continue to form an integral part of NSW's annual Spring Carnival.

The Championships

The 2021 edition of *The Championships* was again impacted by the crowd restrictions imposed because of the COVID-19 pandemic. Although patrons were able to attend the meetings the numbers were limited to 13,000 with tickets selling out quickly.

Nevertheless, the meetings again proved to be fitting grand finals for the various classes of races which comprised the two days of the carnival. Eight Group 1 races as well as several other Group and Listed races and the Provincial Championships and the Country Championships were conducted during the two meetings, with over \$21 million prizemoney was distributed.

The meetings presented an attractive viewing and betting medium for on-course patrons and the large off-course audience who were able to watch the races through Sky Channel and Channel 7's free to air service and place their bets through the TAB and other off course betting establishments.

Prizemoney Increases

Following an overall review of NSW prizemoney, Racing NSW approved the following major increases in prizemoney, including prizemoney paid for major races held during the spring and summer carnivals.

These increases and new races are set out below and commenced on 1 July 2021.

General Prizemoney

- Increase Saturday Metropolitan races from \$125,000 to \$130,000 per race.
- Introduce a Midway race with prizemoney of \$100,000 for every Saturday Metropolitan

meeting, increasing number of races to 10.

- Increase Highway races from \$75,000 to \$100,000.
- Increase Country TAB Meeting races from \$22,000 to \$24,000.
- Increase Country Sky Meeting races from \$12,000 to \$15,000.
- Increase Non – TAB races from \$8,000 to \$10,000.
- Increase Picnic races from \$3,000 to \$4,000.

Spring

- Increase the Epsom Handicap from \$1 million to \$1.5 million.
- For the Craven Plate and the Rosehill Gold Cup increase prizemoney from \$500,000 to \$750,000 each and add a \$1 million bonus for any horse which wins both.
- Increase the Flight Stakes from \$500,000 to \$750,000
- Introduce 2 support races to *The Hunter* and *The Gong*, with prizemoney of \$300,000 each.

Summer

- Increase the Villiers from \$250,000 to \$750,000

It is estimated that these increases in prizemoney will provide an additional \$19.5 million per annum to industry participants.

Midway Races

As highlighted above, Racing NSW has implemented a new series of races called Midway races which are designed to cater for the small to medium Metropolitan and Provincial stables. Eligibility for these races will be restricted to these stables and will be based on their record of wins in the previous season.

The Invitation

Racing NSW also announced several other changes to the spring Carnival, the most notable being the introduction of a new race for fillies and mares called *The Invitation* to be held on Saturday 23 October 2021 at Royal Randwick.

The Invitation will carry prizemoney of \$2 million and entry will be by invitation only. It will be restricted to 12 elite runners and will be held over 1400 metres under a compressed weight and penalties scale.

The Four Pillars

Further, Racing NSW also announced a new race for Midway eligible horses called the *Four Pillars* to be run on Golden Eagle Day over 1,500 metres under Benchmark conditions. Carrying prizemoney of \$700,000, the *Four Pillars* now provides an aspirational race for Midway eligible trainers. The race was partly funded by the sale of Kosciuszko tickets. Accordingly, slot owners were drawn from the tickets sold and had the same benefits as the Kosciuszko slot owners.

Jockey's Riding Fees

During the year, Racing NSW conducted a review of the fees paid to jockeys riding in New South Wales and implemented the following increased fee schedule, to apply from 1 July 2021.

- The jockeys' ride fee in NSW to be increased to \$247.50/ride which includes superannuation, and
- The barrier trial ride fee be maintained at 35% of the ride fee.

These increases are in addition to the jockeys' 4.9% share (approximately \$1 million) of the prizemoney increases to be implemented from 1 July 2021.

Regional Funding

After a detailed submission from Racing NSW, which highlighted the substantial economic return to the NSW economy, the NSW Government allocated \$67 million for racing infrastructure throughout NSW.

The NSW Deputy Premier John Barilaro, Treasurer Dominic Perrottet and Racing Minister Kevin Anderson all visited Scone Racecourse to make the announcement.

Importantly, securing this funding allows Racing NSW to prioritise its capital reserves on other projects and strategic investments.

A break-down of the grants included in the announcement is shown below:

Location	Description of Works	Funding
Scone	Stables and Polytrack	\$20.0 mil
Cessnock	Stables and Polytrack	\$11.5 mil
Gosford	Stables and Polytrack	\$11.4 mil
Hawkesbury	Stables	\$ 6.0 mil
Muswellbrook	Function centre extension	\$ 4.2 mil
Albury	Stables	\$ 3.0 mil
Tamworth	Stables and sand track	\$ 2.4 mil
Various country projects under \$1 mil each		\$ 8.5 mil
TOTAL INFRASTRUCTURE FUNDING		\$67.0 mil

These grants were in addition to further development grants of \$10.6 million announced during the year and provided directly to various race clubs by the NSW State Government together with an \$8.2 million grant from the Federal Government for the Casino Racecourse. Accordingly, a total of nearly \$86 million has been procured.

Capital Development Projects

During the year, Racing NSW continued to identify, fund and oversee capital development projects to deliver enhanced racing and training facilities throughout New South Wales.

Following success of the Polytrack projects at the Hawkesbury Racecourse (2018), Illawarra Turf Club (2019) and Wyong Race Club (2020), Racing NSW formally approved the installation of a new Polytrack training surface at the Gosford Racecourse. Following tendering, this project commenced in May 2021 and is scheduled for completion in October 2021.

Like Kembla Grange and Wyong, the Gosford Polytrack project is very technically challenging due to poor ground conditions, further impacted by tidal influences on some areas of the site. However, the Project Control Group (PCG) comprises the same core group of Consultants responsible for successful delivery of the Wyong Polytrack project, which brings valuable experience with problematic ground conditions to the Gosford project.

Two significant irrigation upgrade projects were also undertaken during 2020/21 with Practical Completion to be achieved prior to the onset of hot summer weather conditions. Stage 2 of the irrigation & pumping system upgrade at Goulburn Racecourse builds upon improvements to the Course Proper completed during Stage 1 and brings vastly improved irrigation capability to the "B" Grass track & sand training track. Similarly, an extensive upgrading of the pumping plant & irrigation system at Scone Racecourse is nearing completion. This project represents the most substantial system upgrade since Scone Racecourse was established at its new location in the early 1990s and has delivered a significant improvement in watering capability and flexibility for a racecourse characterised by one of the largest track areas under irrigation in country NSW.

A significant upgrade of the sand training track at Tamworth Racecourse is also underway. This work involves lime stabilisation of the subgrade, installation of a structural basecourse layer plus improvements to drainage and irrigation. Installation of fully engineered subgrade and basecourse layers provides more stable, improved load-bearing characteristics under passage of horses and track maintenance equipment, which is an important consideration given the highly reactive ground

conditions at Tamworth Racecourse. When combined with irrigation upgrading, the new track will provide far more consistent going for horses. Installation of PVC rail on both sides of the track will also improve safety.

A substantial upgrade of the pumping plant and irrigation system is currently in progress at the Sapphire Coast Racecourse. Similar to Scone Racecourse, this project represents the most extensive upgrade of this plant & equipment since the racecourse was constructed in the mid-1990s. Along with improved watering uniformity to the course proper, the project will also deliver a dual row irrigation system to the sand training track, enabling presentation of better, more consistent sand track conditions to trainers.

Winx Grandstand

In financial terms, the most significant capital works project currently underway is the new Winx Grandstand Development at Royal Randwick Racecourse. Construction commenced in late 2020 with completion targeted for the 2021 Spring Carnival, which was unfortunately delayed due to the lockdown of construction sites by COVID-19.

The Winx Grandstand will provide premium facilities strictly for use by the public, with no additional fees or charge imposed to enter and use any part of the Grandstand. The design will allow 7,500 public patrons to be housed in a world class facility:

- 100m Ground Level fully enclosed and serviced facility;
- 100m Level 1 – 60% fully enclosed and serviced facility and 40% open air;
- Link Bridge from Level 1 to QEII Grandstand;
- Structure futureproofed for an additional two floors to be built in the future.

Property Acquisitions

During the year, Racing NSW continued to implement its policy of acquiring property that is strategically important for future-proofing and growing the industry.

This included acquisition of land and stabling facilities adjacent to NSW Thoroughbred racecourses to ensure that these assets remained in the industry and supported the training of Thoroughbreds.

The purchase of Cessnock Racecourse and Bong Bong Farm provide Racing NSW with the opportunity to develop dedicated pre-training centres. These pre-training centres will alleviate the current strain on Metropolitan and Provincial Racecourses where many horses in pre-training are taking up stables that should be occupied by horses ready to race. Further, these

properties provide future proofing for the industry to ensure that there are sufficient pre-training facilities in NSW to support increasing numbers of horses in training.

The purchase of the Scone TAFE provides a vital industry asset to grow Racing NSW's Registered Training Organisation to provide a base of face to face training for future industry participants.

Equine Welfare Program – Rehoming of Horses

Throughout 2020/21, the Racing NSW Equine Welfare Program continued to care for, retrain and rehome retired NSW Thoroughbred racehorses. This Program operated alongside the Racing NSW Stewards and the Investigations and Surveillance Unit who continued to enforce the Rules of Racing surrounding retirement and care of horses.

To further strengthen the Program, a new 300-acre property was purchased near Goulburn to be used exclusively for equine welfare. This property came fully equipped with stables, training facilities and equine fencing and has been used with immediate success in rehoming horses from southern parts of NSW. This new property complements Racing NSW's existing equine welfare properties in Castlereagh, Capertee and Taree to ensure that retired NSW Thoroughbred racehorses across NSW have a safety net should their owners be unable to find them a suitable new home.

These Racing NSW owned properties are also supported by the NSW Corrective Services Joint Venture based at Muswellbrook where a Racing NSW trainer works with prison inmates to care for and retrain Thoroughbreds.

Racing NSW's Equine Welfare Veterinarians, in conjunction with the Stewards, continued to conduct retired horse audits to verify that horses were at the new homes disclosed at retirement and were being appropriately cared for.

In addition to the Equine Welfare Team's ongoing care of retired NSW Thoroughbred racehorses, the team also rescued and, in some cases, seized Thoroughbreds which were not being appropriately cared for or whose welfare was at risk.

In conjunction with indigenous organizations Kari and BackTrack, Racing NSW has also conducted training programs to educate indigenous youths about the racing industry and develop their skills for future employment.

The Equine Welfare Team has also worked alongside the Industry Training Department to attend Pony Club and other equestrian events to introduce young riders to Thoroughbred horses and the racing industry employment pathways.

Racing NSW Legal Department

The Racing NSW Legal Department, consisting of General Counsel, Pete Sweney, and Senior Legal Counsel, Jonathan Pitt, provides legal support across all of the divisions of Racing NSW. Those legal services range from conducting high-profile litigation (like the High Court Race Fields case which secured this significant revenue stream), to advising on contractual and human resource matters and sitting as the Training Dispute Tribunal (which hears and determines disputes between trainers and owners).

The Legal Department provides critical support to the NSW Integrity Department. It works closely with the Racing NSW Stewards Panel in their Investigations and Inquires and resulting appeals. The Legal Department also assists in identifying and responding to integrity concerns, including drafting new Rules of Racing to address those concerns.

A key tool in maintaining the integrity of the NSW Thoroughbred Racing Industry is ensuring that persons licensed and registered by Racing NSW are fit and proper persons. The Legal Department works tirelessly with Racing NSW Licensing and Registration Department to ensure that those requirements are applied throughout the NSW Thoroughbred Racing Industry.

The majority of the legal services are provided in-house, with external lawyers only being engaged when absolutely necessary. Where possible, counsel is briefed directly, with the Racing NSW Legal Department having directly engaged Bret Walker AO SC, Justin Gleeson SC, Bruce McLintock SC and Peter Braham SC as well as well-respected junior counsel such as Oliver Jones and Gerald Ng.

Catastrophic Injury Fund

Racing NSW is constantly reviewing ways to improve the health, safety and welfare of thoroughbred racing participants in New South Wales. Racing NSW recognises that jockeys, apprentice jockeys and approved riders in thoroughbred racing events are exposed to a number of inherent risks with potentially severe consequences.

As part of the continual review, Racing NSW identified that the significant expenditure on public liability insurance for jockey v jockey claims was not resulting in any benefits being paid to injured riders. This is because riders are prevented from recovering damages from other riders in New South Wales as riding in races and barrier trials is considered to be a dangerous recreational activity within the meaning of section 5L of the Civil Liability Act.

Accordingly, Racing NSW established a no-fault Catastrophic Injury Fund, with coverage commencing from 1 July 2021. The Catastrophic Injury Fund

provides a further top-up payment of \$2 million for riders if they suffer the catastrophic injuries of quadriplegia, paraplegia, severe brain injury or losing the use of all limbs.

The payment is over and above payments that they would receive under the Racing NSW Workers Compensation scheme and also the National Personal Accident Insurance scheme organised by Racing Australia.

Most importantly, the Catastrophic Injury Fund is a no-fault basis which means that riders will be able to receive the \$2 million lump sum payment if they suffer a catastrophic injury, even if it was as a result of an accident and not the negligence of any other rider. It also eradicates jockeys taking stressful, expensive and protracted legal proceedings against other jockeys, which did not result in any benefits being paid to the injured jockey.

The Catastrophic Injury Fund replaces the public liability insurance scheme which, as noted above, did not result in any benefits to injured riders.

Workers Compensation

The Racing NSW Workers Compensation Fund is one of few Government approved self-insurers, providing full coverage for the employees of all Licensed Trainers and Registered Race Clubs. The fund operates on a not-for-profit basis and its objective is to collect sufficient premiums to cover claims costs and future liabilities, which results in much fairer and lower fees than would be charged to Trainers and Clubs if the fund was not owned and managed by Racing NSW.

In 2020/21, 533 workers compensation claims were received which was 4% lower than in 2019/20. Due to Racing NSW's careful management, the Fund experienced a revenue to costs surplus of \$1.08 million which was primarily due to maintaining solid return to work rates, the containment of the size of the open claims portfolio and a decrease in the new claims incidence.

There was, however, a deterioration of \$1.57 million in the actuarial valuation of the possible future liability of the Fund at 30 June 2021 (compared to 30 June 2020). The overall valuation of the future liability of the Fund increased from \$44.1 million at 30 June 2020 to \$45.7 million at 30 June 2021. The deterioration in the valuation was found to have been materially driven by an infrequent and isolated claim for a catastrophic injury during the year where the future liability is estimated to be unusually high.

Exposure to higher risk of claims due to COVID-19 pandemic was mitigated by the extensive protocols implemented by Racing NSW in response to the pandemic protecting the Fund from any adverse financial impact. The actuarial valuation by Finity Consulting made no provision for any COVID-19

related impact as has been commonly experienced by other insurers, so this result in protecting the Fund is very important.

Because of the provision for the potential liabilities, the Fund experienced a loss of \$0.49 million for the 2020/21 year. The Fund continues to perform soundly and despite the loss for 2020/21 the Fund's reserves sit at \$5.8 million. It is pleasing to confirm that the target set for the Fund by the Board of Racing NSW of holding a reserve of \$5 million has been maintained.

Australian Racing Forensic Laboratory

As a critical division of Racing NSW, the Australian Racing Forensic Laboratory (ARFL) provides a key integrity function by conducting world class analytical drug testing services to control the misuse of prohibited substances for Racing NSW and external clients.

In 2020/21 an additional 15,662 enhanced tests were undertaken on top of routine testing of race day samples, bringing the total number of tests (including enhanced tests) to 113,507 up from last year's 105,358. The Out of Competition testing program strategy designed to detect any misuse of performance enhancing substances during training and to monitor compliance of veterinary treatment records following the administration of legitimate therapeutic substances was increased by 26% from last year to 4,437 tests, up from 3,505 in the 2019/20.

During 2020/21 the ARFL invested further in state-of-the-art automation with the acquisition of additional equipment for solid phase extraction of equine urine and plasma samples to maintain high-throughput capacity and reporting times.

Accreditation by the National Association of Testing Authorities (NATA) for new methods dedicated to the detection of major doping agents in equine hair and peptides in equine plasma and urine was one of the highlights for the ARFL during 2020/21. The former can considerably increase the retrospectivity for detection of permanently banned substances such as anabolic-androgenic steroids from weeks to months as an important measure to further support integrity in the industry. The latter increases the scope of testing to the relatively new area of peptide-based drugs, which are growing in illicit appeal. Both of these methods utilise sophisticated Liquid Chromatography-tandem Mass Spectrometry and Liquid Chromatography-High Resolution Mass Spectrometry instrumentation that the ARFL has in its arsenal to fight doping.

Acknowledgements

In a particularly challenging year for the industry, I must firstly acknowledge and thank the immense contribution of all participants in adhering to the strict and often difficult COVID-19 protocols at training centres and on Raceday. Without this support from Trainers, Jockeys, Strappers, Raceclub and Trainer's staff, the industry faced a real threat of an outbreak that could have shut the industry down.

In addition, my thanks also to the executive and staff of Racing NSW for their continued loyalty, dedication and professionalism. These officers have continued to provide outstanding service to the industry even during the hardest of circumstances during the COVID-19 pandemic and the various Government restrictions and limitations.

I wish to express my appreciation to members of the Board for their leadership and support during the year. Their collective administrative experience, business acumen and working knowledge of the racing and wagering industries is without peer in Racing administration and has again provided excellent leadership and governance for the NSW Thoroughbred Racing Industry.

I must again thank the Chairman, Russell Balding AO whose stewardship, mentoring and advice continues to be invaluable to me in my duties and responsibilities.

I also extend sincere thanks the Minister, The Hon Kevin Anderson MP together with the Premier and other senior Ministers for their continued support and the faith they have shown in the industry.

I also thank the many other persons involved in the industry, including members of the Racing Appeals Tribunal, the Appeals Panel, the Integrity Assurance Committee, the Jockey's Benefit Scheme Trust, the Animal Care and Ethics Committee, the Racing Industry Consultation Group, Club Committees, and participant groups who give freely of their time and effort mostly in a voluntary capacity in the various administrative and other roles which contributed to the success of the industry in New South Wales.

I would particularly like to make mention of Brother Dan Stafford OAM who retired during the year. Prior to his retirement, Brother Dan was the Catholic Chaplain to the Australian Turf Club, a role he undertook with great dedication and devotion. In his capacity as Racing Chaplain, Brother Dan became a great friend, confidant, and support-giver to many participants in the Thoroughbred Racing Industry and I wish him well in his retirement.

Finally, I offer my sincere condolences to the families and friends of those participants who sadly passed away during the year.

Peter V'landys AM
Chief Executive



Scott Kennedy

General Manager
Industry &
Analytical

Racing in New South Wales

2020/21 saw Thoroughbred racing in NSW rebound strongly from the difficulties encountered by the industry due to COVID-19.

From July 2020 prizemoney was able to be restored to its previous levels after racing had been conducted for lesser levels of prizemoney from April 2020 on the back of uncertainty created by COVID-19 lockdowns and the severe reduction in TAB distributions and parity receipts.

By the start of the reporting year, NSW Government Public Health Orders enabled a limited number of attendees outside essential personnel, starting with racehorse owners, to attend race meetings.

This was gradually expanded over the ensuing months to enable racegoers to attend race meetings.

The relaxation of requirements imposed by those Public Health Orders allowed race meetings to be conducted with on-course attendance subject to Clubs putting in place COVIDSafe plans for race meetings, social distancing requirements and capacity limits.

Although Clubs were increasingly able to conduct race meetings with on-course attendance, there were still several non-TAB meetings not run during the year as small Clubs grappled with COVIDSafe plans, especially early in the year.

As such, fewer non-TAB meetings were run than the previous year. Whilst many of these meetings were not run by Clubs, Racing NSW scheduled additional non-TAB, picnic and Sky 2 meetings at venues suited to staging meetings during COVID with the biosecurity protocols in place.

Despite the impact of COVID-19, 2020/21 was the first full year of the Country Cups and Carnivals prizemoney increases that benefitted more than 20 country racecourses.

The benefit of this program will be more fully realised when confidence grows among consumers about travelling to the regions of NSW to participate in country carnivals.

Despite the restrictions that were in place at various times there were notable highlights.

The Lismore Cup and Gundagai carnivals were examples of a larger and smaller Club that ran their feature meetings at capacity in a COVIDSafe manner and with a carnival atmosphere.

Later in the season carnivals were able to be run at nearer to their normal capacity with the Commercial Club

Albury Gold Cup and the Wagga Wagga Gold Cup carnivals in particular being a highlight.

COVID restrictions continued to impact the overall level of racing activity across sectors. The total number of TAB meetings at 657 was fractionally lower than the previous year.

After enjoying a very strong year of racing, the industry again encountered the difficulties posed by COVID-19 Delta as lockdowns were imposed on the Greater Sydney region from late June 2021.

As outlined above, the number of non-TAB and picnic meetings held declined due to the impact of COVID.

NSW RACE MEETINGS HELD

SECTOR	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Metropolitan	114	116	113	116	116	114	113
Provincial	130	131	130	133	130	127	126
Country TAB	312	304	318	342	348	348	347
Country Saturday TAB	65	64	58	75	74	70	71
Country Non-TAB	100	93	87	83	82	57	51
Picnic	27	27	26	31	29	22	20
TOTAL	748	735	732	780	779	738	728

With the further reduction in the number of community non-TAB meeting, especially between July and November 2020, the overall total number of race meetings staged declined again to be around the levels of four years ago.

NSW RACES RUN

SECTOR	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Metropolitan	863	913	929	955	949	920	917
Provincial	1,010	1,020	1,010	1,039	1,012	964	935
Country TAB	2,360	2,291	2,411	2,560	2,616	2,603	2,563
Country Saturday TAB	416	418	381	481	464	453	436
Country Non-TAB	533	504	481	462	458	317	264
Picnic	159	159	152	179	164	121	113
TOTAL	5,351	5,305	5,364	5,676	5,663	5,378	5,228

The lesser number of race meetings run has seen fewer races staged compared to 2019/20 year.

Racing NSW has also continued to take a more commercial approach at acceptance time to races likely to produce very small field sizes.

Actively managing races with small fields either at the close of nomination or at acceptance time has included combining races with a small number of nominations. Similarly at acceptance time, races with a small number of acceptances may be abandoned.

In making these assessments, account is taken of horses that have acceptances or nominations elsewhere, as well as the ability of horses to obtain runs in suitable races within a short period of time.

Over the past two years this has slightly reduced the number of races run, especially at Metropolitan midweek or Provincial meetings, but also including Country TAB meetings.

NSW RACE STARTERS

SECTOR	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Metropolitan	8,125	9,082	8,735	8,864	9,317	8,894	8,795
Provincial	9,338	9,176	8,542	8,436	8,891	8,912	8,368
Country TAB	25,226	24,304	25,792	26,781	27,596	27,501	26,381
Country Saturday TAB	4,296	4,289	3,924	4,842	4,763	4,686	4,395
Country Non-TAB	4,356	4,121	3,723	3,288	3,264	2,320	2,069
Picnic	993	902	925	1,034	921	683	667
TOTAL	52,374	51,874	51,641	53,245	54,752	52,996	50,675

The total NSW race starters in 2020/21 decreased in line with the number of meetings and races held.

Additionally, the number of total race starters and average field sizes have declined, due in part to there being a 1% decline in the number of NSW-trained horses and individual horses that contested races.

NSW-trained horses also contested fewer races with a 1% decline in the average number of NSW race starts by Metropolitan/Provincial-trained horses and a 5% decline in the average number of race starts by Country-trained horses.

However, the largest decline in fields for NSW races is attributable to horses trained outside NSW.

COVID-related interstate travel restrictions significantly impacted the number of horses trained interstate and overseas that contested races in NSW.

There were 245 fewer individual horses that raced in NSW during 2020/21 compared to 2019/20 or a decline of almost 17%. This translated to a fall in total race starts by these horses of 735, or almost 25% compared to 2019/20.

This decline in interstate-trained horses and starters is partly attributable to a lesser schedule of non-TAB racing in regions accessible by interstate trainers.

However, the decline in the individual number of interstate horses and starters running in TAB races conducted in NSW fell by 16% and 19% respectively or 460 TAB race starters.

This decrease in participation from horses trained outside NSW did not only impact Country racing nearer borders, but also saw 50 fewer Metropolitan race starters compared to 2019/20.

Difficulties created for trainers in crossing borders to race will see fewer horses racing in NSW until COVID restrictions are fully resolved. This is despite the benefits

of increased prizemoney and new handicapping and programming policies implemented in 2018.

NSW AVERAGE FIELD SIZES

SECTOR	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Metropolitan	9.41	9.95	9.40	9.28	9.82	9.67	9.59
Provincial	9.25	9.00	8.46	8.12	8.79	9.24	8.95
Country TAB	10.71	10.61	10.70	10.46	10.55	10.57	10.29
Country Saturday TAB	10.33	10.26	10.30	10.07	10.27	10.34	10.08
Country Non-TAB	8.17	8.18	7.74	7.12	7.13	7.32	7.84
Picnic	6.25	5.67	6.09	5.78	5.62	5.64	5.90
TOTAL	9.81	9.78	9.63	9.38	9.67	9.85	9.69

Racing Highlights

Despite COVID restrictions, the 2020 *The Everest* race meeting was able to be held in front of a capped crowd of 11,000 and was the largest post-COVID on-course racing event at that time.

A compelling race on paper, *The Everest* was again outstanding racing with the Les Bridge-trained *Classique Legend* winning decisively over *Bivouac* and *Gytrash*.

Classique Legend's owner Mr Bon Ho acquired the ATC's slot as a pathway to the race. Jockey Kerrin McEvoy won the race for the third time in four years.

Also on *The Everest* day, *The Kosciuszko* run for prizemoney of \$1.3 million and restricted to NSW Country-trained horses provided an outstanding experience for prize winners and owners.

Part-owner of *It's Me*, Mr Bob Dailey nominated his horse having won a slot through *The Kosciuszko* sweepstake. The mare's fast finish landed the prize and a first win in the race for trainer Brett Cavanough.

The revitalised Spring Carnival in Sydney saw the \$7.5m *The Golden Eagle* run in heavy conditions at Rosehill Gardens with *Colette* for James Cummings edging out *Icebath*.

The win by *Colette* provided a career highlight for jockey Koby Jennings. The Tye Angland Foundation was fittingly the winning charity selected by *Colette's* owners - *Godolphin*.

On the same day, the Yes Yes Yes Stakes saw *Gytrash* improve on his third-placed finish in *The Everest* to win the \$1m race and also land a \$750,000 bonus for his connections.

The spring was capped off with both *The Hunter* at Newcastle and *The Gong* at Kembla Grange Racecourse again proving to be successful on and off-course.

Both races highlighted racing in their cities with prizemoney of \$1 million and provided a fitting finale to the Spring Racing Carnival.

The Hunter was won by *Sweet Deal* for John Thompson and Nash Rawiller with *Archedemus* for Team Hawkes and Jay Ford winning *The Gong*.

Very wet weather which caused considerable flooding around parts of NSW disrupted the Sydney Autumn Carnival, forcing the postponement of the *Golden Slipper* meeting at Rosehill Gardens scheduled for 20 March 2021.

It was quickly determined by Racing NSW that the

remaining five Saturdays of the carnival all be postponed by seven days and the remainder of the carnival proceeded under fine weather.

The Golden Slipper saw a triumphant return to the race for the partnership of Richard and Michael Freedman with the win of Stay Inside.

The day also saw several other highlights including Eduardo's emphatic sprinting display for trainer Joe Pride in *The Galaxy* and a career highlight for Kembla Grange trainer Kerry Parker with Think It Over winning the *George Ryder Stakes*.

Earlier in the day, Australia's best horse Verry Elleegant edged out the UK's Addeybb in the Ranvet Stakes before Mo'unga provided an early career highlight for trainer Annabel Neasham in the *Rosehill Guineas*.

The Championships were run under brighter circumstances than 2020, with crowds at the races. Day 1 again saw Nature Strip brilliant in winning the TJ Smith Stakes. James Cummings and champion Melbourne jockey Jamie Kah combined with Cascadian to win the *Doncaster Mile*. The Doncaster win followed an emphatic victory by Anamoe in the Sires' Produce making it a memorable day for James Cummings and Godolphin.

Explosive Jack won the *Australian Derby* for Ciaran Maher and David Eustace.

Day 2 of The Championships was highlighted by the return clash of Verry Elleegant and Addeybb, with the latter adding a second *Queen Elizabeth II Stakes* after his success in 2020. Champion trainer Chris Waller won both the *Sydney Cup* with Selino and the *Australian Oaks* with Hungry Heart, which followed her *Vinery Stud Stakes* win 14 days earlier.

After winning the *Doncaster Mile* in 2020, Nettoyer again provided a big race surprise win when defeating the spring's Epsom Handicap winner Probabeel in the Coolmore Legacy.

Following the Sydney Autumn Carnival, successful Provincial stand-alone Saturday meetings were run with Hawkesbury returning after the 2020 Cup meeting was staged at Rosehill Gardens. *Gosford's Gold Cup* and *The Coast* was run for the first time in May 2021.

In the 2020/21 season, NSW trainers produced 37 winners of the Group 1 races in Australia across the year. Chris Waller was again the most successful NSW trainer with 15 Group 1 wins highlighted by Verry Elleegant collecting five wins.

Nature Strip, Hungry Heart and Kolding all recorded two Group 1 wins for the Waller stable along with four other individual Group 1 race winners.

James Cummings produced four individual Group 1 winners with The Everest runner-up Bivouac (VRC Sprint), Cascadian (Doncaster Mile), Anamoe (Sires' Produce) and Savatiano (Canterbury Stakes). Colette also won *The Golden Eagle*.

The training partnership of Michael, Wayne and John Hawkes won three Group 1 races with Ole Kirk and Masked Crusader. Another four NSW trainers recorded two Group 1 wins for the season.

Verry Elleegant proved to be the best horse in Australia with her five big race wins. Nature Strip, Eduardo, Montefilia, Hungry Heart and Kolding all won two Group 1 races.

Verry Elleegant's big race success saw her named the Australian Horse of the Year. Verry Elleegant also

won the Champion Middle Distance and Champion Stayer categories.

Other NSW horses were very prominent in the Australian Awards categories. Top-rated horses were Stay Inside (Champion 2yo), Hungry Heart (Champion 3yo Filly), Ole Kirk (Champion 3yo Colt or Gelding) and Nature Strip (Champion Sprinter).

Among the riding achievements, James McDonald captured his fifth Sydney Metropolitan Jockeys' Premiership in 2020/21 with 131 wins ahead of Tommy Berry on 111.

Keagan Latham went one better than the previous year winning the Provincial Premiership from Tommy Berry.

The Country premiership again went to Blaike McDougall with 175.5 wins from Aaron Bullock. The overall NSW premiership was taken out by Blaike McDougall from Tommy Berry and James McDonald.

Reece Jones was the most successful apprentice jockey in the state with 102.5 wins, ahead of Dylan Gibbons with 86 wins. Tom Sherry won the Metropolitan apprentice title with 40 wins.

Chris Waller topped the Sydney Trainers' Premiership for the 11th consecutive year with 169 wins ahead of runner-up James Cummings with 59 and Bjorn Baker 58 wins.

Chris Waller was also the leading trainer state-wide with 216 winners ahead of Kris Lees with 150 winners.

Industry Support

An important aspect of Racing NSW's operations is its program of racing and training infrastructure improvements and upgrades under the capital works program funded from accumulated Race Fields monies.

Capital Works Fund operations were affected during the early part of the 2020/21 year by the impacts of the COVID-19 pandemic on economic activity.

The most significant capital works project currently underway is the new Winx Stand development at Royal Randwick Racecourse.

Construction of the \$46 million facility commenced in late 2020. The objective of this project is to provide premium public facilities in the spectator precinct and to deliver this outcome, the Leger Lawn was identified as the prime location.

The project will include the following amenities:

- A two-level structure including Ground Floor area of some 4,000m² providing undercover comfort for patrons, plus a Level 1 area (60% fully enclosed);
 - Excellent sight lines for patrons, and
 - A pedestrian link bridge to the QEII grandstand.
- Structural Engineers have also designed the building to enable the addition of up to two (2) further levels, thereby future proofing the development.

Upon completion, the Winx Stand will complement the existing QEII Stand and Royal Randwick will be able to offer all racegoers an unprecedented raceday experience.

Race Fields Capital Works Fund emerged from the constraints of COVID-19 impacts during late 2020 and have continued uninterrupted during the reporting period. This reflects the significant efforts of Racing NSW and its contractors in developing and adhering to strict COVID-19 Management Plans.

Following successful construction of the Polytrack fast work tracks at Hawkesbury, Kembla Grange and Wyong, Racing NSW approved the installation of a new synthetic fast work training surface at Gosford Racecourse.

After tendering and obtaining the necessary Statutory approvals, this project commenced in May 2021 and is scheduled for completion late 2021.

The civil contractor and contractor for the Polytrack profile have used all endeavours to mitigate the impacts of this enforced Covid19 shutdown in order that their work is completed at the earliest opportunity.

Like Kembla Grange and Wyong, the Gosford project is technically challenging due to the ground conditions, further impacted by tidal influences on some areas of the site.

Successful delivery of the Wyong project, which brought with it valuable experience with problematic ground conditions similar to the Gosford project.

Upon conclusion of the Gosford project all five Provincial racecourses will be equipped with synthetic fast work training surfaces which have proven so effective in enabling trackwork to be conducted under all weather conditions.

Two significant irrigation upgrade projects were also undertaken during 2020/21 with practical completion to be achieved prior to the onset of summer.

Stage 2 of the irrigation and pumping system upgrade at Goulburn racecourse builds upon improvements to the Course Proper completed during Stage 1 and brings vastly improved irrigation capability to the 'B' Grass track and sand training track.

Similarly, an extensive upgrading of the pumping plant and irrigation system at Scone Racecourse is nearing completion.

This project represents the most substantial system upgrade since Scone Racecourse was established at its new location in the early 1990s and has delivered a significant improvement in watering capability and flexibility for a racecourse characterised by one of the largest track areas under irrigation in country NSW.

During 2020/21, a number of other significant capital works projects were also undertaken in collaboration with the Country Racecourse Development Fund (CRDF) and Country race clubs.

Installation of a comprehensive network of sand slit drainage and sand grooving to the course proper plus

starting chutes at Tamworth Racecourse complements track re-cambering works undertaken in recent years, thereby further improving racing conditions under all-weather conditions.

The benefits of this work were seen during 2021 when race meetings were conducted with track ratings superior to those which would have otherwise been posted if the drainage works had not been undertaken.

A significant upgrade of the sand training track at Tamworth Racecourse is also underway. This work involves lime stabilisation of the subgrade, installation of a structural basecourse layer, plus improvements to drainage and irrigation.

Installation of fully engineered subgrade and basecourse layers provides more stable, improved load-bearing characteristics under passage of horses and track maintenance equipment, which is an important consideration given the highly reactive ground conditions at Tamworth Racecourse.

When combined with irrigation upgrading, the new track will provide far more consistent going for horses. Installation of PVC rail on both sides of the track will also improve safety.

Similar to Goulburn and Scone, a substantial upgrade of the pumping plant and irrigation system is currently in progress at Sapphire Coast Racecourse.

During the year Racing NSW was also able to support Clubs with the construction of projects under the NSW Government's COVID-19 Economic Stimulus Package that were commenced or completed during the year.

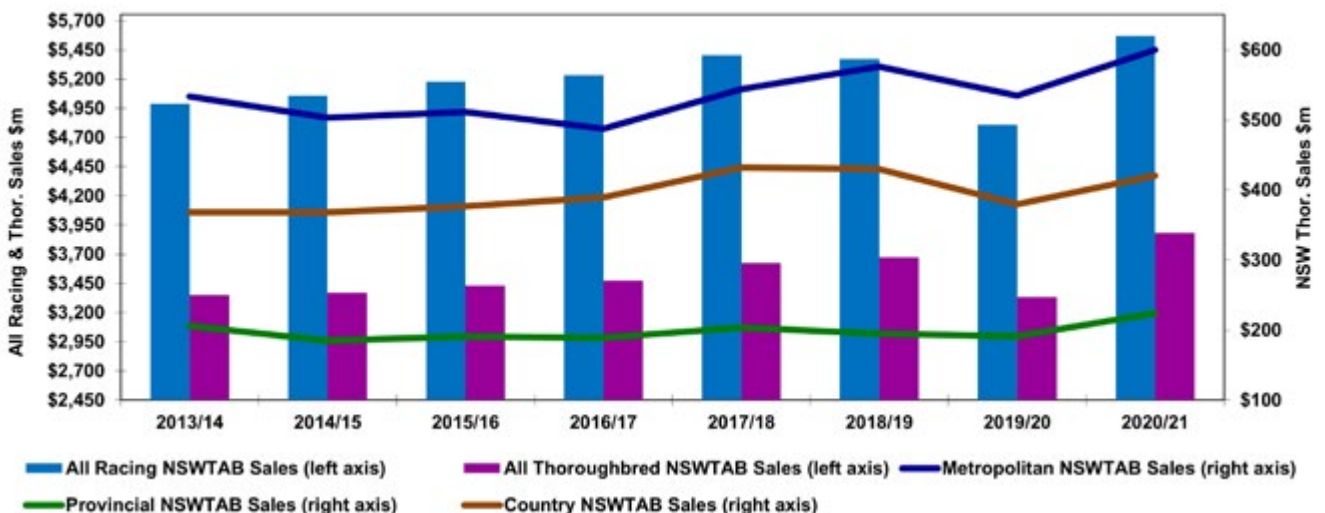
These included new raceday/tie-up stalls at Taree Racecourse, new stabling plus track upgrading at Bathurst and a major new water resources project at Grafton Racecourse.

Racing NSW continues to support Clubs with Workplace Health and Safety management.

The Online WHS Management System (OWHMSMS) used by all NSW Race Clubs continues to evolve with additional features focusing on staff and worker management in the context of COVID-19.

An ID Card with a QR Code can be produced containing information such as Emergency Contacts, Qualifications, Vaccinations and Inductions, with security and privacy considerations managed via password access.

RACING WAGERING SALES ON NSWTAB



Another feature currently being examined is a new sign-in/tap-in box. As an example of potential application, this feature could conceivably be placed at the trainers' entry point of a racecourse with each trainer provided with a special ID Card (encrypted with a unique identifier for that person).

This tap-on, tap-off feature would enable Clubs to compile a site visitor log as either an employee, visitor, contractor or trainer.

The Online WHS continues to offer flexibility to Clubs in terms of adopting additional value-add features that may be beneficial to their operations, dependent upon the scale of activity and/or the need for such features.

Wagering on Racing

Wagering on NSW Thoroughbred racing continued its trend of year-on-year growth during the 2020/21 financial year, generating strong Race Fields fee income for the NSW Thoroughbred Racing Industry.

Wagering on NSW Thoroughbred racing has increased by more than 65% over the past five years.

NSWTAB wagering recovered well from July 2020 after the negative impact on wagering turnover of COVID shutdowns from March to June 2020.

Payments to Race Clubs from TAB Funding and Returns to Owners

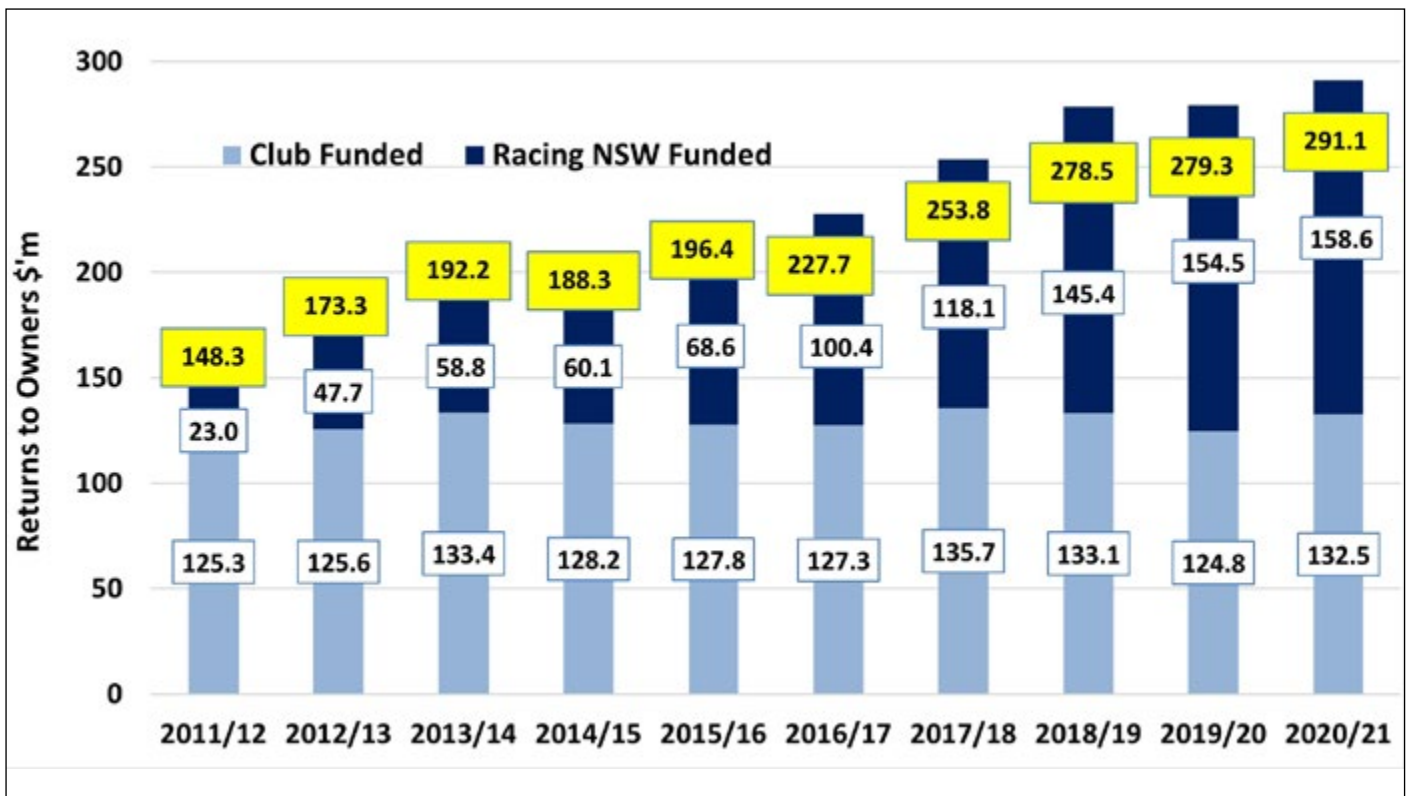
With TAB outlets open for all but a few days of the entire year, TAB distributions to NSW race clubs rebounded strongly from 2019/20 to be \$163.9 million.

Total prizemoney and returns to owners in NSW also increased against 2019/20. The total prizemoney paid during 2020/21 was a new record high at \$259.41 million, following the full restoration of prizemoney in July 2020.

Total returns to owners were \$291.07 million. The difference between total returns to owners and TAB distributions paid to clubs highlights the importance of alternative income streams that have been developed over the past 10 years by Racing NSW including tax parity.

The chart below summarises the total returns to owners and the extent to which they are funded by race clubs from TAB distributions and by Racing NSW from Race Fields fees, Wagering Tax Parity and Point of Consumption Tax. The growth in prizemoney over the past 10 years significantly attributable to revenue from these sources.

TOTAL RETURNS TO OWNERS & FUNDING SOURCE





Keith Bulloch

General Manager –
Regulatory

Background

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

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

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

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

Workplace Health and Safety – over 75yrs participants

As a representation of duty of care to participants, Racing NSW introduced a policy whereby trainers and stable

staff aged 75 years and over will be required to undergo an assessment in order to obtain or renew a licence, in order to assess their current physical capability to perform the physical tasks that relate to training, stable work and handling racehorses.

Such assessments are required yearly and will involve a two-step process. Applicants must provide an examination report from their medical practitioner, which is followed by a workplace practical assessment by Stewards.

The assessment follows set guidelines observing performance of regular tasks performed as a trainer or stablehand.

The policy was not introduced to deny persons affected a licence and the right to participate in racing. Racing NSW understands that age in itself is not a barrier to performing the physical tasks required in the training and care of racehorses, but the assessments are considered an important workplace safety issue.

Licensees who are deemed not to be of the required fitness to be able to perform some tasks may still be issued a restricted licence, with some duties delegated to other staff.

The protection and safety of the applicants themselves, other participants and horses is the focus of the policy which has been accepted very well by those affected. It follows the similar rider safety policy introduced several years ago for those aged 60yrs and over.

Flood Relief Payments

Following flooding that severely affected trainers and horse properties in the Richmond, Windsor, Hawkesbury area adjacent to Sydney, and in the Mid North Coast Racing Area mainly surrounding Taree, Racing NSW distributed relief and assistance payments to participants affected by the crisis. Racing NSW staff and Stewards make direct contact with participants to check on their wellbeing and ask if any assistance can be offered.

Follow up contact is made by our welfare officer to trainers and offering support counselling for participants, family, and staff.

Immediate financial assistance is arranged. In some cases, participants had severe damage to their homes in addition to stables, yards, and fencing.

Once the situations are established, payments are made in several ways, providing special assistance for as needs costs such as:

- evacuation of horses – transport costs and feed;

- funding temporary fencing to corral horses after floods have passed through trainer's properties destroying boundary fences and yards;
- replacement feed lost in the floods, that was stored in sheds or stables;
- horse rugs and gear lost, water troughs and feed 4bins replaced;
- accommodation, clothing, and food assistance for participants whose houses were inaccessible/damaged.

Counselling Support and Racing Mates

Participants are contacted and offered free counselling support with psychologists contracted by Racing NSW.

Follow up calls from stewards and our welfare officer reaffirm the offer and generally check on the well-being of participants.

In addition, Pat Webster represents Racing Mates and offers support to participants after a stressful event has occurred.

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

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

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

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

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

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

Following this year's 2021 review, no changes to the fees structure were made. The Standard Conditions were published 1 July 2021 with minor changes.

Jockeys Insurances – Renewal of Policies

Racing NSW, as a member of the Racing Australia Jockey Insurance Sub-Committee, reached agreement on the renewal of Jockey Personal Accident insurance policy. As detailed in the Chief Executive's report, the Public Liability Insurance policy as between Jockey v. Jockey has been replaced by the Catastrophic Injury Fund. Extensive consultation with the Australian Jockeys

Association balances the policy objectives, achieving best coverage for reasonable premium costs.

Trainers Insurances – Renewal of Policies

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

Racing NSW attended three meetings with the NSWTA and the insurance brokers regarding the renewals of Trainer Personal Accident policy and Public Liability Insurance policy.

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

After pricing the market and receiving quotes for each type, the policies were renewed by NSWTA for 2021/22 with existing underwriters for Public Liability Insurance and a new underwriter for Personal Accident coverage.

Equal or improved policy coverage terms to the previous year's coverage (2020/21) was achieved for both policies. An increase in premium for PLI cover was required due to rising global insurance markets. As a result trainers will pay an increase in the starter fee for Public Liability coverage.

REGULATORY DEPARTMENT REPORTS

Licensing

The Racing NSW Licensing Department is responsible for the issuing of NSW industry licences. Criteria regarding applicant's qualifications apply, depending on the category of licence sought.

Gary Rudge is the Licensing Supervisor, assisted by Matinde James (until May 2021) and Ruby Price and Matthew Robinson (from May 21) who both also assist with state-based registration functions.

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

The Licensing Committee met on seven occasions during 2020/21. Applicants for licences may also be further interviewed at these meetings.

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

Applications for licences are considered and applicants may be further interviewed at these meetings. In 2020/21 the Committee at these meetings:

- conducted 20 interviews in relation to licence and other applications;
- considered 27 licence applications that were referred to them by the Licensing Supervisor, of which 14 were

- approved and 13 refused; and
- considered 8 other matters that were referred to them including licensee disciplinary matters and proposed amendments to licensing policy and procedures. The Committee also reviewed and approved the following new licences:
 - 55 Trainer licences
 - 6 Trainer partnerships
 - 2 Trainer/Jockey dual licences
 - 9 Jockey licences
 - 24 applications to register an Apprentice Jockey
 - 11 applications to transfer the indentures of an Apprentice Jockey
 - 16 applications from an Apprentice Jockey to extend their indentures
 - 11 applications to register as an Approved Rider (Picnic Races)
 - 4 Bookmaker licences
 - 2 Bookmaker Company licences
 - 6 Rider Agent licences
 - 841 Stable employee licences (236 declined/did not

- proceed due to the applicant not obtaining the required Police Certificate, or not obtaining their HorseSafe Certificate)
- 23 Bookmaker Clerk's licences (2 declined/did not proceed due to the applicant not obtaining the required Police Certificate)

Comparison of Licensing Statistics – 2020/21 vs 2019/20

It is noted that the numbers of most of the major licence categories remained reasonably consistent this season when compared to numbers at the end of previous season.

Trainers: 905 vs 899 (-0.66%) this is a smaller percentage decline than experienced in recent seasons where an average decline of approximately 3% has been experienced.

Riders: Jockeys: 140 vs 135 (-3.6%), Apprentice Jockeys 51 vs 55 (+7.8%). This equates to total riders eligible to ride in races of 191 vs 190 (-0.5%).

Bookmakers: 120 vs 115 (-4.2%). This reduction is consistent with the trend over several years. It is evident

LICENCES WITH THE EXPIRY DATE 30 JUNE 2021 (1/7/2020 TO 30/6/2021)

	Metropolitan		Provincial		Country		Total	
	Total 19/20	Total 20/21	Total 19/20	Total 20/21	Total 19/20	Total 20/21	Total 19/20	Total 20/21
Trainers	73	68	152	150	680	681	905	899
Jockeys	52	46	21	19	67	70	140	135
Apprentice Jockeys	10	12	10	13	31	30	51	55
Trial Apprentice	-	-	2	5	5	6	7	11
Approved Rider (Picnic)	-	-	-	-	33	38	33	38
Trial AR (Picnic)	-	-	-	-	11	2	11	2
Bookmakers	33	35	6	6	81	74	120	115
Rider Agents	17	17	7	7	20	18	44	42

NB – Jockeys/Apprentices NSW based

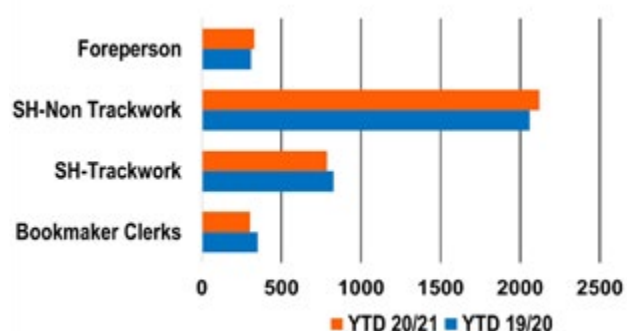
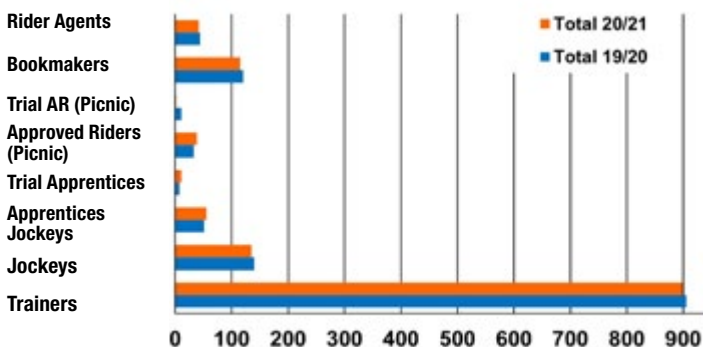
LICENCES WITH THE EXPIRY DATE 31 OCTOBER 2021 (1/11/2020 TO 31/10/2021)

(note not full year to year comparison due to 31 Oct expiry as per note*)

	Metropolitan			Provincial			Country			Total		
	YTD 19/20	Total 19/20	YTD 20/21	YTD 19/20	Total 19/20	YTD 20/21	YTD 19/20	Total 19/20	YTD 20/21	YTD 19/20	Total 19/20	YTD 20/21
Bookmaker Clerks	201	203	174	21	21	16	128	130	112	350	354	302
SH-Trackwork	316	340	248	116	125	124	395	414	412	827	879	784
SH-Non Trackwork	667	764	657	340	374	375	1052	1122	1089	2059	2260	2121
Foreperson	107	110	129	56	56	50	144	149	150	307	315	329

*NB – Year to date (YTD) figures as at 30 June. Total figures 19/20 as at 31 October 2020

TOTAL LICENCES



that the growing trend of wagering over the internet, including from on course patrons, is affecting the viability of the traditional on-course Bookmaker resulting in a small number of new applicants.

Registration

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

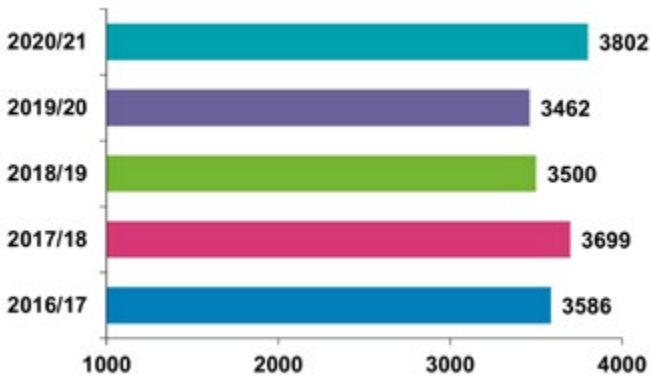
Racing NSW acts as Deputy Registrar for NSW registration functions, which include Transfers of Ownership, Leases, Syndicates, Registration of Racing Colours (silks) and review and approval of Promoter Product Disclosure Statements to the final registration of the relevant horses.

Functions are carried out by Caitlin Le Sam (until May 2021) and Kristy Livingstone assisted by Ruby Price and Matt Robinson (since May 2021) and casual assistants Bev Lawless, Carole Patteron, Cathie Hughes and Jack Jones (since December 2020).

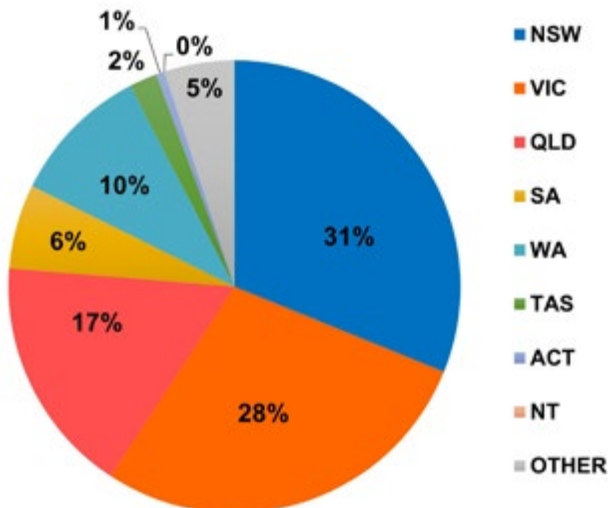
Horse Registration – NSW

At the end of the 2020/21 financial year, Racing Australia, through the Registrar of Racehorses (ROR), had registered 12,155 new horses nationally, of which 3,802 are owned in NSW.

NSW REGISTRATION FIGURES



REGISTRATION FIGURES BY STATE



NSW represents 31% of the total number of horses registered, as identified having the Manager (first named owner) located in NSW.

Transfers/Leases/Syndicates – NSW

The Regulatory Department recorded 3,596 Transfers of Ownership for the 2020/21 financial year, an increase of 15% from the previous season.

NSW registered 871 Syndicates during the 2020/21 season which is a 68% increase on the previous season.

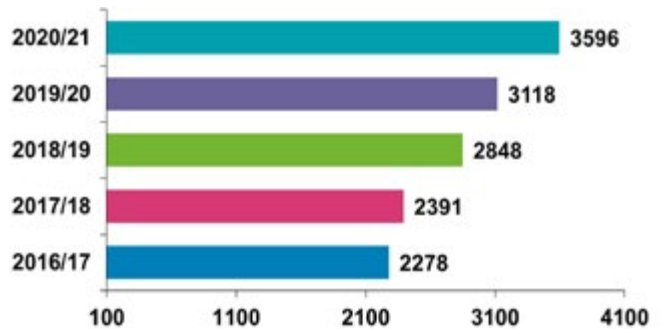
The gradual increase in these numbers over the past few seasons points to the success of attracting first time owners by promoting a more affordable ownership option in larger groups.

Of NSW registered syndicates this season, 94% of those were 'ordinary' syndicates made up of a group of up to 20 persons (or up to 50 persons for publicly promoted syndicates). The remaining 6% of syndicate registrations comprise Company, Firm or Stud Syndicates.

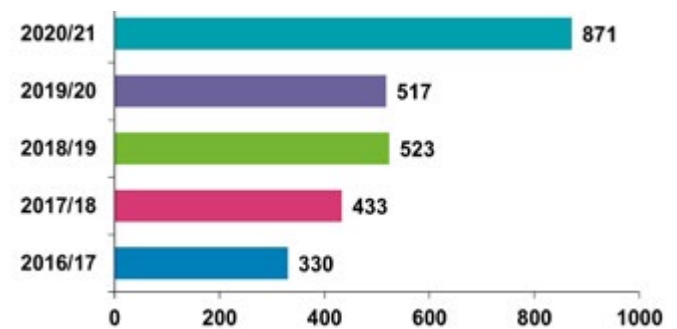
Transfers of ownership continue to increase as smaller shares are taken in horses by new owners.

506 Lease Agreements were recorded. A minor increase of 0.07% on the previous season, representing a change in ownership structure by some major owners.

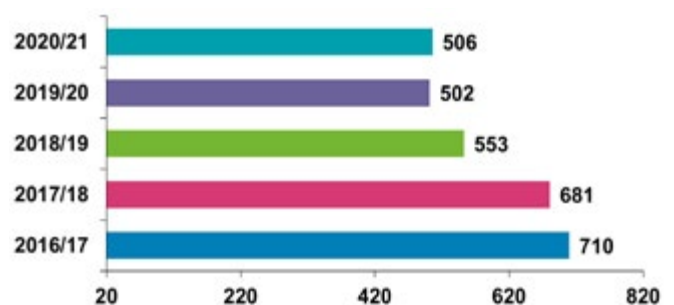
NSW TRANSFERS



NSW SYNDICATES



NSW LEASES

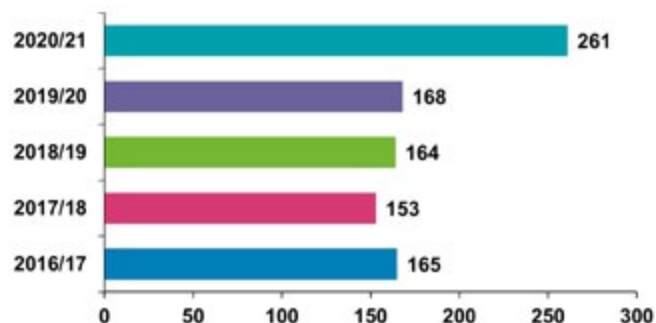


Racing Colours – NSW

Racing NSW registered 261 new sets of jockey silks during the 2020/21 financial year. There is a total of 2,312 sets of colours currently registered in NSW.

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

NSW COLOURS – NEW APPLICATIONS



Online Functions – MyHorseRacing

Over May and June 2019, Racing Australia launched several online functions for owners on the new Owners Portal MyHorseRacing.horse (MHR), with 19,479 Racing NSW participants activating an account since inception.

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

Annual Syndicate renewals were also sent out with renewals available online only through MHR. At time of writing (August) 1453 of 2389 (60.8%) have already been renewed through the portal for the new season.

Industry Training

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

The department has been delivering training and education programs as a Registered Training Organisation (RTO) since November 2019, under the trading name Team Thoroughbred NSW Training Academy (RTO code 45565), a division of NSWTRB Training Limited.

Team Thoroughbred NSW Training Academy has become the preferred Training Provider for the NSW Racing Industry since the Australian Racing Equine Academy partnership between Racing NSW and TAFE NSW expired on 30 June 2019.

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

Stuart Rich is Training Manager/Executive Officer; with Workplace Trainers and Assessors Dan Power (Metropolitan/Provincial), Jamie Whitney (South East, Central West, Southern Districts), and Scott Thurlow (Mid

North Coast, Northern Rivers, Hunter North West). Phillip O'Brien manages the Training Department's eLearning, Web and Digital Media programs (including HorseSafe).

Apprentice Jockey Coaches are Pat Webster, Rodney Quinn, Dale Jeffries, Brad Clark, Scott Thurlow, Jamie Whitney and Head Jockey Coach, Leeann Olsen (Manager).

Both on-the-job and off-the-job training forms an integral part of a participant's future qualifications. In particular, focus applies to new riders and future Apprentice Jockeys and Racehorse Trainers. The following full qualifications and Skill Set have been approved on scope:

- RGR20218 Certificate II in Racing Industry (Stablehand);
- RGR30218 Certificate III in Racing (Stablehand);
- RGR30518 Certificate III in Racing (Trackwork Rider);
- RGR40118 Certificate IV in Racing (Racehorse Trainer);
- RGR40218 Certificate IV in Racing (Jockey);
- RGR30419 Certificate III in Racing Services (Racing Administration);
- RGR30419 Certificate III in Racing Services (Cadet Steward); and
- RGRROP201 Perform duties of barrier attendant at Thoroughbred race meetings and trials.

The objectives of the Industry Training department include:

- Assisting people entering the racing industry to find their most pertinent career path;
- Ensuring participants are informed about the national Racing Industry Training Package;
- Providing equitable training throughout the country, provincial and metropolitan areas, and
- Seeking State and Federal funding to assist with the delivery of training for trainees and apprentices in the racing industry. Smart and Skilled funding is currently being received for delivery of the above qualifications, with the NSW Government fee-free-training initiative granted to all eligible apprentices and trainees. The RTO ended the 20/21 financial year with 184 approved Government funded training contracts.
- Managing the Rising Star apprentice race series.

Across NSW, the monthly Apprentice Jockey Schools included a stronger focus on financial planning and tax education. Emphasis on jockey health & wellbeing has expanded by placing more focus on fitness, nutrition, and drug & alcohol awareness.

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

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

Due to the ongoing COVID-19 restrictions, Apprentice Jockey Schools were delivered in a blend of online and face-to-face state-wide, with the team adapting to teaching with guest speakers on the online platform.

The department also implemented online delivery to students enrolled in other qualifications, such as Stablehand, Trackwork Rider and Racehorse Trainer.

In conjunction with the Strategic Plan, the acquisition of the Hunter TAFE, together with an upgraded stable area has paved the way for a centre of excellence style academy in the heart of Australia's horse capital.

Executive Officer, Stuart Rich, is currently working in both Racing NSW and TAFE timetabling to achieve.

Trackwork Rider face-to-face delivery programs have been cited as most critical in the racing industry, with intensive on-site workshops in the planning. Racing NSW is working with many stakeholders in the region to deliver the appropriate training that has been identified in the area.

Stuart Rich currently sits on the board of the Agri-food ITAB to represent the training requirements of the racing industry.

Future plans for a racing industry "Showcase" Day, in conjunction with both Harness and Greyhound industries, are currently being developed to promote to current school students that have shown an interest in future racing career development.

Stuart Rich also sits as a member for Racing on the Industry Reference Committee (IRC) that meet twice per year to discuss all elements of the racing package and general industry wide feedback.

Racing NSW has cemented positive relationships with Training Services NSW as to current and future state funding opportunities. The network also extends to various departments including the Regional Industry Education Partnerships and Local Jobs Programs.

The training team was part of a working group including representatives from Racing Australia, Thoroughbred Industry Careers, Godolphin, Racing Victoria, Racing SA, Thoroughbred Breeders Australia and Arrowfield Stud to successfully deliver the Australian Thoroughbred Workforce Development Forum, held at the ATC in April. Feedback from the forum is currently being collated.

The Team Thoroughbred NSW Wanyuwa program was delivered in collaboration with KARI to give young adult indigenous participants access to the NSW Racing and Welfare industry at Bart's Farm in Castlereagh and the chance to see Thoroughbreds in action at Hawkesbury Racecourse.

The day was hosted by Team Thoroughbred NSW and Team Thoroughbred NSW Training Academy staff.

Work experience program pathways are currently in planning with leading metro stables in a pilot program to assist those looking to further their knowledge and experience within the racing industry.

A collaboration with Corrective Services Industries is currently being planned to take place at St. Heliers to deliver Cert II in Racing (Stablehand) to current inmates.

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

Safety is a critical part of the industry training program. The HorseSafe program commenced at the start of 2016 for all new licence applicants.

An on-line compulsory induction program for new entrants, since its introduction all new entrants who seek registration or licensing have successfully completed the HorseSafe program which has a focus on safety and industry awareness.

Other Student Numbers

This year the department continued delivering training and assessment services to a range of qualifications covering many other facets of the racing industry, including a Stable Skills Short Course for International (and those ineligible for a Training Contract) participants.

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

The HorseSafe WHS Induction Course too has been accepted by the industry and now has had over 7,000 participants complete it in the five years since its inception.

Rising Star Series

The Rising Star Apprentice Series is open to NSW and ACT indentured apprentice riders who are enrolled at Racing NSW Apprentice Schools.

Mikayla Weir is the Rising Star Series Champion for the 2020/21 racing season. Weir was declared the winner after accumulating the most points (36) across 11 contested heats. Dylan Gibbons (29 points) was the Series runner-up, with Tyler Schiller (21) placing 3rd.

APPRENTICE WINNING RIDES

	16/17	17/18	18/19	19/20	20/21
Total Winning Rides	1255	1186	1212	1233	1177

APPRENTICE RIDES

The overall apprentice ride summary for the 2020/21 season is comparable with that of the previous year.

COMPARISON OF APPRENTICE RIDERS TO TOTAL STARTERS (INCL. METROPOLITAN, PROVINCIAL AND COUNTRY STATISTICS)

TOTAL	16/17	17/18	18/19	19/20	20/21
Apprentice Rides	13,409	12,830	12,798	12,788	13,915
Total Starters	54,488	54,871	56,519	54,165	56,970
Percentage of Total Rides	24.60%	23.38%	22.64%	23.60%	24.42%

Racefields Legislation – Management of Legislative Requirements

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

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

TRAINEE AND STUDENT FIGURES

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Cert II Stablehand (School Based)	13	43	27	10	8	10	0	0	5
Cert III Stablehand	101	83	105	47	55	59	60	34	61
Cert III Trackwork Rider	77	78	80	34	46	57	78	31	68
Cert IV Jockey		63	55	45	40	26	20	19	27
Cert IV Racehorse Trainer	63	97	125	129	118	63	36	32	50
Cert III Racing Cadet Steward	2	4	3	0	0	8	5	5	14
Cert III Track Maintenance	8	21	17	16	20	26	6	0	0
Barrier Attendant Skill Set	268	129	67	42	28	16	27	0	16
Approved Rider (Picnic Race Jockeys) Skill Set	No Stats	No Stats	7	14	19	16	12	0	2
Stable Skills Short Course*	No Stats	No Stats	No Stats	No Stats	No Stats	No Stats	No Stats	66	155

* Stable Skills Short Course – offered to those not eligible for subsidised training, also lends itself to the 1.5% Stablehand Prizemoney Scheme

withdrawn from a Thoroughbred race meeting.

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

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

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

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

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

At the end of the 2020/21 period, the total number of Australian Wagering Operators who had been approved to use NSW Thoroughbred Race Fields Information was 231.

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

Media and other publications, such as not-for-profit use for social purposes and certain racing organisations, are authorised on application to use NSW thoroughbred Race Fields and are not subject to Racing NSW Standard Conditions.

These approvals are sub-delegated by Racing NSW to Racing Australia’s publication arm to ensure suitable contractual arrangements are established.

HANDICAPPING

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

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

The panel consists of Handicapping Manager and Senior Handicapper Damien Hay, Senior Handicapper and Racing Strategic Development Manager Ben Dunn, Handicapper Nathan Bryant, Trainee Handicapper/Racing Office Assistant Brady Tipping and Racing Operations Manager Sam Reed.

The Handicapping Department allocated the weights and ballot orders for 5,502 races across the 763 race meetings which were conducted in the 2020/21 racing season.

Weights were released for the 101,187 nominations at these meetings with each of the 50,675 starters being individually re-assessed by the panel and given a new Benchmark rating within an average of two business days after the race.

Feature Race Weights:

The Handicapping Panel released weights early for the four major Group One Handicap races conducted in NSW in the 2020/21 racing season: Doncaster Mile, Sydney Cup, Epsom Handicap and The Metropolitan.

Epsom Handicap - Spring Carnival

The 2020 Epsom Handicap run at Royal Randwick over 1600m received 94 entries with 43 horses weighted above the limit weight of 50.0kg (48.0kg for 3yo's). Joint topweights of 58.0kg were given to Avilius (GB) and Fierce Impact (JPN) achieving a 10.0kg weight spread at the time weights were released.

The Metropolitan - Spring Carnival

The Metropolitan of 2020, a 2400m staying test, received 86 entries with 38 horses weighted above the limit weight of 50.0kg (48.0kg for 3yo's). A topweight of 58.0kg was given to Mustajeer (GB), achieving an 8.0kg weight spread at the time weights were released (no 3yo's were nominated).

Doncaster Mile – Autumn Carnival

The Doncaster Mile of 2021 received 151 entries with 58 horses weighted above the limit weight of 50.0kg (49.0kg for 3yo's). A topweight of 58.0kg was given to Verry Elleegant (NZ), achieving a 9.0kg weight spread at the time weights were released.

Sydney Cup - Autumn Carnival

The 2021 Sydney Cup over the time-honoured stayers' distance of 3200m received 105 entries with 38 horses weighted above the limit weight of 50.0kg (49.0kg for 3yo's). A topweight of 58.5kg was given to Verry Elleegant (NZ), achieving a 9.5kg weight spread.

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

Registered NSW Syndicate Promoters and Authorised Representatives

Racing NSW continues to act in its appointed role as Australian Securities & Investment Commission lead regulator for the syndication of racehorses in NSW. The Horse Instrument 2016-790 describes the regulatory relationship between Racing NSW and ASIC.

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

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

At the end of 2020/21, there were 18 Approved Promoters and 18 Authorised Representatives on the Racing NSW registers, which is a decrease of 1 and an increase of 2 respectively from the previous season.

There was a total of 212 approved promotions in the 2020/21 period, an increase of 65 from 2019/20. This may be explained by the following:

- the uncertainty faced by Promoters last season in regard to the affect that the COVID-19 situation would have on the economy, thus affecting the public's confidence to spend funds on non-essential items;
- newly registered Promoters that targeted the less expensive side of the market, and
- more so, a large increase in the number of tried horses offered, as Promoters discovered a strong market for ready to racehorses who were able to take advantage of the healthy prizemoney on offer, including at Provincial and Country race meetings.

NUMBER OF HORSES SYNDICATED BRACKETED ON PRICE PER 10% SHARE

Price Range – 10% Share	15/16	16/17	17/18	18/19	19/20	20/21
<\$10,000	31	57	79	63	39	96
\$10,000 +	103	118	128	117	108	116

NUMBER OF HORSES SYNDICATED BASED ON KNOCK DOWN PRICE OF HORSE AT YEARLING SALE (OR VALUATION IF PRIVATE):

Price Range - Horse	15/16	16/17	17/18	18/19	19/20	20/21
<\$30,000	8	15	34	31	14	41
\$30,000 to \$59,999	19	44	46	29	22	45
\$60,000 to \$99,999	44	49	47	34	32	55
\$100,000 to \$149,999	43	40	36	36	34	38
\$150,000 +	20	27	44	50	45	33
Total	134	175	207	180	147	212



A topweight of 58.0kg was given to Mustajeer (GB).



Alice Gibson
General Manager
Equine Welfare

Equine Welfare Program

2020/21 was a year of development for Racing NSW's Equine Welfare Program, operating as Team Thoroughbred NSW, with the purchase of a fourth property, appointment of a dedicated Investigator, introduction of new services and involvement in major off the track events among the highlights.

Equine Welfare Property Updates

In late 2020, Racing NSW purchased an additional property for the purposes of equine welfare. Glenferrie Farm sits on 300 pristine acres at Roslyn near Crookwell and features a state-of-the-art stable complex, 10 day yards, 14 paddocks, a covered round yard and manager's quarters.

Importantly, this property provides an easily accessible destination for retired Thoroughbred racehorses in the southern region of NSW in the instance they have been unable to find a suitable home.

This is the fourth equine welfare property purchased by Racing NSW. Each farm services a different region in caring for and rehoming retired NSW racehorses and Thoroughbreds that did not make the track.

In addition to this, capital work upgrades have continued at the other Equine Welfare properties, including fencing and internal road upgrades.

Welfare Assistance/Inspections

With a strong focus on ensuring the welfare of Thoroughbreds throughout their lives, Racing NSW expanded its efforts in monitoring horses that have exited the racing industry.

Racing NSW continues to monitor and have a presence at public livestock auctions and launched a dedicated email address (thoroughbredwelfare@racingnsw.com.au) where members of the public can report any welfare concerns for Thoroughbreds in NSW.

In January 2021, a dedicated Equine Welfare Investigator joined the team to assist with such reports.

They also support the efforts of Racing NSW Stewards and Welfare Veterinarians with retired racehorse audits to ensure the ongoing traceability of Thoroughbreds.

2020/21 brought with it challenges due to COVID-19 and other necessitous circumstances, and Racing NSW continued to provide third party welfare assistance to owners where needed. In addition to this, Racing NSW continued to take in horses on welfare grounds where needed to ensure their safety and provide ongoing care and assistance.

Events Attended/Sponsored

Throughout 2020/21, Team Thoroughbred NSW worked to enhance the profile of the Thoroughbred breed and promote its suitability for a variety of pursuits after racing.

Team Thoroughbred NSW has more than 22,000 followers across its three social media platforms, which provide the first point of contact for most potential buyers.

Sponsorship of Thoroughbred-specific classes at horse competitions across the state has proven to be an effective way to drive demand. Boosting brand awareness is also an ongoing priority.

Team Thoroughbred NSW was among the major sponsors of the 2020 Thoroughbred Spring Fair, which saw 122 Thoroughbreds competing in hacking events at Hawkesbury Showground. Prizemoney was awarded for selected classes ranging from beginner to semi-professional, including 12 dedicated classes for horses that had come through Racing NSW's rehoming program.

Team Thoroughbred NSW set up an information tent on site which was manned by staff from both the



equine welfare and training divisions. It provided a great opportunity to engage with the equestrian public and attracted a steady stream of interested visitors all day.

The 2021 Inglis Thoroughbred Classic at the Southern Cross Show Horse Spectacular was also supported by Team Thoroughbred NSW.

This was an elite competition held at Sydney International Equestrian Centre and all 36 participants received a branded Team Thoroughbred head collar as well as merchandise.

Team Thoroughbred also had a presence at one of NSW's premier equestrian events, the 2021 Sydney Royal Easter Show. The information tent was set up behind the main arena on the day the Thoroughbred classes were staged.

These three events provided the ideal platform to highlight individual horses, their racing history and their achievements off the track via social media and news stories.

This content was shared widely by the horses' previous trainers, owners, jockeys and home race clubs who were proud to see them excelling.

Team Thoroughbred NSW was approached to support the inaugural Race To Ranch Challenge at Cowgirls Gathering which would see ten of the best horsewomen from across Australia given 100 days to transform a recently retired racehorse into a working ranch horse.

Team Thoroughbred agreed to sponsor the NSW-based riders and gifted a horse to one of the participants. They have provided regular updates on their progress and helped promote the Thoroughbred breed as athletic, trainable and willing.

Team Thoroughbred NSW representatives from both the equine welfare and training divisions visited Pony Club camps around the state to educate young equestrians about the benefits of choosing a Thoroughbred as their mount and the many career opportunities on offer in the racing industry.

In 2020, dual TAB Everest winner Redzel and three-time Group 1 winner Happy Clapper were secured as life-after-racing ambassadors for Team Thoroughbred NSW.

They retired to Bart's Farm, one of the four dedicated equine welfare properties owned by Racing NSW. Redzel led the field for the 2020 TAB Everest out into the Theatre of the Horse, while Happy Clapper did the same for The Doncaster Mile in April 2021.

E-Newsletter/Podcast

In January 2021, Team Thoroughbred NSW's e-newsletter, Redzel's Roundup, was launched as an additional way to connect with the equestrian community.

Each month subscribers are sent the latest news from Team Thoroughbred, upcoming events, veterinary advice, horses for sale, and competitions to enter.

More recently, the Team Thoroughbred NSW podcast was launched. For The Love Of The Horse – A podcast celebrating the Thoroughbred, is published monthly on the alternate fortnight to Redzel's Roundup.

Each episode features a different equestrian who talks about their Thoroughbred, their training experiences, goals, tips, tricks and more.



Partnerships

Team Thoroughbred NSW is passionate about creating pathways for people from all walks of life to interact with horses.

The Wanyuwa Program, run in partnership with renowned Aboriginal services agency KARI, provides indigenous youth an introduction to horses, the variety of career opportunities on offer in the Thoroughbred horse racing industry and the study paths available through Team Thoroughbred NSW Training Academy.

The first Wanyuwa Program was held in May 2021 and saw nine participants aged between 16 and 22 take the opportunity to learn and discover.

They were given a behind-the-scenes tour of Hawkesbury Race Club, watched the trials and spoke to jockeys, trainers, stablehands and other support staff about their roles.

They were then bussed to Bart's Farm where the focus was enjoyment. Many of the participants had never even touched a horse before and delighted in the chance to pat and feed one.

They watched a lunging and riding demonstration, learned about the rehoming process, picked up tack used for training and riding horses, heard stories about the legendary Bart Cummings and went on a walking tour of the facility.

At the conclusion of the day, all participants were presented with a certificate and four indicated they would like to take the next step towards a career with horses.

Team Thoroughbred NSW's partnership with Ballyoch Horses and Backtrack Youth Works, which was established in 2018, was given a refresh in 2020/21. The original program saw troubled youths from the New England region learn horse care and retraining methods under the guidance of staff at Ballyoch's Deepwater property.

Over a four-month period they helped prepare 10 Team Thoroughbred NSW horses for sale by on-site auction, with the proceeds donated to Backtrack Youth Works.

Rather than continue with the auction format, horses have now been retrained and rehomed throughout the year. They are offered for sale when they are ready and held back for additional training if they are not.

Several participants have secured work in the Thoroughbred racing and breeding industry thanks to the skills they acquired.



Marc Van Gestel

General Manager –
Integrity
Chairman of
Stewards

Role of Integrity Department

The Integrity Department is responsible for safeguarding the image, interests, integrity, and welfare of the NSW Thoroughbred Racing Industry. The department is responsible for the employment of:

- Stipendiary Stewards
- Investigators
- Veterinarians and Horse Welfare Officers
- Wagering and Form Analysts
- Administration Officers

To ensure appropriate integrity and welfare standards are met, these key personnel are responsible for completing the following functions:

- Officiating at all race meetings and official barrier trials in NSW;
- Attending and supervising trackwork;
- Conducting track and stable inspections and audits, including monitoring of stable returns and horse location;
- Conducting audits of retired horses;
- Inquiring into and prosecuting breaches of the Rules of Racing in respect to horse welfare;
- Administering drug testing operations, including out-of-competition testing and investigating the use of prohibited substances;
- Addressing rider, track and horse safety issues;
- Inquiring into the conduct of licensed persons;
- Conducting of sampling of riders and stable employees for banned substances;
- Conducting inspection of horses in the lead-up to raceday and away from competition;
- Regulating and investigating wagering activities;
- Arbitrating on betting disputes, and
- Producing speed maps for race meetings.

COVID-19

The management of the Racing NSW COVID-19 policies and protocols were again at the forefront of the Integrity Departments operations this year, to ensure that the NSW Thoroughbred Racing Industry was able to continue to operate during the pandemic.

With the increase in the prevalence of COVID-19 in the community, particularly near Warwick Farm and Rosehill Racecourses, Racing NSW implemented its Rapid

Antigen COVID-19 Testing program to minimise the risk of COVID-19 infecting these racecourses.

The use of the Rapid Antigen Testing proved successful on numerous occasions in preventing persons infected with COVID-19 from entering these racecourses.

In addition to these venues, Racing NSW conducted rapid testing of essential personnel on racedays to again minimise the risk of COVID-19 being present on raceday. Over 7,000 rapid tests have been taken.

Special mention should be given to the majority of industry participants who, in some cases, have had to make great sacrifice during the pandemic to ensure that they complied with all policies and protocols implemented by Racing NSW.

Training and Development

The focus to appoint Trainee Stewards again continued this year. Trainees have been enrolled into the Certificate III Racing Administration (Stewards) which will be delivered in house, with Racing NSW accredited as a Registered Training Organisation.

Trainees are provided with the benefit of working alongside experienced Stewards and being delivered the course components by these Stewards. Topics undertaken by Trainees include:

- Race reading skills – race tactics;
- Principals of administrative law;
- Dealing with conflict;
- Interview techniques;
- Giving evidence at inquiries; and
- Drug testing procedures.

The Certificate III provides each trainee with a formal qualification at the completion of their traineeship.

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

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

This year saw Liam Martin, Joshua Boehm and Ben Pearce all progress to roles within regional NSW after completing traineeships.

Stewards Inquiries

During the 2020/21 year, the Stewards Panel presided over a broad range of inquiries involving offences under the Rules of Racing. The following periods of suspension were issued against jockeys during this period:

- AR131(a): Careless Riding - 279 suspensions of licence
- AR131(b): Failure to ride horse out to finish - 12 suspensions of licence
- AR132: Whip related offences - 41 suspensions of licence
- AR211: Jockey weight related – 3 suspensions of licence.
- AR129: Failure to take all reasonable and permissible measures to win or obtain the best possible placing – 3 suspensions of licence.

Major Inquiries & Appeals

Trainer Mick Tubman

Disqualified for a period of 2 years and 6 months for providing false evidence during a Stewards investigation, administering medication of raceday and presenting

the racehorse Wild Chap to race at Wagga Wagga on 20 January 2020, when a post-race urine sample detected cobalt above that excepted by the Rules of Racing.

In total, Mr. Tubman was disqualified for a period of 2 years and 6 months (30 months) and fined \$500.

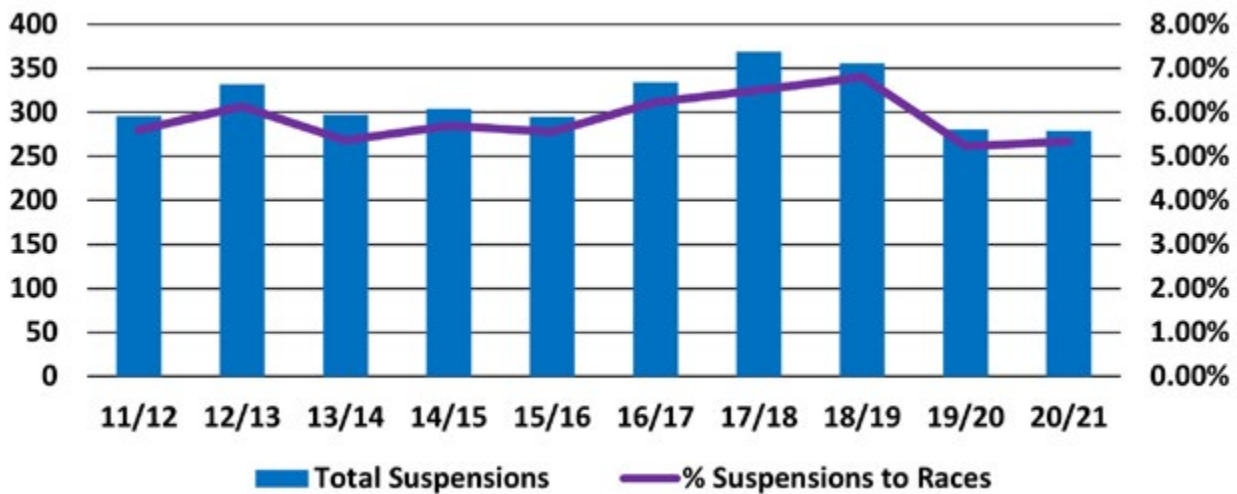
The conduct of the Stewards inquiry was delayed allowing Racing NSW to work collaboratively with the NSW Police Force to ascertain if any criminal offence had been committed under Part 4ACA Cheating at Gambling of the Crimes Act 1900, due to highly elevated level of cobalt detected in the sample and to fully investigate the betting on the event, which saw Wild Chap being well supported to win the race.

When no criminal offences were identified the Stewards then elected to conduct the inquiry.

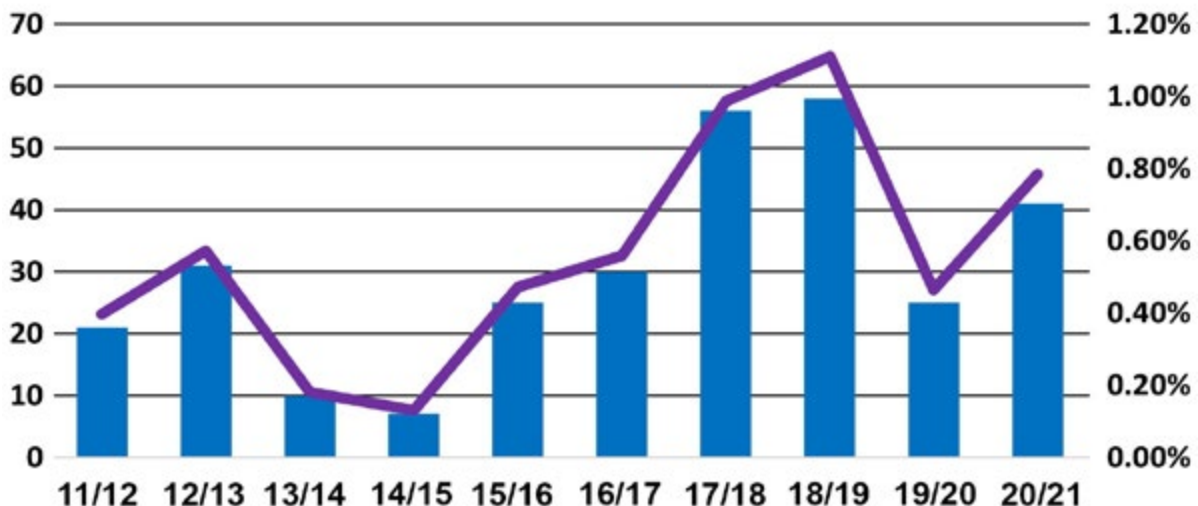
Trainer Kevin Randall

On 27 August 2020 during an inspection of Mr Randall's registered training premises in Casino, Mr Randall was in possession of an electric or electronic apparatus capable of effecting the performance of a horse in a race, official trial, jump-out or training gallop.

CARELESS RIDING



WHIP OFFENCES



The device was detected by Racing NSW detection dog "Bear" whilst being handled by Racing NSW Investigator, Mr Jared Rodger.

A disqualification of 2 years and 3 months was imposed by Stewards. Before the Racing NSW Appeal Panel Mr Randall's period of disqualification was reduced to 13 months and 2 weeks.

Rider Agent – Mr John Walter

On 1 June 2021 licensed Rider Agent Mr John Walter was disqualified for a period of 6 months for breaching Local Rule LR71A(a) for having an interest in 25 bets placed on 5 individual races in races upon which jockeys he was an agent for were riding.

The finding was the first finding under LR71A(a) following the introduction of the rule on 1 August 2019. The penalty of 6 months disqualification was confirmed by the Racing NSW Appeal Panel.

Before the Racing Appeals Tribunal, the penalty was reduced to a 5-month disqualification.

Treatment of the Racehorse Tarsus

Jockey Serg Lisnyy was disqualified for a period of 6 months for using spurs on the racehorse Tarsus in an improper and/or excessive manner on 20 March 2021 resulting in Tarsus sustaining injuries to its off-side flank region.

Before the Racing NSW Appeal Panel, the penalty was reduced to a period of suspension of 5 months.

Trainer of Taurus, Mrs Kim Waugh was fined the sum of \$7500 for failing to provide reasonable care and/or supervision to prevent the injuries and \$6000 for failing to report the incident to the Stewards.

Adam Hyeronimus & Blake Paine Betting

The Stewards utilising their powers under AR22(d), examined the mobile phone of jockey Adam Hyeronimus following an inquiry opening into his riding of Wolfe in 2019.

Following examination of phone data and the review of financial and betting records, both were found guilty of 30 betting charges and disqualified for a period of 3 years and 2 years 4 months, respectively.

On 8 April 2021 the Racing NSW Appeal Panel handed down their findings, determining both Adam Hyeronimus and licensed stablehand Bloke Paine were guilty of the offences they were charged with. In respect to penalty the Appeal Panel determined that Mr Hyeronimus be disqualified for a period of 2 years and 4 months and Mr Paine disqualified for a period of 10 months.

The use of this mobile phone data was the first case since the decision of the Court of Appeal in Racing New South Wales v Fletcher where the Court of Appeal found that Stewards were permitted to use data obtained from a mobile phone for the purpose of any investigation or inquiry into a matter in connection with racing, including use by informing a decision to initiate an investigation of inquiry.

Appeals

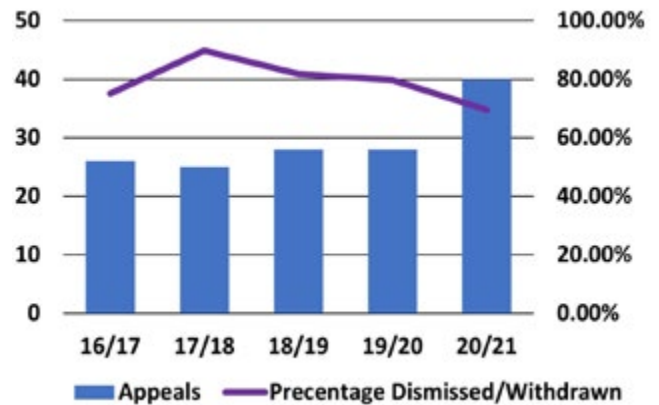
Racing NSW Stewards appeared before the Racing NSW Appeal Panel on 40 occasions during 2020/21 involving

a total of 134 charges appealed against.

All cases before the Appeal Panel were prosecuted by Stewards and over 85% of the appellants were represented by a legal representative. 92 of the charges were proven by the Stewards with 42 charges being dismissed.

There were a further 10 Appeals before the Racing Appeals Tribunal involving 90 charges in total. 15 of the charges issued were proven, 8 charges appeal upheld and 67 charges had their appeals withdrawn.

APPEALS STATISTICS – RACING NSW APPEAL PANEL



Stable Inspections

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

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

Horse Welfare

Racing NSW Stewards, Investigators and Horse Welfare Veterinarians continued to work with the Racing NSW Equine Welfare Department in monitoring and ensuring compliance with Local Rule LR114.

The stable inspections process detailed above was an integral part of ensuring horse welfare, by Stewards conducting audits of stable returns to ensure that the location of a Thoroughbred during training and retirement is recorded.

Stewards issued a number of penalties for trainers who had not complied with the Rules of Racing.

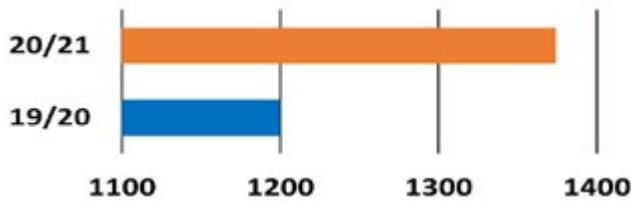
Equine Welfare Veterinarians, Dr Rose Bensley and Dr Carly Garling have continued to conduct inspections and audits of retired racehorses to complement the Integrity Department's audit process, as well as investigating any breach of the welfare Rules of Racing.

This year Racing NSW Stewards and Welfare Officers completed 1374 retired horse audits to ensure that there was compliance with minimum standards introduced by Racing NSW in 2019 and that horses were kept in proper

condition and provided sufficient nutrition. The total number of audits was an increase of 173 from last year's total of 1201 audits.

In cases where horses were in need of veterinary care, Racing NSW Veterinarians provided advice to owners in respect to nutritional requirements or in some cases horses were rehomed into the Racing NSW Team Thoroughbred program. In addition, horses that entered the Team Thoroughbred program were inspected by Racing NSW Veterinarians.

RETIRED THOROUGHBRED AUDITS



Excluded List

The Board of Racing NSW approved the introduction of NSW Local Rule 114(5)(b)(ii) which saw the implementation of the Racing NSW Excluded List in 2020.

The Excluded List prevents persons bound by the Rules of Racing from gifting or selling Thoroughbreds that have been domiciled in NSW for the majority of their lives to persons on such list.

Persons placed on the Excluded List are those, irrespective of their connection with the NSW Thoroughbred Racing Industry, which have been found to not provide proper care to Thoroughbreds (including

nutrition and veterinary care) or to have not adhered to requisite welfare standards, including meeting minimum standards implemented by Racing NSW.

To facilitate this process Racing NSW established the Racing NSW Equine Welfare Committee. The role of the Committee is to consider a person's suitability to care for a thoroughbred and make a recommendation to Racing NSW as to whether such person should be placed on the Excluded List.

The local rule reads:

LR114(5) Further to AR64JA(1), where a decision has been made to retire a horse, or not to commence racing an Eligible Horse, and that horse has been domiciled in New South Wales for the majority of its life:

(b)(ii) that horse is not to be transferred, sold or gifted upon retirement or thereafter, to a person who is placed on the Racing NSW Excluded List for rehoming of Thoroughbreds

In the 12-month period between 1 July 2020 and 30 June 2021 the Racing NSW Equine Welfare Committee recommended 11 non-licensed persons be placed on the Excluded List.

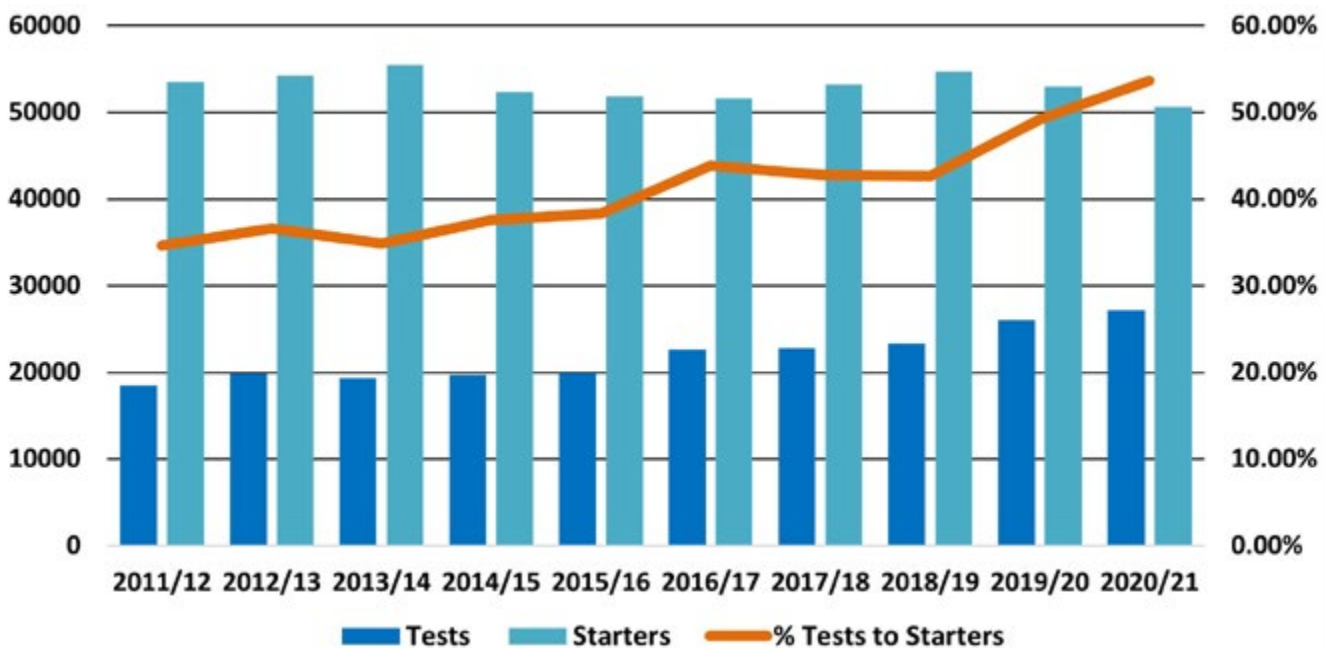
New Developments

Use of Detection Dog

In 2020 Racing NSW commenced using the services of a detection dog, a Labrador named "Bear" handled by investigator Jared Rodger.

Jared trained Bear in the detection of prohibited substances and electrical devices. Bear was instrumental in an electrical device being detected at the premises of licensed trainer Mr Kevin Randall.

EQUINE SAMPLES



The detection of the device resulted in Mr Randall being disqualified under the Rules of Racing.

In early 2021 Racing NSW purchased an additional detection dog named "Flo" to be trained in the detection of prohibited substances and devices by Jared Roger. Bear and Flo will continue to be deployed in stables and on raceday to detect breaches of the Rules of Racing.

Remote Access to Race Meeting Inquiries

During the COVID-19 pandemic, Racing NSW Stewards have utilised video conferencing to continue to allow the media to have access to Stewards inquiries conducted on raceday. This access allowed inquiries and investigations to continue to be transparent and ensuring public confidence.

Conduct of Appeals and Inquiries by Video Conferencing

With the continuance of the COVID-19 pandemic the majority of Stewards inquiries and appeals have been conducted by video conference.

This method has resulted in efficiencies for both Racing NSW and licensed persons in not having to travel to attend these inquiries and appeals.

In addition, recorded video conference inquiries and appeals are now being used by the Integrity Department in the training of its trainees and junior Stewards to provide access to high level inquiries and appeals.

Drug Testing

The Integrity Department and the Australian Racing Forensic Laboratory continued their unique association in sharing intelligence regarding the use of prohibited substances.

Regular strategy meetings were conducted between the departments which has allowed the Stewards to efficiently channel their resources into relevant areas.

During 2020/21 a total number of 28,794 tests were performed by the ARFL on raceday samples that were analysed for prohibited substances in accordance with the Rules of Racing.

This figure is an increase of the 2019/20 tests, where there was a total of 26,079 tests performed. The increase in testing numbers represents Racing NSW ongoing commitment to integrity and ensuring horses compete on a level playing field.

19 samples returned positive to prohibited substances. Substances detected in these samples included cobalt, dexamethasone, flunixin, heptaminol, phenylbutazone, meloxicam and salicylic acid.

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

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

The Stewards continued their testing program at barrier trials and the taking of hair samples for the detection of anabolic steroids, including the taking of these tests at spelling properties.

This year 4,435 out of competition samples were taken an increase of approximately 900 samples from 2019/20.

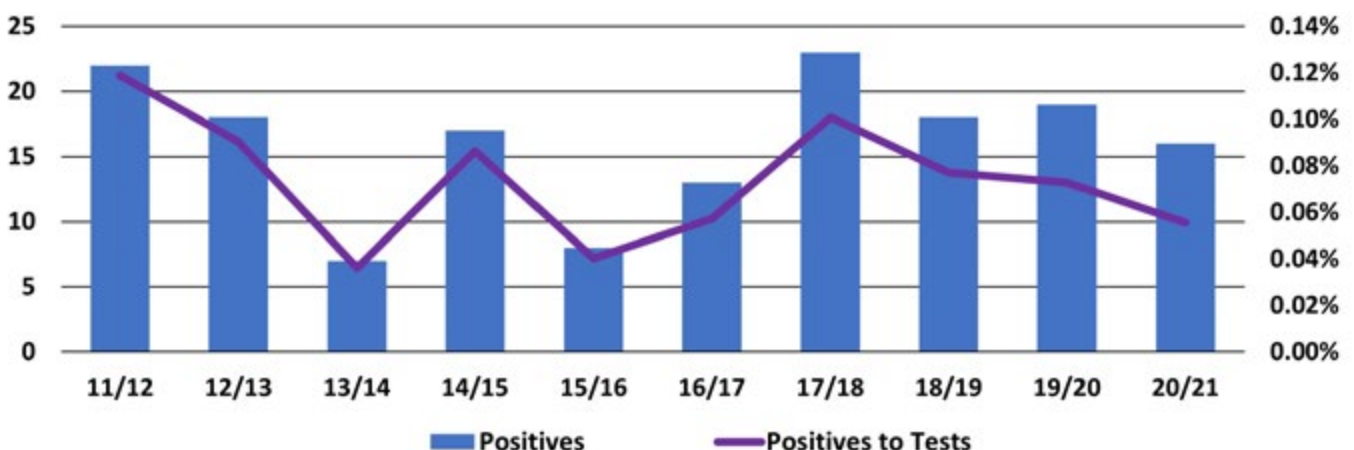
Licensee Sampling

Stewards and Investigators continued to obtain samples from licensees for analysis by the Australian Racing Forensic Laboratory for banned substances.

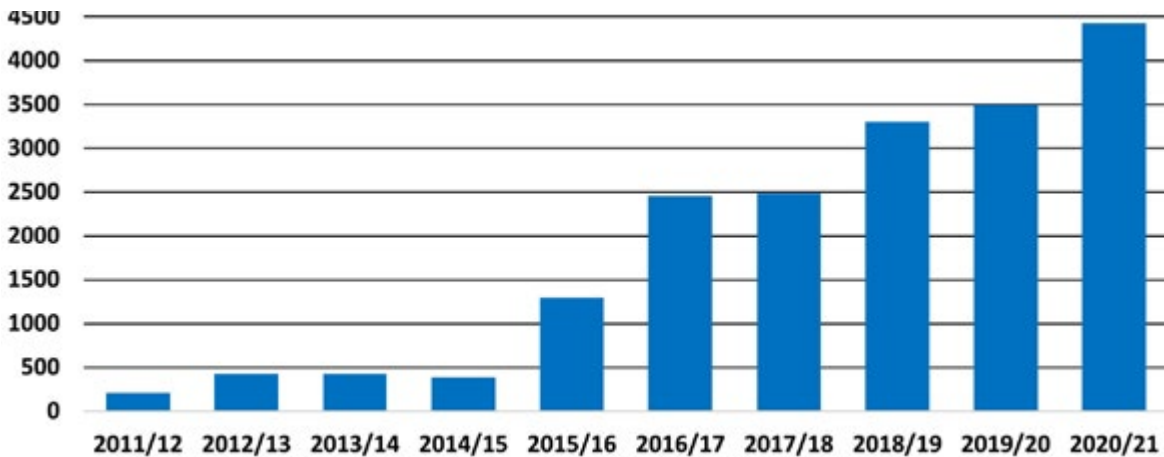
Samples were taken from Stablehands both working on the ground and riding trackwork as well as Jockeys and Trainers.

Again, this year, due to the COVID-19 pandemic the sampling of licensed persons was reduced to ensure all proper bio-security measures were put in place and to adhere to social distancing requirements.

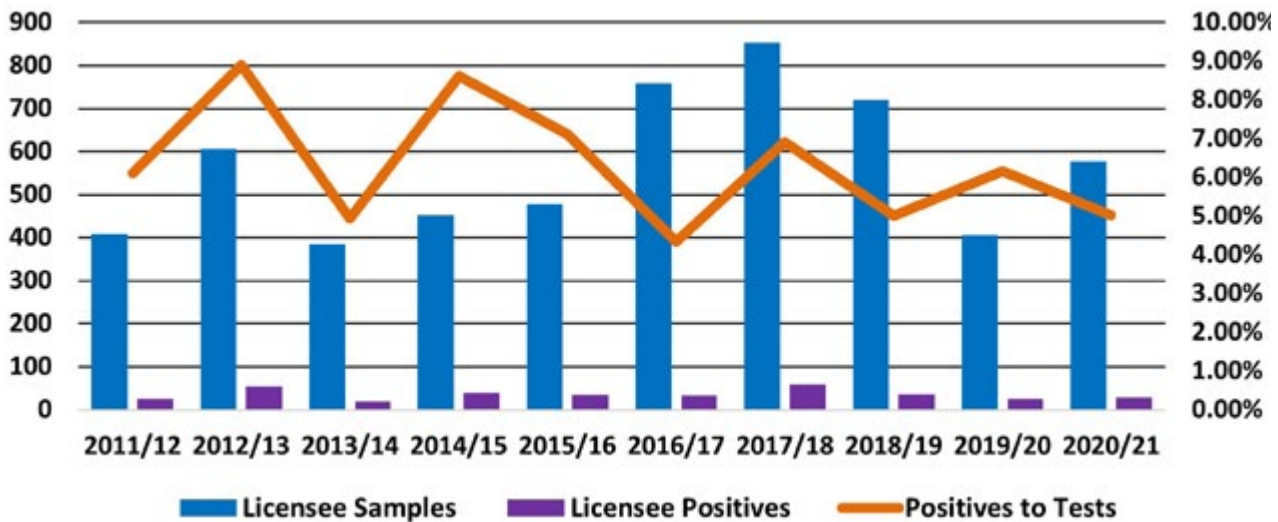
POSITIVE SAMPLES



OUT OF COMPETITION SAMPLES



LICENSEE SAMPLING



This resulted in a reduction in the number of human samples obtained to 548 (reduction of 2018/19 figures pre-pandemic), with 28 positive results recorded.

In licensee swab cases, emphasis has continued on rehabilitation and an educative process with access to professional counselling provided by Racing NSW. Those who complete counselling are provided with a reduction in penalty.

Investigation and Surveillance Unit

Racing NSW Stewards continued to be assisted by the Investigation and Surveillance Unit managed by General Manager, Ms Jacqueline Johnstone.

The unit has continued to evolve employing many overt and covert strategies to ensure compliance with the Rules of Racing.

In April 2021, Racing NSW welcomed a second detection dog; 'Flo' to be trained by Investigator and Dog Handler, Jared Rodger.

Racing NSW is now equipped with two dogs capable of

detecting electronic devices, banned substances and mobile phones.

Liaisons and Contacts

Industry matters continued to be addressed through liaison by the Integrity Department with a number of bodies, including:

- Australian Criminal and Intelligence Commission (MOU);
- NSW Police Casino and Racing Investigation Unit (MOU);
- Australian Pesticides and Veterinary Medicines Authority (MOU);
- Australian Federal Police;
- NSW Border Force;
- Racing Australia;
- NSW Trainers and Jockeys' Associations;
- NSW Bookmakers' Co-operative Ltd;
- Australian Equine Veterinary Association;
- Veterinary and Analysts Committee; and
- Interstate and Overseas Principal Racing Authorities.



Jacqueline Johnstone

General Manager –
Investigations and
Surveillance Unit

Racing NSW's Investigations and Surveillance Unit was established to work with the Racing NSW Stewards Panel in maintaining the integrity of Thoroughbred racing in NSW.

In addition, Racing NSW has continued to foster a strong, working relationship with the NSW Police Force through the renewed secondment of Detective Sergeant Tony Williams.

The Memorandum of Understanding has unequivocally strengthened the relationship between organisations.

The exchange of information provides analysis of industry and criminal intelligence to identify risk areas and emerging crime categories.

Racing NSW is at the forefront of intelligence-based strategies to ensure the utmost integrity of Thoroughbred racing in NSW.

Racing NSW made over 400 requests for assistance to the NSW Police and has continued to enhance investigative capabilities by referring breaches of the Rules of Racing for criminal investigation.

Racing NSW expanded their regulatory network by engaging the services of the NSW Police, Casino and Racing Unit to conduct patrols through Metropolitan stables during the spring and autumn carnivals and the NSW Police, Rural Crime Investigation Unit throughout various regional locations in New South Wales to assist Stewards and Investigators with animal welfare matters.

The Investigation and Surveillance Unit focused on increased surveillance and proactivity which included attending race meetings to conduct searches of horse floats, gear bags and licences on raceday.

These inspections resulted in an increased number of breaches of the Rules of Racing being detected.

The Unit continued to conduct major operations throughout New South Wales. These operations involved the use of Investigators, detection dogs, NSW Police, Surveillance Operatives, Stewards and Veterinary Officers.

Operations are conducted based on intelligence received or as a proactive measure for deterrence.

The operations involve stable inspections, horse welfare audits and testing to detect prohibited substances including hair testing for the detection of anabolic steroids.

In response to the challenges associated with the COVID-19 pandemic, the Unit has introduced innovative ways to ensure the integrity of the sport by conducting offline licensing operations.

In January 2021, the Unit introduced Investigator, Daniel Hadley. Daniel brings a strong skillset in investigations and surveillance.

Daniel is situated in the Hunter region of New South Wales to provide Provincial and Country participants with face-to-face access to Racing NSW's Investigations Unit.

In April 2021, Racing NSW welcomed a second detection dog, 'Flo', to be trained by Investigator and Dog Handler, Jared Rodger.

Racing NSW is now equipped with two dogs capable of detecting electronic devices, banned substances and mobile phones.

The Thoroughbred Racing Industry has responded positively to Racing NSW's initiative to strengthen integrity measures with the introduction of detection dogs.

The Investigations and Surveillance Unit continues to work closely with the General Manager of Integrity, Veterinary staff and the Australian Racing Forensic Laboratory on testing strategies based on available research and statistical data to identify emerging trends in substances.

This information is used to strategically conduct out-of-competition testing and imprint detection dogs accordingly.

Recognising the importance of community and industry sourced information, the Investigations and Surveillance Unit welcomes information and complaints from any person or body that may impact upon the integrity of Thoroughbred racing in NSW.

Areas of investigation include but are not limited to:

- Corruption, consorting, cheating, horse doping and race fixing,
- Person related crimes including assault, extortion, harassment including sexual harassment, and
- Use and abuse of drugs and banned substances.

Information received will be treated in the strictest confidence. On receipt of information or a complaint, the Investigation and Surveillance Unit will assess the matter to consider the most appropriate response.



Dr Toby J. Koenig

BVSc (Hons) NSW
V8508

General Manager –
Veterinary Services
& Chief Veterinary
Officer

Role of the Racing NSW Veterinary Department

- The provision and supervision of veterinary services at the Metropolitan and Provincial Thoroughbred racetracks, while also overseeing and supervising the veterinary services provided throughout greater NSW, implementing gold standard welfare and integrity services for our equine participants;
- To implement and monitor the sample collection and accreditation processes for all Metropolitan, Provincial and Country race meetings, in concert with Racing NSW Stewards;
- The provision of expert advice to the Racing NSW Board and industry pertaining to veterinary, equine health and welfare matters, whilst also advising regarding therapeutic and non-therapeutic prohibited substances and their detection;
- To assist the Australian Racing Forensic Laboratory (ARFL) in the development and refinement of substance detection methods, through the conduction of drug administration trials and collaborative research, particularly regarding the advent of novel substances of interest or concern;
- To represent the interests of Racing NSW on national and international groups and committees, where policy matters are considered pertaining to veterinary, equine welfare, emergency animal disease and prohibited substance control policy matters;
- The provision of expert advice and evidence in Stewards' inquiries, appeals and other hearings as required;
- Facilitation of veterinary supervision of the Canterbury Park Approved Quarantine facility, including the strict adherence and compliance with biosecurity procedures and the conduct of mandatory disease testing. Further, the oversight of the rigorous Racing NSW suitability to race considerations, requiring detailed consultation both domestically and internationally;
- In concert with Racing NSW Welfare Veterinarians and Investigators, ensure compliance with the Local Rules of Racing NSW pertaining to Equine Welfare. The purpose and objective of these endeavours is to ensure the welfare of Thoroughbred racehorses from birth, during their racing careers and later in retirement, and

- Assisting Team Thoroughbred Training Academy NSW in the education of enrolled industry participants, particularly regarding the Racing NSW Apprentice School.

The Veterinary Department at Racing NSW plays an integral role in supporting the Racing NSW Integrity Department, Investigations and Surveillance Unit and Australian Racing Forensic Laboratory to ensure the maintenance of integrity, safety, and welfare of the racing product throughout the state.

Key to this goal is the implementation of Racing NSW prohibited substance control policies, whilst ensuring that the health, safety, and welfare of the horse is always paramount.

This extends to care before, during and after a racehorse's career and it is the vision of the Racing NSW Veterinary Department to lead in the field of equine welfare, by assuring appropriate husbandry throughout and after a horse's racing career.

Through the effective implementation of these actions, Racing NSW sets out to lead in setting standards that seek to maximise welfare, through the optimisation of the health and welfare of the Thoroughbred, striving to mitigate identifiable risks throughout the industry.

By doing so, we enable our industry participants to also lead in the advocacy of equine welfare and outcomes.

In performing these integral industry roles, the Veterinary Department at Racing NSW is guided by three pillars – safeguarding the welfare of racehorses, the occupational health and safety of participants, whilst maintaining the confidence of the viewing and betting public.

Key Operational Activities and Achievements

Under the direction of Dr. Koenig, the Veterinary Services department has:

- Collaborated with ARFL and the Stewards in the management of routine and strategic drug control, including the broadened role and implementation of the equine biological passport and the tactical out-of-competition-testing program;
- Participated in and responsible for the coordination of veterinarians in the provision of out-of-competition and tactical testing program for horses in racing

stables and the testing for anabolic steroids at the Inglis Sale Series, conducted at Inglis Riverside, Warwick Farm;

- Out-of-competition-testing has become a growing tool for the assurance of integrity in racing around the world and this has been a focus for the future assurance of integrity in the NSW Thoroughbred Racing Industry – including but not limited to the analysis of equine urine, blood and increasingly hair;
- The continued approval process for new veterinarians wishing to apply for permits for the provision of veterinary services with Racing NSW and, also, relevant applications seeking to officiate at race meetings throughout NSW, both at TAB and non-TAB meetings;
- The provision and oversight of the various policies and guidelines as they pertain to the provision of veterinary services to ensure the welfare of all participants, including:
 - ◆ The provision of drug administration trials for the ARFL and participating and management of the Racing NSW Animal Care and Ethics Committee;
 - ◆ The close monitoring and review of raceday and non-raceday equine injuries and fatalities throughout the state, in concert with all parts of the Integrity Department and Investigation and Surveillance Unit, and
 - ◆ Continued collaboration with the Pathology Department at the University Veterinary Teaching Hospital Camden (University of Sydney) and other academic institutions both in Australia and internationally, to better understand and minimise cases of Exercise-Associated Sudden-Collapse and catastrophic breakdown, so as to maximise long-term welfare outcomes.
- Dr Koenig has continued to consult extensively with the Australian Veterinary Association (and its Special Interest Group, Equine Veterinarians Australia), Australian Pesticides and Veterinary Medicines Authority, NSW Veterinary Practitioners Board, as well as numerous other interested parties and relevant government authorities with regards to the proper provision of registered and compounded medications in the racing industry, as well as Complementary Animal Health and Excluded Nutritional and Dietary supplements commonly used in Thoroughbreds.

Principally, Dr. Koenig has facilitated these functions acting as a member of several Industry Reference Groups, including the Agrifutures Fund research undertaken at Charles Sturt University (Wagga Wagga), the Consultative Committee of the AgVet Chemicals Review and extensively as a member of the Committee Australian Veterinarians in Industry.

- Extensive consultation with the Stewards and Integrity Departments throughout the state, through the provision of expert evidence, support and investigation as it pertains to matters of:
 - ◆ Prohibited substance detection and control;
 - ◆ Implementation and monitoring of the Racing NSW Racing in Hot Weather Policy;
 - ◆ Equine Welfare Inquiries and assurance;

- ◆ Medication management and the review of health, safety and welfare, including the provision of appropriate veterinary care and assessment of the racehorse in stable and training environments throughout the state of NSW, where it ought to be provided;
- ◆ The assessment of veterinary suitability of a horse to race and determinations if a horse is unsuitable to race permanently, and
- ◆ Post-race inspections for integrity, assessment of poor racing performance, maintenance of a 'level playing field' and the assurance of raceday welfare.

As is clearly evident to all, the challenges of the previous racing year have been fluid and continued into the 2020/21 season. From the experience gained and policies implemented following the extensive and unprecedented bushfire season experienced throughout the state in the previous season, posing air quality and safety concerns never experienced before, the successful implementation of new Air Quality Protocols and Monitoring posed a new challenge and added additional layers of safety and welfare monitoring for horses and participants alike.

From the debilitating fire season, came the ever-present risks of COVID-19. It has been a pleasure to be able to contribute to the sound biosecurity measures implemented by Racing NSW Stewards, seeing the ongoing security and success of the NSW Thoroughbred Racing Industry.

In particular, under the guidance of Racing NSW and Australian Turf Club medical experts, Racing NSW Swabbing Officials have been able to pivot and play an integral role in the roll out of COVID-19 Rapid Antigen testing, long before this was commonplace.

In order to maximise the health and welfare of the Thoroughbred during racing, there is year on year expansion of the pre-race off course examination of acceptors, including all runners in *Golden Slipper*, *The Everest*, *The Kosciuszko*, *Provincial and Country Championships*, *The Golden Eagle*, *The Gong* and *The Hunter*.

Racing NSW is proud to have a raceday mortality rate amongst the lowest in the world, whilst always striving towards improved post-race outcomes.

Racing NSW has strict veterinary and racing reporting protocols that have now been in place for some years, implemented at Canterbury Park Approved Quarantine Centre. These were recently reviewed and reaffirmed.

These include but are not limited to pre-arrival veterinary inspection and reporting, declaration of medications administered, as well as intensive post-arrival inspection and supervision prior to and following racing.

A particular highlight has been the success experienced by English visitor Addeybb and connections, safely and successfully racing through two consecutive *The Championships* during the NSW Autumn Racing Carnival.

Racing NSW Animal Care and Ethics Committee (ACEC)

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

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

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

The Committee approved several research proposals during the reporting period. Included in these proposals was one that facilitated ongoing drug administration trials that would assist the laboratory in improving its drug testing capabilities, as well as a proposal for surveillance testing of gene doping.

Equine Welfare Program and Assurance

During 2020/21 the Racing NSW Veterinary Department continued to expand its reach with the continued and extensive efforts of its two welfare veterinarians and investigators. Dr. Rose Bensley and Dr. Carly Garling bring significant clinical experience to the Racing NSW Welfare Program.

In addition to participating in the provision of raceday veterinary services and integrity, these veterinarians are tasked with assisting Racing NSW's rehoming operations, including with our various partners in this area, and auditing Racing NSW Local Rule of Racing 114.

This includes the consultation in the direct retraining and rehoming of horses from the various Racing NSW properties.

Racing NSW Welfare Veterinarians play an active role in auditing the retired Thoroughbreds that were predominantly domiciled in NSW during their careers. It is pleasing to report that, in the majority of instances, husbandry practices are excellent.

Where necessary and in consultation with Racing NSW Stewards, Thoroughbreds are actively seized or rescued on welfare grounds and subsequently nursed back to health.

Under the Rules, owners are obliged to notify of the location to which any Thoroughbred is retired, providing address and contact details accordingly.

Racing NSW Stewards and Veterinarians will continue to audit this information, undertaking random inspections and enquiries with increasing frequency into the future.

Racing NSW implemented an Excluded List of individuals, a list maintained by Racing NSW that details the names of persons who are not permitted, due to horse welfare concerns, to be provided with and/or have in their care, custody or control Thoroughbreds that have been domiciled in NSW for the majority of their lives.

The extensive audits undertaken by Racing NSW Welfare Veterinarians, in conjunction with the Racing NSW Welfare Department, demonstrate our life-long commitment to the Thoroughbred, from birth, through their careers and long into retirement.

To this end, the Veterinary Department consults extensively in the implementation of the End of Life Welfare Program, ensuring access to free euthanasia services where required and appropriate. This applies to all Thoroughbreds that have been predominantly domiciled in NSW, regardless of age or when they retire from racing.



Racing NSW Equine Welfare Veterinarian, Dr Carly Garling, conducts a routine welfare check on retired racehorse, McCreery

Jockey Safety Officer – Role

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

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

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

The Racing NSW Medical Liaison Officer, Dr David Duckworth, is another important link in the process. Dr Duckworth keeps in contact with the hospital and liaises between specialists and jockeys to determine the best course of treatment, also undertaking surgery and delivering consultation on some cases.

- Phillip O'Brien, Safety and Welfare Officer

JOCKEY SAFETY OFFICER INCIDENT REPORTS

	17/18	18/19	19/20	20/21
August	13	11	10	24
September	14	11	9	14
October	14	7	15	12
November	26	12	17	24
December	18	16	13	16
January	17	10	18	13
February	10	11	12	20
March	11	17	15	15
April	23	16	13	14
May	12	6	15	21
June	16	12	13	4
July	19	10	12	11
Total	167	139	162	164

Riding Skills Panel

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

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

Hearings are convened throughout NSW with the attendance of the referring Steward and in accordance with Australian Rule of Racing AR144.

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

Racing Mates

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

Services available include Clinical Psychologists, Counsellors and Assistance Hotlines. However, people are often more likely to initially reach out to a trusted peer or colleague for support. This is why Racing NSW has appointed Ambassadors for the program who are available as a port of call when industry participants are in need of a mate.

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

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

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

Racing Mates Morning Teas and BBQs were facilitated around COVID-19 restrictions throughout the year. Despite this setback, Racing Mates hosted gatherings at Tamworth (January) and Wellington (March).

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

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

- Pat Webster is Racing NSW Racing Mates Mentor and Welfare Support





John Keledjian

General Manager -
ARFL

Function and Accreditation

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

Similar services may be provided under contract to other racing codes or competitive animal sports organisations. Non-racing contract work which does not affect the performance of these integrity functions may also be undertaken.

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

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

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

Sampling Kits

Assembling, packaging and dispatch of sample collection kits is performed by Beehive Industries Co-operative. In an enrichment of an already 17-year partnership with Racing NSW, the contract work has allowed Beehive Industries to support a greater number of seniors and persons with a disability.

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

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

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

Analysis of Samples

Over 28,000 animal samples were tested in 2020/21 (Table 1).

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

**TABLE 1 – ANIMAL SAMPLE STATISTICS
1 JULY 2020 TO 30 JUNE 2021**

	Total urine	Total Blood	TCO2 tests	OC tests	Cobalt tests	Enhanced testing	Prohibited Substances Detected
Metro T'breds NSW	1767	5208	2900	-	1892	10727	5
Provincial T'breds NSW	1473	1479	983	-	1533	1137	1
Country T'breds NSW	3612	2626	1067	-	4254	3798	10
Other clients	3646	8854	4730	-	3430	10623	36
TOTAL	10498	18167	9680	-	11109	26285	52
Out-of-competition T'breds			2	4435			
Out-of-competition Others				2380			
Hair Samples	98						
TOTAL				6815			

OC – Out of Competition tests

**TABLE 2 – HUMAN SAMPLES
STATISTICS 1 JULY 2020
TO 30 JUNE 2021**

Human Samples	Urine	Banned Substances Detected
Metropolitan NSW	63	2
Provincial NSW	104	7
Country NSW	381	19
Other Racing NSW	5	0
Other clients	24	1
TOTAL	577	29

OC – Out of Competition Tests

Human urine samples collected from jockeys, track riders and stablehands are also tested for banned substances in accordance with AR 136.

Horse handlers were tested this year in accordance with AR 137. Approximately 5.0% of these samples found to contain banned substances. (Table 2, on page 38).

The ARFL also performs 'B' sample referee counter analyses to confirm the findings of other Australian and international racing laboratories. From 1 July 2020 to 30 June 2021 this totalled 128 confirmatory requests.

The number of special exhibit samples tested by the ARFL this year totalled 117. These included unregistered products seized by Stewards and members of the Surveillance and Intelligence Unit such as powders, feed, syringes and liquids.

Research and Development

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

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

The ARFL R&D portfolio currently has six major collaborations involving four different institutions and five PhD students. This covers a diverse range of science, from non-targeted detection of anabolic agents to metabolomics.

Anabolic agents such as steroids and selective androgen receptor modulators (SARMs) continue to pose a significant risk to sports integrity.

In addition to the on-going expansion of targeted drug surveillance in equine blood, urine and hair samples, the ARFL is collaborating with Insitugen – a company developing revolutionary bioassay technologies – to implement non-targeted screening capabilities for equine plasma samples.

This has the potential to identify suspect samples that may contain the presence of an anabolic agent, not known by the laboratory at a point in time, for further investigative testing and provision of intelligence to Racing NSW Stewards.

This capability complements the R&D focus to identify abnormalities and subsequently confirm putative findings from non-targeted screening strategies.

The ARFL continues to adapt science from human medical research and anti-doping initiatives to implement a metabolomics approach for the Racing NSW Equine Biological Passport (EBP).

Racing NSW has made a significant investment over the past seven years to develop and implement the EBP, a world-first for Thoroughbred racing.

Development of the analytical component, managed by the ARFL, continued in 2020/21 to include additional biomarkers that can be compared for each horse over time to provide intelligence concerning novel doping threats.

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

doping. Furthermore, compliance to the Rules of Racing in relation to the use of therapeutic substances can be monitored (for example AR 87) by measuring the effects on biomarker profiles.

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

Quality Assurance

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

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

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

The ARFL scored 100% in the 2020 International Proficiency Testing Program used to assess all Horse racing Laboratories worldwide.

ARFL also participates in a human urine external proficiency testing program to monitor laboratory analytical testing procedures.

Key Milestones

Several clear liquid exhibits in unlabelled vials have been analysed by the ARFL and found to contain the prohibited substance levamisole. Over the years concerns have been raised regarding the use of levamisole as a stimulant in racehorses.

Many registered products containing levamisole produced in Australia carry a label contraindicating its use in horses as it may have some toxicity.

In addition, Drug Enforcement Agencies worldwide confirm that many clandestine manufacturers began adding tetramisole or its individual isomers (i.e. levamisole) to cocaine as an adulterant, and believed that tetramisole may enhance cocaine's effects.

It is therefore critical to confirm the stereochemistry of this prohibited drug in routine raceday samples.

The ARFL has reported a number of levamisole specific findings in equine urine and plasma samples from an external client at extremely low concentrations using analytical techniques to distinguish unequivocally between tetramisole (the racemic mixture) and the active isomer levamisole.

Additional Clients

ARFL's major external clients during 2020/21 were Harness Racing NSW, Darwin and Alice Springs Turf Clubs, Equestrian Australia and Canberra Race Club.

Other clients include Royal Agricultural Society, Show Horse Council of Australia and Inglis Bloodstock.



Graeme Hinton

Chief Operating
Officer

The NSW Thoroughbred Racing Industry not only endured through the COVID-19 pandemic, but continued to develop and grow despite crowd restrictions and lockdowns.

The continuation of racing throughout this period has provided an opportunity for new customers to engage with the sport as evidenced by record viewership, social engagement and wagering.

The Everest Carnival

The Everest Carnival has cemented its place in Sydney's major event calendar and continues to attract a younger demographic to racing.

Importantly, whilst *The Everest* continues to grow from strength to strength, the surrounding racedays have been strengthened further with additional new feature races and increased prizemoney to expand and grow the carnival throughout spring.

With COVID-19 restrictions limiting crowd capacity to just 11,000 for the fourth edition of *The Everest* in October 2020, tickets were quick to sell out. The event, however, attracted record off-course viewership as new and existing customers tuned in remotely to watch and wager on the event.

As with prior years, *The Everest* barrier draw was again a feature of *The Everest* week. Building off the back of previous barrier draws conducted on the Opera House and Harbour Bridge, in 2020 the barrier draw

was held atop Sydney's tallest building, the Sydney Tower. Broadcast live on Sky Thoroughbred Central, *The Everest* slot holders traversed the glass bottom walkway on top of the Sydney Tower before revealing their barrier for the race. These barrier draws provided a media moment to promote *The Everest* domestically and internationally, utilising Sydney's landmarks to raise awareness for the event.

The Kosciuszko sweepstakes concept again provided a unique and country focused element to the carnival. With the \$5 sweepstakes tickets sold from July to September, *The Kosciuszko* generates sustained media attention for several months leading into the race.

A record 275,000 tickets were sold in 2020/21, with 14 winners drawn who each received a slot in the race and shared in the prizemoney.

With owners, trainers, pubs, clubs and punters clubs all across NSW getting behind the concept, there is significant scope for *The Kosciuszko* to grown even further in future years.

The \$7.5 million *Golden Eagle* at Rosehill Gardens was held for the second time in October 2020 in front of a restricted audience of 6,000.

The race in just two years has established itself as the grand final target for the leading 4yo horses in Australia and has growing international interest.

With each runner in the race partnering with a charity who share 10% of the prizemoney, over \$750,000 was donated to charity in total.





The Hunter and The Gong

The Hunter and *The Gong* race meetings were launched with immediate success in 2019, providing a new major event for Newcastle and Wollongong as they each hosted a \$1 million race and stand-alone Saturday race meeting.

The second edition of these races in 2020 was impacted by COVID-19 crowd restrictions, however, the awareness and support for the events continued to grow.

These events provide a focal point for racing in their respective cities and an opportunity for racing to engage with younger demographics as has been achieved with *The Everest* in Sydney.

The continued focus for *The Hunter* and *The Gong* will be to develop the on-course experience and attract new racegoers to experience the excitement of Thoroughbred Racing.

The Championships

The Championships again proved itself as The Grand Finals of Australian Racing, attracting the best horses, trainers and jockeys in Australia to compete across all ages and distance ranges at Royal Randwick.

The event has cemented itself in the Australian racing calendar with the brand widely recognised synonymously with the grand final concept.

The Championships were again impacted by crowd restrictions in April 2020, limiting oncourse attendance to just 13,000. However, the quality of racing attracted audiences across Australia and internationally.

Equine Welfare Program

The Racing NSW Equine Welfare Program, known as Team Thoroughbred NSW, continued to operate throughout the COVID-19 pandemic to care for, retrain and rehome retired NSW Thoroughbred racehorses.

This Program continues to focus on building awareness and growing the demand for Thoroughbred horses after their racing careers.

Through regular social and digital content, the Equine

Welfare Team promote the breed and it's suitability for all manner of future careers.

This promotion includes the launch of a new podcast to engage with potential customers in a new way and provide insights from professionals on how they care for and train their Thoroughbreds.

Under the motto of 'For the Love of the Horse', the Equine Welfare Team focus on caring for and rehoming all Thoroughbred horses irrespective of their ability.

All horses, whether they be suitable as just paddock mates or as equestrian athletes, are treated equally.

Through partnerships with organisations such as BackTrack, Kari and Pony Club NSW, the Welfare Team have partnered with the Racing NSW Training Department to work with potential new industry participants and introduce them to Thoroughbred horses.

This direct engagement helps to demystify not just the racing industry, but the Thoroughbred breed and has seen many new owners of retired Thoroughbred racehorses.





Leonie Mendonca

General Manager
Marketing

In 2020/21, The Marketing and Media Department was responsible for promoting the major events of the NSW Thoroughbred Racing Industry, creating critical industry materials and implementing an on-going promotional strategy throughout the year. Collectively the team created thousands of items of content, worked closely with our media partners and supported the rest of the organisation to actively promote and grow the industry.

The team produces a variety of in-house content to promote racing and increase wagering such as tips and analysis provided for race meetings seven days a week, interviews and articles pertaining to daily race meetings, Punter's Intelligence analysis, provide personalities for radio (Sky Sports Radio/SEN) and TV (Sky Racing) for tips and discussion of race meetings. The appetite for this content continues to grow and is in high demand.

In addition, the team produces several print publications - the Racing NSW magazine, BOBs Sire Guide, Annual Reports, Strategic Plans including brochures, flyers, and interactive training modules to support the marketing initiatives of Team Thoroughbred NSW and Team Thoroughbred Training Academy.

The team develops, implements, and tracks social media campaigns across all Racing NSW accounts (Twitter, Facebook, Instagram and LinkedIn). Our significant database of subscribers receives weekly EDMs, titles include Front Runner, Media Update & Industry News, and Racing Tips.

Digital marketing is continuously evolving. Video is becoming more popular and easier to produce. Podcasts are growing rapidly in popularity. New social media platforms are emerging creating massive opportunities to adopt latest marketing trends to reach the digital consumer. To remain relevant in an ever-changing industry, the team stays up to date on all current trends, tools, and technology.

Racing NSW Magazine

Keeping our subscribers up to date with the racing calendar and industry news is the main objective of Racing NSW magazine. This publication is distributed to trainers, jockeys, owners and racing fans across Australia and includes metropolitan, provincial, and picnic racing news, feature stories, racing rules, programming, as well as race diary and stewards' announcements.

Social Media

By using organic social media marketing channels such as Twitter, Facebook, Instagram and LinkedIn we are able to grow and inform our audience of followers. Each of these social media channels caters to a diverse audience, with a particular focus on the 18-35yo demographic. We research and formulate our content around these audiences to increase their engagement in racing. The content strategy consists of a mixture of stories, photos, images, videos, contests, and information that helps drive wagering such as barrier draws, speed maps, racehorse profiles, tips, previews and analysis.

Our approach is simple. We use data to measure, track and analyse to see what methods work to achieve better results. Our main focus is performance, we implement tactical optimisation to ensure the campaigns perform at their peak.

Major Events

While the team's focus is to increase awareness, engagement and wagering on racing 52 weeks a year, we also plan, implement, monitor, and track specific campaigns that are designed to promote Racing NSW's major events. This includes *The Country and Provincial Championships series, The Star Championships, The Everest, The Kosciuszko, The Invitation, The Golden Eagle, The Five Pillars, The Hunter and The Gong* race meetings. The team also support our race clubs in promoting their other feature events.

Across these major events, the team creates campaigns using TV, radio, print, digital, outdoor and social media. This content is designed to raise brand awareness, promote attendance, and drive wagering on these events. A key focus is to also attract a younger audience to racing, in particular with the Everest which has proven successful in establishing itself as a race for the 18-35 year old demographic.



John Galvin
General Manager
– Workers
Compensation

Workers Compensation

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

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

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

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

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

2020/21 Performance

During 2020/21 the Racing NSW Workers Compensation Fund received 533 new claims which represented a decrease of 4% on the 555 claims that were received during 2019/20.

The Fund experienced a claims revenue to claims costs surplus of \$1.1 million during 2020/21 due primarily to maintaining solid return to work rates, the containment of the size of the open claims portfolio and the decrease in the new claims incidence.

The actuarial valuation of the possible future liability of the Fund at 30 June 2021 was assessed at \$45.7 million which was a deterioration of \$1.6 million (3.6%) on the valuation at 30 June 2020 of \$44.1 million. The valuation at 30 June 2021 is \$1.1 million (2.4%) higher than what had been projected at 30 June 2020.

The deterioration in the valuation was found to have been driven materially by an isolated claim for catastrophic injury during the year in which significant costs have already been incurred and where the estimate for future outstanding liability is very high.

Additionally, some recent Court rulings in proceedings unrelated to Racing NSW have resulted in some anticipated significant claims costs recoveries not being realised.

The Fund achieved an overall loss of \$0.5 million for the 2020/21 financial year. The Board of Racing New South Wales has set a strategic target of maintaining a reserve of \$5 million which was first achieved in 2018/19.

It is pleasing to note that despite the deficit for the 2020/21 year, the Board's strategic target is maintained with an amount of \$5.6 million currently in reserve.

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

SUMMARY OF ACTUARIAL ESTIMATE OF OUTSTANDING CLAIMS LIABILITIES

	Estimate of Liability as at 30 June 2021 (\$m)	Projected Estimate of Liability as at 30 June 2021 (2020 Valuation) (\$m)	Estimate of Liability as at 30 June 2020 (\$m)	Projected Estimate of Liability to 30 June 2022 (2021 Valuation) (\$m)
Net Central Estimate ¹	38.0	37.2	36.7	37.8
Risk Margin	7.6	7.4	7.3	7.5
Outstanding Claims Provision ²	45.7	44.6	44.1	45.3

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

2020/21 Actuarial Assessment

The 2020/21 actuarial assessment was conducted by Finity Consulting Pty Ltd ("Finity"). At 30 June 2021 the net provision for outstanding claims liability (inclusive of a 20% prudential margin) is \$45.7 million.

This represents an increase of \$1.1 million on the projection of \$44.6 million made in the 2020 valuation. The current valuation of \$45.7 million represents an increase of \$1.6 million on the Fund's assessed liability of \$44.1 million as at 30 June 2020.

The estimate of the outstanding claims liability includes an allowance for future inflation of claims payments at 2.25% per annum (an increase from 2.00% in 2020) and is discounted at 1.37% per annum (an improvement on 1% in 2020) to allow for future investment income earned between the valuation date and expected payment date.

The increase in the discount rate implies increased investment earnings and has helped offset the impact of the inflation increase.

Claims Incidence

There were 533 workers compensation claims received during 2020/21 which was 4% lower than the 2019/20 new claims incidence of 555 claims.

The new claims incidence during 2020/21 was 1.7% lower than the average claims incidence of 542 claims

across the previous five claim years. There were 264 open claims at 30 June 2021.

Claims Profile

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

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

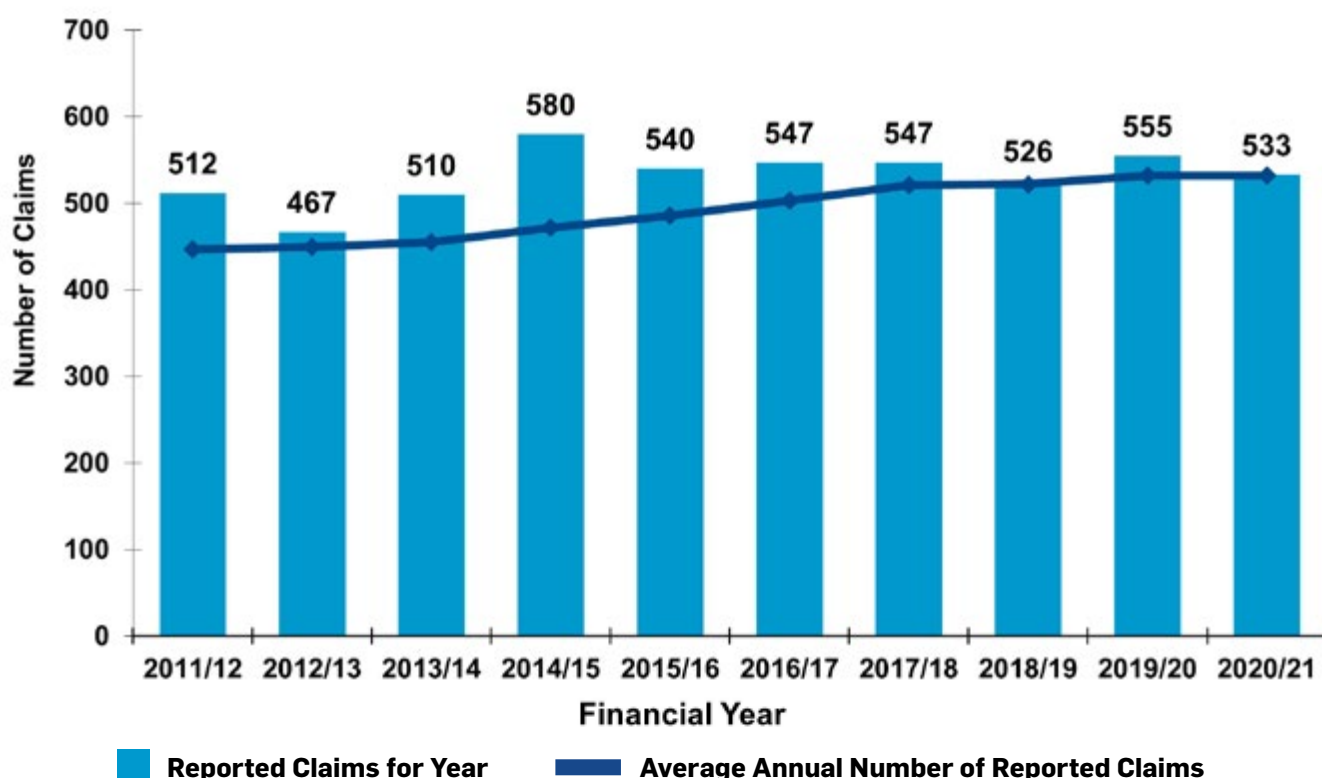
The following tables provide an insight into the nature of workers compensation claims lodged during 2020/21.

The profile of the 2020/21 claims portfolio is similar to that of previous years insofar as:

- the highest incidence of injuries arises out of trackwork riding (36% of injuries);
- the most common mechanisms of injury arise from being struck in some manner by a horse (37% of injuries) and falling from a horse (32%); and
- injuries most commonly sustained are sprains, strains and soft tissue injuries (30% of all injuries), general fractures (15%) and trauma to joints and ligaments (14%).

FOOTNOTE: In September 2021, after 11 years of tenure, John Galvin retired from his role as a General Manager-Workers Compensation. During the last 11 years John has consolidated workers compensation function and introduced a number of initiatives that led to a reduction of a \$9.2m deficit reported by the fund upon his commencement with Racing NSW. John was succeeded by Joanna Rai who started as a GM-Workers Compensation on 6 September 2021.

INCURRED CLAIMS BY FINANCIAL YEAR



2020/21 CLAIMS BY MECHANISM OF INJURY

Being struck by a horse	199	37.34%
Falls from a horse (or other height)	170	31.89%
Muscular stress while lifting, carrying or handling	72	13.51%
Falls on the same level (slips and falls)	29	5.44%
Being trapped between stationary and moving objects	20	3.75%
Being hit by falling objects	10	1.88%
Contact with machinery or moving objects	8	1.50%
Hitting stationary objects	6	1.13%
Workplace conflict/stress	6	1.13%
Being bitten by a horse	4	0.75%
Repetitive Movement	3	0.56%
Exposure to environmental heat	3	0.56%
Exposure to noise	3	0.56%
TOTAL	533	100.00%

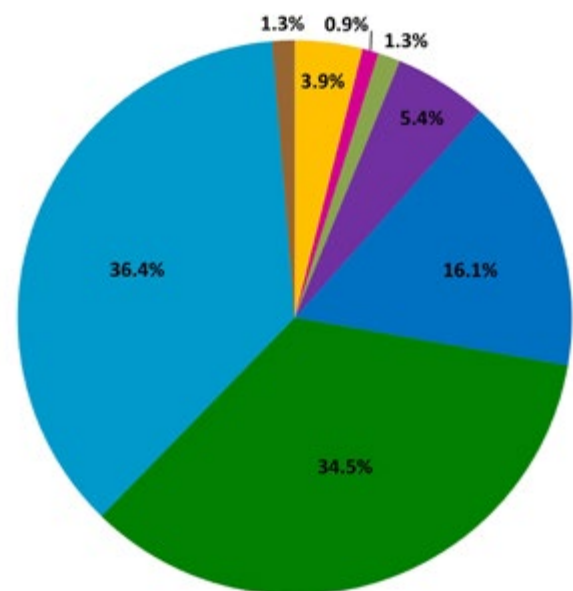
2020/21 CLAIMS BY BODY PART

Back	61	11.44%
Leg	45	8.44%
Shoulder	44	8.26%
Foot/Toes	42	7.88%
Hand/Fingers	41	7.69%
Knee	35	6.57%
Ankle	31	5.82%
Face/Nose	27	5.07%
Specified multiple locations	25	4.69%
Head (simple frank injury)	22	4.13%
Head with concussion	21	3.94%
Neck	20	3.75%
Wrist	19	3.56%
Ribs	15	2.81%
Mouth/Tooth	15	2.81%
Hip	11	2.06%
Pelvic Bones, Muscles and Tendons	11	2.06%
Arm	10	1.88%
Chest/Trunk	10	1.88%
Psychological	6	1.13%
Elbow	6	1.13%
Abdomen	5	0.94%
Internal organs	5	0.94%
Eye	3	0.56%
Ear	3	0.56%
TOTAL	533	100.00%

2020/21 CLAIMS BY INJURY TYPE

Sprain, Strain or Soft Tissue Injury	162	30.39%
General Fractures	79	14.82%
Trauma to joints and ligaments	76	14.26%
Contusion, bruising and superficial crushing	41	7.69%
Trauma to muscles and tendons	28	5.25%
Laceration or open wound	27	5.07%
Superficial injury	24	4.50%
Fractured skull and facial bones (including teeth)	22	4.13%
Concussion	21	3.94%
Dislocation	14	2.63%
Multiple injuries	12	2.25%
Fractured vertebrae	9	1.69%
Psychological injury	6	1.13%
Internal injury of chest, abdomen or pelvis	5	0.94%
Hearing loss	3	0.56%
Foreign body in eye	3	0.56%
Traumatic amputation	1	0.19%
TOTAL	533	100.00%

2020/21 CLAIMS BY OCCUPATION OF INJURED WORKER



- Club – Hospitality Staff
- Club – Management/Admin Staff
- Club – Raceday Staff/Official
- Club – Track/Maintenance Staff
- Jockey
- Stablehand
- Trackwork Rider
- Trainer

Racing NSW Information Technology (Racing NSW IT)

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

- Provide support to internal and external Racing NSW end users;
- Oversee the integrity and security of the Racing NSW information systems;
- System Development and Maintenance;
- Project co-ordination and implementation;
- Objectives achieved include;
- Expansion of cyber security systems;
- Data protection; and
- Hybrid cloud resources.

Expansion of Cyber Security Systems

Recent implementation of endpoint protection across all computers and devices with a leading quadrant company.

Cloud-based monitoring and remediation of compromised computer or device.

Data Protection

Recently upgraded to multiple cloud backup solutions offering:

- Anti-ransomware protection for all data;
- Reliable verified backups;
- Fast restore options, and
- On-premise virtual system restore.

Hybrid Cloud Resources

Utilising AWS and Microsoft, Racing NSW can safely operate off premise if access to the head office was unavailable. Remote SSL VPN connections for all staff members with cloud access to all Racing NSW data and services.

RICG (RACING INDUSTRY CONSULTATION GROUP)



The Racing Industry Consultation Group ("RICG") was established by the Thoroughbred Racing Act 1996 (NSW) with the main function of consulting with, and making recommendations to, Racing NSW concerning horse racing in the State.

RICG is comprised of the following representatives of the relevant associations/organisations:

- NSW Racehorse Owners Association: Tom O'Callaghan (Chairman Aug-May 2021)
- Australian Turf Club: Steve McMahon (Vice Chairman 2021 & Chairman May 2021)
- Australian Turf Club: Jamie Barkley
- Provincial Racing Association: Matt Benson
- Racing NSW Country: Bob Pavitt
- NSW Jockeys Association: Kerrin McEvoy
- NSW Trainers Association: Michael Callanan
- Thoroughbred Breeders NSW: Hamish Esplin
- Unions NSW: Jeff Buhler

During 2020/21 RICG discussions were held on a number of topics, including –

- COVID-19 and industry plans
- Wagering and impact on industry participants and race clubs
- Racing NSW Strategic Plan

- NSW Government funding 'racing for the regions'
- Horse Welfare
- Racing and training infrastructure
- Industry training and skills
- Changes to Rules of Racing, national and local
- Crown Lands Act review
- Insurance matters

We would like to thank all members of RICG for their time and valuable contributions.

In particular, during Covid, the bodies they represent have, in a magnificent display of discipline and solidarity and mutual support, ensured that the 'show must go on', despite the very challenging conditions the pandemic has continued to present.

In that regard, on behalf of RICG, and the bodies it represents, I wish also to record our thanks to Peter V'landys AM (Racing NSW's CEO) and Russell Balding AO (Racing NSW Chairman) for the inspirational leadership they have demonstrated through these times.

Last, we wish to thank Michael Callanan for taking over the role of Chairman for the 2021/22 season ahead.

- Tom O'Callaghan & Steve McMahon
RICG Chairmen in 2021)

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

Appeal Panel Members

Mr Richard Beasley SC (Principal Member)	
Jo-Anne Avellano	Tom Carlton
Cliff Clare	Ross Clugston
Mark Daniels	Judith Foley
Tim Hale SC	Sandra Hudson
Anthony King	Kevin Langby
Peter Losh	Jo Madsen
Tony Marney	Carole Molyneux-Richards
James Murphy	John Nicholson
Steve Parr	John Rouse
Phillip Santucci	Sharon Skeggs
Colin Tuck	Leo Vellis

Executive for Appeal Panel

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

Avenue of Appeal

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

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

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

Appeal Panel

The Sydney-based Appeal Panel sat on 40 occasions during 2020/21, the Panel was chaired on those occasions as follows:

Chaired By	Number of Occasions
Richard Beasley SC (Principal Member)	32
Tim Hale SC	2
Leo Vellis	4
Phillip Santucci	2

Within those 40 sittings there were 134 charges Appealed. The Appeal on a further 4 charges were withdrawn either prior to or at the time of hearing.

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

DECISION ON CHARGES

AREA	UPHELD	DISMISSED	PENALTY VARIED	WITHDRAWN	\$200 REFUNDED	TOTAL CHARGES
Appeal Panel	42	92	120	4	38	138
Racing Association	1	1	2	0	1	2

SUMMARY OF CHARGES APPLICABLE TO APPEAL CASES LODGED

RULE	DESCRIPTION	AMOUNT
AR52	Upon the death of a named horse which has not been retired from racing under AR 51 the manager or his or her authorised agent must, within 24 hours of the horse being deceased, notify Racing Australia of that by lodging the relevant death notification form prescribed by Racing Australia; and the manager must not dispose of the horse without the written approval of the relevant PRA unless a veterinary certificate as to cause of death is provided to the relevant PRA. Any person who fails to comply with subrules (1) or (2) is not guilty of a breach of the relevant subrule if he or she proves to the satisfaction of the Stewards that he or she was not aware, and could not reasonably have been aware, of the death of the horse.	1
AR115(1)(c)	A jockey or apprentice jockey must not bet, or have any interest in a bet, or facilitate a bet, on any race.	28
AR115(1)(e)	A jockey or apprentice jockey must not bet, or have any interest in a bet, on any race or contingency relating to thoroughbred racing involving a race in which he or she is riding.	2
AR120(1)	A person must not act in the capacity of rider's agent unless the person has been licensed by a PRA to do so.	1
AR120(3)	A jockey, apprentice jockey or the master of an apprentice jockey must not authorise any person to be his or her rider's agent unless that person has been licensed by a PRA as a rider's agent.	1

RULE	DESCRIPTION	AMOUNT
AR125	Riders may use spurs provided they are blunt and of a type approved by Racing Australia, a PRA, or the Stewards.	1
AR129(2)	A rider must take all reasonable and permissible measures throughout the race to ensure that the rider's horse is given full opportunity to win or to obtain the best possible place in the field.	4
AR131(a)	A rider must not, in the opinion of the Stewards engage in careless, reckless, improper, incompetent or foul riding.	19
AR132(7)(a)(ii)	Subject to the other requirements in this rule prior to the 100 metre mark in a race, official trial or jump-out the whip must not be used on more than 5 occasions except where there have only been minor infractions and the totality of the whip use over the whole race is less than permitted under subrules (7)(a) and (b) and also having regard to the circumstances of the race, including distance and 83 context of the race (such as a staying race or a rider endeavouring to encourage the rider's horse to improve).	2
AR134	In a race, official trial, jump-out or trackwork, or elsewhere, a rider must not use his or her spurs in an excessive, unnecessary or improper manner.	1
AR139(1)(a)	A rider breaches these Australian Rules if a banned substance under AR 136(1) is detected in a sample taken from the rider.	2
AR219(5)	A person must not make a protest under subrule (3) which, in the opinion of the Stewards, is frivolous.	1
AR227(a)	Without limiting any other powers, a PRA or the Stewards may penalise any person who commits any breach of the Rules, or engages in conduct or negligence which has led or could have led to a breach of the Rules.	2
AR227(b)	Without limiting any other powers, a PRA or the Stewards may penalise any person who attempts to commit, aids, abets, counsels, procures, connives at, approaches or requests another person to commit, conspires with another person to commit, or is a party to another person who commits, a breach of the Rules.	1
AR228(a)	A person must not engage in conduct prejudicial to the image, interests, integrity, or welfare of racing, whether or not that conduct takes place within a racecourse or elsewhere.	2
AR228(b)	A person must not engage in misconduct, improper conduct or unseemly behaviour.	6
AR228(c)	A person must not engage in improper or insulting behaviour at any time towards a PRA, the Stewards, a Club, or any official, employee, contractor or agent of any of them in relation to the relevant person's functions, powers or duties.	2
AR228(d)	A person must not engage in publishing or posting on any social media platform or channel any material, content or comment that is obscene, offensive, defamatory, racist, threatening, harassing, discriminatory or abusive to or about any other person involved in the racing industry.	1
AR229(1)(a)	A person must not engage in any dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing.	1
AR229(1)(h)	A person must not make a false or misleading statement or declaration in relation to a matter in connection with the administration or control of racing.	3
AR231(1)(a)	A person must not commit or commission an act of cruelty to a horse, or be in possession of any article or thing which, in the opinion of the Stewards, is capable of inflicting cruelty to a horse.	1
AR231(2)(b)	A person must not have in the person's possession any electric or electronic apparatus or other device capable of affecting the performance of a horse in a race, official trial, jump-out or training gallop.	1
AR232(b)	A person must not fail or refuse to comply with an order, direction or requirement of the Stewards or an official.	1
AR232(i)	A person must not give any evidence at an interview, investigation, inquiry, hearing and/or appeal which is false or misleading.	8
AR232(h)	A person must not refuse or fail to attend or give evidence at an interview, investigation, inquiry, hearing or appeal when directed or requested to do so by a PRA, the Stewards or a person authorised by a PRA or the Stewards.	1
AR233(c)	A person must not engage in sexual harassment of a person employed, engaged in, or participating in the racing industry.	1

RULE	DESCRIPTION	AMOUNT
AR236	A person must not bet with or for a jockey or apprentice jockey, or give or offer a rider any pecuniary or other gift or consideration, contrary to these Australian Rules.	30
AR240(2)	Subject to subrule (3), if a horse is brought to a racecourse for the purpose of participating in a race and a prohibited substance on Prohibited List A and/or Prohibited List B is detected in a sample taken from the horse prior to or following its running in any race, the trainer and any other person who was in charge of the horse at any relevant time breaches these Australian Rules.	4
AR245(1)(a)	A person must not administer a prohibited substance on Prohibited List A and/or Prohibited List B to a horse which is detected in a sample taken from the horse prior to or following the running of a race.	1
AR249(1)(a)	Notwithstanding the provisions set out in Schedule 1, Part 2, Division 2, a person must not, without the permission of the Stewards administer any medication to a horse at any time on race day prior to the commencement of a race in which the horse is engaged to race.	3
AR252(1)	A person must not have in his or her possession or on his or her premises any medication, substance or preparation which has not been registered, labelled, prescribed, dispensed or obtained in accordance with applicable Commonwealth and State legislation.	1
AR256(1)(a)(iii)	A person must not supply a substance or preparation that is not permitted to be in a person's possession or on a person's premises in accordance with AR 252(1).	1
LR51(a)(i)	It is a condition of any Licence that the licensee must notify Racing NSW within 14 days if the licensee is charged with a criminal offence.	1
LR114(4)	A registered owner, trainer or any person that is in charge of or has in his or her possession, control or custody of any horses (Eligible Horses, Unnamed Horses and Named Horses) is not to euthanize or destroy a horse (or permit a horse to be euthanized or destroyed) unless a registered veterinary surgeon has certified in writing that it necessary on welfare or safety grounds or for reasons approved in writing by Racing NSW or unless under extreme circumstances where it is necessary for a horse to be euthanized immediately and the decision is subsequently confirmed by a veterinary surgeon.	1
LR114(5)(e)	Further to AR64JA(1), where a decision has been made to retire a horse, or not to commence racing an Eligible Horse, and that horse has been domiciled in New South Wales for the majority of its life the horse is not to be, directly or indirectly, sent to an abattoir, knackery or similarly disposed of.	2
TOTAL		138

REPRESENTATION TABLE

	Dismissed	Upheld
Represented by Solicitor/Master	81	38
Represented Self	11	4
Totals	92	42

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

Racing Appeals Tribunal

Racing Appeals Tribunal comprised of:
 David Armati, *Racing Appeals Tribunal*
 Anthony Lo Surdo SC, *Acting Racing Appeals Tribunal*
 Peter V'landys AM, *Secretary Racing Appeals Tribunal*
 Kathy Reece, *Appeals Coordinator*

There were 10 Appeals determined by the Racing Appeals Tribunal during 2020/21 which comprised 90 charges:

Presided Over By	Dismissed	Upheld	Withdrawn
Mr D Armati	15	7	67
Mr A Lo Surdo SC	-	1	-
Total	15	8	67

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

BOBS has entered its 19th year and gets stronger each season, having paid out 1264 BOBS bonuses during the 2020/21 racing season for a total of nearly \$12 million including bonuses and double up vouchers.

These figures show how successful the BOBS scheme is, but even more impressive when paired with BOBS Extra where this year saw an extra \$535,000 was distributed to owners of BOBS Extra horses.

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

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

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

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

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

The change has added a further \$2 million annually to bonus payments from BOBS to the owner of mares. Racing NSW funds \$1 million of the additional monies to broodmare owners.

Some quick facts on BOBS: -

- In 2020/21 there were 1264 BOBS bonuses paid;
- Racing NSW has paid out more than \$164 million in bonus prizemoney since BOBS began 19 years ago;
- Of the BOBS bonuses won, two-year-old horses won 177 (14%) and three-year-old horses accounted for 1087 (86%) wins;
- Some 15 of the 17 leading sires by value of bonuses are Australian-bred, and
- Since the double-up option was introduced in January 2005, more than \$52 million has been put back into the NSW Breeding Industry through this scheme, benefiting not just breeders, but also owners and trainers.

BOBS BONUSES WON BY NUMBER PER MONTH

	2017/18	2018/19	2019/20	2020/21
August	54	66	50	52
September	81	69	73	69
October	88	70	83	74
November	91	97	79	80
December	92	100	81	86
January	106	94	98	114
February	100	112	92	107
March	121	123	121	98
April	133	117	125	145
May	150	155	153	151
June	134	162	151	124
July	157	159	142	164
TOTAL	1307	1324	1248	1264

BOBS EXTRA BONUSES WON BY NUMBER PER MONTH

	2017/18	2018/19	2019/20	2020/21
August	11	8	13	9
September	7	12	3	8
October	13	7	8	10
November	11	12	4	4
December	18	9	9	1
January	13	6	5	6
February	7	6	5	6
March	8	3	6	5
April	9	8	2	4
May	10	7	4	6
June	7	5	5	3
July	8	5	4	8
TOTAL	122	88	68	70

SEASON 2020/21 – BOBS BONUS WINNERS SIRES BY VALUE

Stallion	Standing At	Bonuses	Wins
Snitzel	Arrowfield Stud	\$540,000	55
I Am Invincible	Yarraman Park Stud	\$461,250	54
Nicconi	Widden Stud	\$338,906.25	51
Sebring	Widden Stud	\$271,406.25	33
Deep Field	Newgate Farm	\$258,750	34
Real Impact (Jpn)	Arrowfield Stud	\$236,250	31
Not A Single Doubt	Arrowfield Stud	\$225,000	29
Vancouver	Coolmore Australia	\$219,375	28
Exceed And Excel	Godolphin	\$208,125	32
Pride Of Dubai	Coolmore Australia	\$202,500	28
Hinchinbrook	Yarraman Park Stud	\$196,875	22
All Too Hard	Vinery Stud	\$187,031.25	25
So You Think (NZ)	Coolmore Australia	\$181,406.25	27

SEASON 2020/21 – BOBS EXTRA BONUS WINNERS SIRES BY VALUE

Stallion	Standing At	Bonuses	Wins
Dundeel (NZ)	Arrowfield Stud	\$60,000	6
Lope De Vega (Ire)	Patinack Farm	\$50,000	6
So You Think (NZ)	Coolmore Australia	\$50,000	6
All Too Hard	Vinery Stud	\$50,000	4
More Than Ready (USA)	Vinery Stud	\$30,000	2
Pierro	Coolmore Australia	\$25,000	5
Zoffany (Ire)	Coolmore Australia	\$25,000	4
Camelot (GB)	Coolmore Australia	\$20,000	1
Shamus Award	Widden Stud	\$20,000	1
Snitzel	Arrowfield Stud	\$20,000	1

SEASON 2020/21 – BOBS BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
Oscar Zulu	Epaulette	Chris Waller	\$90,000	4
Malkovich	Choisir	Bjorn Baker	\$67,500	5
Private Eye	Al Maher	Joseph Pride	\$67,500	5
Count De Rupee	Real Impact (Jpn)	Robert & Luke Price	\$56,250	4
Blondeau	I Am Invincible	Chris Waller	\$56,250	3
Forbidden Love	All Too Hard	Richard & Michael Freedman	\$56,250	3
Ballistic Lover	Smart Missile	Joseph Pride	\$50,625	4
Majestic Shot	Shooting To Win	Grand Allard	\$45,000	5
Gravina	Sebring	James Cummings	\$45,000	2
Stay Inside	Extreme Choice	Richard & Michael Freedman	\$45,000	2
Wild Ruler	Snitzel	Peter & Paul Snowden	\$45,000	2

SEASON 2020/21 – BOBS EXTRA BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
Entente	Dundeel (NZ)	Gai Waterhouse & Adrian Bott	\$40,000	2
Steely	All Too Hard	Gerald Ryan	\$40,000	2
Brown Thomas	Lope De Vega (Ire)	Garry White	\$35,000	3
Avion Fury	More Than Ready (USA)	Glen Thompsons	\$30,000	2
Brutality	Shamus Award	Joseph Pride	\$20,000	1
Welsh Legend	Camelot (GB)	Chris Waller	\$20,000	1
Word For Word	So You Think (GB)	Chris Waller	\$20,000	1

SEASON 2020/21 – LEADING BOBS WINNING TRAINER

Trainer	Location	Bonuses	Wins
Chris Waller	Rosehill Gardens	\$866,250	79
Peter & Paul Snowden	Royal Randwick	\$500,625	65
James Cummings	Royal Randwick	\$405,000	46
Gai Waterhouse & Adrian Bott	Royal Randwick	\$388,125	49
Kris Lees	Newcastle	\$327,656.25	46
Bjorn Baker	Warwick Farm	\$309,375	36
Gary Portelli	Warwick Farm	\$286,875	39
Richard & Michael Freedman	Royal Randwick	\$270,000	25
Mark Newnham	Royal Randwick	\$264,375	34
Michael, Wayne & John Hawkes	Royal Randwick	\$247,500	22
Paul Perry	Newcastle	\$202,500	30

SEASON 2020/21 – LEADING BOBS EXTRA WINNING TRAINER

Trainer	Location	Bonuses	Wins
Chris Waller	Rosehill Gardens	\$80,000	5
Gai Waterhouse & Adrian Bott	Royal Randwick	\$45,000	3
Gerald Ryan & Alexiou Sterling	Rosehill Gardens	\$40,000	2
Garry White	Hawkesbury	\$35,000	4
Glen Thompson	Warwick Farm	\$30,000	2
Matthew Smith	Warwick Farm	\$20,000	3
Joseph Pride	Warwick Farm	\$20,000	1
Garry Lunn	Dubbo	\$15,000	3
Joseph Pride	Warwick Farm	\$15,000	2



BOBS Horse of the Year, Oscar Zulu and Hugh Bowman score at Rosehill. Picture by Bradley Photographers

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
1	WINX STAKES	1400	500,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	GEORGE MAIN STAKES	1600	500,000	KOLDING (NZ)	CHRIS WALLER
1	GOLDEN ROSE STAKES	1400	1,000,000	OLE KIRK	M,W & J HAWKES
1	EPSOM HCP	1600	1,000,000	PROBABEL (NZ)	JAMIE RICHARDS
1	THE METROPOLITAN	2400	750,000	MIRAGE DANCER (GB)	TRENT BUSUTTIN & NATALIE YOUNG
1	FLIGHT STAKES	1600	500,000	MONTEFILIA	DAVID PAYNE
1	SPRING CHAMPION STAKES	2000	1,000,000	MONTEFILIA	DAVID PAYNE
1	CHIPPING NORTON STAKES	1600	600,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	SURROUND STAKES	1400	500,000	FORBIDDEN LOVE	RICHARD & MICHAEL FREEDMAN
1	RANDWICK GUINEAS	1600	1,000,000	LION'S ROAR (NZ)	JOHN O'SHEA
1	CANTERBURY STAKES	1300	500,000	SAVATIANO	JAMES CUMMINGS
1	COOLMORE CLASSIC	1500	600,000	KRONE	TONY GOLLAN
1	GOLDEN SLIPPER STAKES	1200	3,500,000	STAY INSIDE	RICHARD & MICHAEL FREEDMAN
1	GEORGE RYDER STAKES	1500	1,000,000	THINK IT OVER	KERRY PARKER
1	RANVET STAKES	2000	700,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	ROSEHILL GUINEAS	2000	600,000	MO'UNGA (NZ)	ANNABEL NEASHAM
1	THE GALAXY	1100	700,000	EDUARDO	JOSEPH PRIDE
1	THE BMW	2400	1,500,000	SIR DRAGONET (IRE)	C MAHER & D EUSTACE
1	VINERY STUD STAKES	2000	500,000	HUNGRY HEART	CHRIS WALLER
1	DONCASTER HANDICAP	1600	3,000,000	CASCADIAN (GB)	JAMES CUMMINGS
1	T J SMITH STAKES	1200	2,500,000	NATURE STRIP	CHRIS WALLER
1	ATC AUSTRALIAN DERBY	2400	2,000,000	EXPLOSIVE JACK (NZ)	C MAHER & D EUSTACE
1	ATC SIRES PRODUCE STAKES	1400	1,000,000	ANAMOE	JAMES CUMMINGS
1	QUEEN ELIZABETH STAKES	2000	4,000,000	ADDEYBB (IRE)	WILLIAM HAGGAS
1	ATC OAKS	2400	1,000,000	HUNGRY HEART	CHRIS WALLER
1	SYDNEY CUP	3200	2,000,000	SELINO (GB)	CHRIS WALLER
1	QUEEN OF THE TURF STAKES	1600	1,000,000	NETTOYER	WENDY ROCHE
1	ALL AGED STAKES	1400	600,000	KOLDING (NZ)	CHRIS WALLER
1	CHAMPAGNE STAKES	1600	500,000	CAPTIVANT	PETER & PAUL SNOWDEN
2	MISSILE STAKES	1200	200,000	EDUARDO	JOSEPH PRIDE
2	SILVER SHADOW STAKES	1200	200,000	DAME GISELLE	PETER & PAUL SNOWDEN
2	CHELMSFORD STAKES	1600	250,000	MISTER SEA WOLF (IRE)	CHRIS WALLER
2	FURIOUS STAKES	1200	200,000	DAME GISELLE	PETER & PAUL SNOWDEN
2	TRAMWAY HCP	1400	200,000	DREAMFORCE	JOHN THOMPSON
2	THE RUN TO THE ROSE	1200	200,000	ROTHFIRE	ROBERT HEATHCOTE
2	THEO MARKS STAKES	1300	200,000	WILD PLANET	M,W & J HAWKES
2	SHERACO STAKES	1200	200,000	HAUT BRION HER	CHRIS WALLER
2	THE SHORTS	1100	500,000	CLASSIQUE LEGEND	LES BRIDGE
2	TEA ROSE STAKES	1400	200,000	DAME GISELLE	PETER & PAUL SNOWDEN
2	SHANNON STAKES	1500	200,000	I AM SUPERMAN (IRE)	PETER & PAUL SNOWDEN
2	GOLDEN PENDANT	1400	400,000	SUBPOENAED (NZ)	CHRIS WALLER
2	HILL STAKES	2000	500,000	KOLDING (NZ)	CHRIS WALLER
2	PREMIERE STAKES	1200	500,000	LIBERTINI	ANTHONY CUMMINGS
2	STAN FOX STAKES	1500	250,000	PELTZER	GERALD RYAN & STERLING ALEXIOU
2	ROMAN CONSUL STAKES	1200	300,000	WILD RULER	PETER & PAUL SNOWDEN
2	VILLIERS STAKES	1600	250,000	GREYSFUL GLAMOUR	MARK NEWNHAM
2	EXPRESSWAY STAKES	1200	200,000	SAVATIANO	JAMES CUMMINGS
2	APOLLO STAKES	1400	250,000	COLETTE	JAMES CUMMINGS
2	LIGHT FINGERS STAKES	1200	200,000	EVERY ROSE	MARK NEWNHAM
2	SILVER SLIPPER STAKES	1100	250,000	HOME AFFAIRS	CHRIS WALLER
2	HOBARTVILLE STAKES	1400	400,000	AEGON	M BAKER & A FORSMAN
2	MILLIE FOX STAKES	1300	200,000	SUBPOENAED (NZ)	CHRIS WALLER
2	SKYLINE STAKES	1200	200,000	O'PRESIDENT	CHRIS WALLER
2	SWEET EMBRACE STAKES	1200	200,000	FOUR MOVES AHEAD	JOHN SARGENT
2	HOT DANISH STAKES	1400	500,000	SAVATIANO	JAMES CUMMINGS
2	GUY WALTER STAKES	1400	200,000	KRONE	TONY GOLLAN
2	CHALLENGE STAKES	1000	500,000	EDUARDO	JOSEPH PRIDE
2	REISLING STAKES	1200	300,000	GLISTENING	RICHARD & MICHAEL FREEDMAN
2	TODMAN STAKES	1200	300,000	ANAMOE	JAMES CUMMINGS
2	PHAR LAP STAKES	1500	200,000	HUNGRY HEART	CHRIS WALLER
2	AJAX STAKES	1500	200,000	I AM SUPERMAN (IRE)	PETER & PAUL SNOWDEN
2	TULLOCH STAKES	2000	200,000	YALETOWN	GAI WATERHOUSE & A BOTT
2	EMANCIPATION STAKES	1500	200,000	NIMALEE	MATTHEW SMITH
2	CHAIRMAN'S HANDICAP	2600	300,000	QUICK THINKER	M BAKER & A FORSMAN

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
2	ARROWFIELD 3YO SPRINT	1200	1,000,000	WILD RULER	PETER & PAUL SNOWDEN
2	PERCY SYKES STAKES	1200	1,000,000	JAMAEA	ROBERT & LUKE PRICE
2	SAPPHIRE STAKES	1200	300,000	FASIKA	JOSEPH PRIDE
3	UP AND COMING STAKES	1300	160,000	NORTH PACIFIC	M,W & J HAWKES
3	SHOW COUNTY QUALITY HCP	1200	160,000	ROHERYN	JAMES CUMMINGS
3	TOY SHOW F-&-M QLTY HCP	1100	160,000	SWEET DEAL	JOHN THOMPSON
3	SAN DOMENICO STAKES	1100	160,000	ANDERS	C MAHER & D EUSTACE
3	PREMIER'S CUP	1900	160,000	MUGATOO (IRE)	KRIS LEES
3	MING DYNASTY QUALITY HCP	1400	160,000	HOLYFIELD	C MAHER & D EUSTACE
3	CONCORDE STAKES	1000	160,000	GYTRASH	GORDON RICHARDS
3	CAMERON HCP	1500	160,000	ROCK	M,W & J HAWKES
3	NEWCASTLE CUP	2300	200,000	MUGATOO (IRE)	KRIS LEES
3	TIBBIE STAKES	1400	160,000	ALL SAINTS' EVE (NZ)	JOHN O'SHEA
3	KINGSTON TOWN STAKES	2000	160,000	TAIKOMOCHI	GAI WATERHOUSE & A BOTT
3	BILL RITCHIE HANDICAP	1400	160,000	PROBABEEL (NZ)	JAMIE RICHARDS
3	GLOAMING STAKES	1800	200,000	LOVE TAP	RICHARD & MICHAEL FREEDMAN
3	COLIN STEPHEN QUALITY	2400	160,000	ATTORNEY (FR)	MATTHEW SMITH
3	BREEDERS' PLATE	1000	160,000	SHAQUERO	CHRIS WALLER
3	GIMCRACK STAKES	1000	160,000	ENTHAAR	C MAHER & D EUSTACE
3	ANGST STAKES	1600	160,000	EMERALDS	JOHN SARGENT
3	CRAVEN PLATE	2000	500,000	THINK IT OVER	KERRY PARKER
3	THE NIVISON	1200	200,000	POSITIVE PEACE	BJORN BAKER
3	SPRING STAKES	1600	160,000	THE ELANORA	CHRIS WALLER
3	FESTIVAL STAKES	1500	160,000	OUTRAGEOUS	M,W & J HAWKES
3	SUMMER CUP	2000	160,000	SPIRIT RIDGE (GB)	MARK NEWNHAM
3	BELLE OF THE TURF STAKES	1600	160,000	THREEOOD	JOSEPH PRIDE
3	SYDNEY STAKES	1200	500,000	TRUMBULL (NZ)	KIM WAUGH
3	WIDDEN STAKES	1100	160,000	MALLORY	GERALD RYAN & STERLING ALEXIOU
3	CANONBURY STAKES	1100	160,000	ZETHUS	JAMES CUMMINGS
3	ESKIMO PRINCE STAKES	1200	160,000	PELTZER	GERALD RYAN & STERLING ALEXIOU
3	SOUTHERN CROSS STAKES	1200	160,000	MASKED CRUSADER	M,W & J HAWKES
3	TRISDAY STAKES	1200	160,000	TAILLEUR	JAMES CUMMINGS
3	LIVERPOOL CITY CUP	1300	160,000	THINK IT OVER	KERRY PARKER
3	NEWCASTLE NEWMARKET HCP	1400	160,000	GEM SONG	KRIS LEES
3	ASPIRATION QUALITY	1600	160,000	MISSYBEEL (NZ)	BJORN BAKER
3	WENONA GIRL QUALITY	1200	160,000	VULPINE	BRAD WIDDUP
3	BLACK OPAL STAKES	1200	250,000	KALASHNIKOV	PETER & PAUL SNOWDEN
3	KEITH F NOLAN CLASSIC	1600	200,000	MIRAVALLE	MARK NEWNHAM
3	MAGIC NIGHT STAKES	1200	175,000	ARCADED	JAMES CUMMINGS
3	PAGO PAGO STAKES	1200	175,000	SHAQUERO	CHRIS WALLER
3	SKY HIGH STAKES	2000	350,000	TOFFEE TONGUE (NZ)	CHRIS WALLER
3	MAURICE McCARTEN STAKES	1100	160,000	CALIFORNIA ZIMBOL	PETER & PAUL SNOWDEN
3	BIRTHDAY CARD STAKES	1200	160,000	SEASONS	LES BRIDGE
3	EPONA STAKES	1900	160,000	POLLY GREY (NZ)	CHRIS WALLER
3	N E MANION QUALITY CUP	2400	160,000	FAVORITE MOON (GER)	WILLIAM HAGGAS
3	STAR KINGDOM STAKES	1200	160,000	SIGNORE FOX	PETER & PAUL SNOWDEN
3	T L BAILLIEU HANDICAP	1400	160,000	SAIF	M,W & J HAWKES
3	NEVILLE SELLWOOD STAKES	2000	160,000	SHARED AMBITION (IRE)	CHRIS WALLER
3	DONCASTER PRELUDE	1500	160,000	YAO DASH	GAI WATERHOUSE & A BOTT
3	ADRIAN KNOX QLTY STAKES	2000	200,000	DUAIS	EDWARD CUMMINGS
3	CARBINE CLUB STAKES	1600	200,000	KIKU	CHRIS WALLER
3	KINDERGARTEN STAKES	1100	200,000	PAULELE	JAMES CUMMINGS
3	P J BELL STAKES	1200	200,000	MATCHMAKER (NZ)	CHRIS WALLER
3	JAPAN RACING ASSOC PLATE	2000	160,000	PATHS OF GLORY (GB)	RICHARD & MICHAEL FREEDMAN
3	FRANK PACKER PLATE	2000	160,000	SENIOR TOBA	CHRIS WALLER
3	JAMES H B CARR STAKES	1400	160,000	ALL HALLOW'S EVE (NZ)	JOHN O'SHEA
3	HALL MARK STAKES	1200	160,000	SPLINTEX	MARK NEWNHAM
3	HAWKESBURY GOLD CUP	1600	200,000	ARCHEDEMUS	M,W & J HAWKES
3	HAWKESBURY CROWN	1300	175,000	SWEET DEAL	JOHN THOMPSON
3	HAWKESBURY GUINEAS	1400	200,000	EXOBOOM	PETER & PAUL SNOWDEN
3	DARK JEWEL CLASSIC	1400	200,000	ROCHA CLOCK	JOHN O'SHEA
LR	THE ROSEBUD	1100	140,000	ANDERS	C MAHER & D EUSTACE
LR	ROWLEY MILE	1100	150,000	SAVACOO	CHRIS WALLER
LR	WYONG GOLD CUP	2100	160,000	PATHS OF GLORY (GB)	RICHARD & MICHAEL FREEDMAN

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
LR	MONA LISA STAKES	1350	140,000	ASIAGO	JAMES CUMMINGS
LR	DULCIFY 3YO STAKES	1500	150,000	MO'UNGA (NZ)	CHRIS WALLER
LR	HERITAGE STAKES	1100	140,000	WILD RULER	PETER & PAUL SNOWDEN
LR	REGINALD ALLEN QLTY HCP	1400	140,000	FORBIDDEN LOVE	RICHARD & MICHAEL FREEDMAN
LR	BRIAN CROWLEY STAKES	1200	200,000	THE BOPPER	KRIS LEES
LR	CITY TATT'S CLUB CUP	2400	140,000	KNIGHTS ORDER (IRE)	GAI WATERHOUSE & A BOTT
LR	SKIN FITNESS CUP	1400	150,000	BLACK ON GOLD	CHRIS WALLER
LR	STARLIGHT STAKES	1100	140,000	INVICTUS SALUTE	MARK NEWNHAM
LR	ATC CUP	2000	140,000	GREYSFUL GLAMOUR	MARK NEWNHAM
LR	RAZOR SHARP HCP	1200	140,000	ATHIRI	JAMES CUMMINGS
LR	CHRISTMAS CUP	2400	140,000	SIGNIFICANCE	CLARE CUNNINGHAM
LR	GOSFORD GUINEAS	1200	150,000	FORBIDDEN LOVE	RICHARD & MICHAEL FREEDMAN
LR	CHRISTMAS CLASSIC	1200	150,000	ELEVEN ELEVEN	GREGORY HICKAMN
LR	CARRINGTON STAKES	1400	150,000	BANDERSNATCH	M,W & J HAWKES
LR	AUSTRALIA DAY CUP	2400	150,000	SKYMAX (GER)	MARK NEWNHAM
LR	LONHRO PLATE	1000	140,000	TILIANAM (NZ)	GAI WATERHOUSE & A BOTT
LR	PARRAMATTA CUP	1900	140,000	SACRAMENTO	GAI WATERHOUSE & A BOTT
LR	FIREBALL STAKES	1100	140,000	WILD RULER	PETER & PAUL SNOWDEN
LR	RANDWICK CITY STAKES	2000	140,000	MOUNT POPA (IRE)	M,W & J HAWKES
LR	NATIONAL SPRINT	1400	150,000	HANDLE THE TRUTH	KEITH DRYDEN
LR	CANBERRA CUP	2000	250,000	MR MARATHON MAN (GB)	RICHARD LITT
LR	CANBERRA GUINEAS	1400	150,000	EQUATION	ANNABEL NEASHAM
LR	ALBURY CUP	2000	200,000	ENTENTE	GAI WATERHOUSE & A BOTT
LR	DARBY MUNRO STAKES	1200	140,000	ISOTOPE	TONY GOLLAN
LR	SOUTH PACIFIC CLASSIC	1400	150,000	ELLSBERG	GERALD RYAN & STERLING ALEXIOU
LR	FERNHILL HANDICAP	1600	150,000	CONVERGE	GAI WATERHOUSE & A BOTT
LR	HAWKESBURY RUSH	1100	140,000	EMBRACER	GAI WATERHOUSE & A BOTT
LR	WAGGA WAGGA GOLD CUP	2000	200,000	INVERLOCH (IRE)	TRENT BUSUTTIN & NATALIE YOUNG
LR	TAKEOVER TARGET STAKES	1200	150,000	ENCHANTED HEART	KRIS LEES
LR	GOSFORD GOLD CUP	2100	250,000	POLLY GREY (NZ)	CHRIS WALLER
LR	SCONE CUP	1600	200,000	LAURE ME IN	DAVID PFIFFER
LR	LUSKIN STAR STAKES	1300	140,000	LOST AND RUNNING (NZ)	JOHN O'SHEA
LR	WOODLANDS STAKES	1100	140,000	XTREMETIME	JOHN THOMPSON
LR	DENISE'S JOY STAKES	1100	140,000	BALLISTIC LOVER	JOSEPH PRIDE
LR	ORTENSIA STAKES	1100	140,000	ALBUMIN	GERALD RYAN & STERLING ALEXIOU
LR	LORD MAYOR'S CUP	2000	150,000	POLLY GREY (NZ)	CHRIS WALLER
LR	WINTER CUP	2400	150,000	KNIGHTS ORDER (IRE)	GAI WATERHOUSE & A BOTT
LR	BOB CHARLEY AO STAKES	1100	150,000	ADELONG	BRAD WIDDUP
LR	W J MCKELL CUP	2000	150,000	STOCKMAN (NZ)	JOSEPH PRIDE
LR	CIVIC STAKES	1400	150,000	BANDERSNATCH	M,W & J HAWKES
LR	RAMORNIE HANDICAP	1200	200,000	SOUTHERN LAD	JOHN O'SHEA
LR	GRAFTON CUP	2350	200,000	PURRFECT DEAL	MICHAEL COSTA
LR	WINTER STAKES	1400	150,000	BANDERSNATCH	M,W & J HAWKES
LR	WINTER CHALLENGE	1500	150,000	ORDER AGAIN (NZ)	CHRIS WALLER
RL	M.MILLIONS WYONG 2YO CLASSIC	1100	200,000	SHE'S ALL CLASS	CHRIS WALLER
RL	INGLIS 3YO GUINEAS	1600	300,000	MIDLAND	KRIS LEES
RL	INGLIS MILLENNIUM	1200	2,000,000	PROFITEER	MICK PRICE & MICHAEL KENT JNR
RL	INGLIS NURSERY	1000	500,000	ACROBAT	C MAHER & D EUSTACE
	SILVER EAGLE	1300	500,000	FLIT	JAMES CUMMINGS
	THE EVEREST	1200	15,000,000	CLASSIQUE LEGEND	LES BRIDGE
	THE KOSCIUSZKO	1200	1,300,000	IT'S ME	BRETT CAVANOUGH
	INGLIS 3YO SPRINT	1100	1,000,000	ROCKETING BY	DAVID PFIFFER
	ST LEGER	2600	500,000	FUN FACT	BJORN BAKER
	BONDI STAKES	1600	1,000,000	PELTZER	GERALD RYAN & STERLING ALEXIOU
	GOLDEN EAGLE	1500	7,500,000	COLETTE	JAMES CUMMINGS
	YES YES YES STAKES	1300	1,000,000	GYTRASH	GORDON RICHARDS
	ROSEHILL GOLD CUP	2000	500,000	COSTELLO	DAVID PAYNE
	GOLDEN GIFT	1100	1,000,000	SNEAKY FIVE	C MAHER & D EUSTACE
	THE HUNTER	1300	1,000,000	SWEET DEAL	JOHN THOMPSON
	THE GONG	1600	1,000,000	ARCHEDEMUS	M,W & J HAWKES
	THE COAST	1600	500,000	BRANDENBURG	JOHN SARGENT



FINANCIAL STATEMENTS

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GENERAL ACTIVITIES REVENUE AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

	Note	2021 \$	2020 \$
REVENUE			
Revenue from Operating Activities			
Sale of Goods - Publications	4(i)	336,693	331,124
Sale of Services	4(ii)	7,625,244	6,144,732
		7,961,937	6,475,856
Revenue from Non Operating Activities			
Interest - General	4(vi)	1,006,508	1,751,061
		1,006,508	1,751,061
First Charge	4(iv)	10,000,000	10,698,838
REVENUE		18,968,445	18,925,755
EXPENSES			
Board	4(x)	690,114	693,193
Analytical	4(xi)	168,366	170,152
Finance	4(xii)	787,033	831,781
Administration and Executive	4(xiii)	5,294,192	5,039,979
Legal	4(xiv)	725,815	700,328
Licensing	4(xv)	308,303	281,758
Collection Race Fields receipts	4(xvii)	181,389	177,824
Race Results	4(xviii)	15,794	15,972
Cost of Goods Sold - Publications	4(xix)	299,469	354,061
Laboratory	4(xx)	3,408,721	3,301,594
Handicapping	4(xxi)	481,208	575,270
Stewards & Integrity	4(xxii)	5,309,504	5,358,912
Veterinary	4(xxiii)	917,055	881,160
Syndicates	4(xxiv)	193,862	194,976
Stakes Payments	4(xxv)	261,090	274,146
Information Technology	4(xxvi)	1,209,270	1,255,564
Racing Office	4(xxvii)	136,243	177,553
Marketing and media	4(xxviii)	1,465,065	1,442,965
Financing Costs	4(xxx)	28,623	31,967
Loss / (Gain) on Disposal of Assets	4(vii)	67,798	(21,764)
EXPENSES		21,948,914	21,737,391

WORKERS' COMPENSATION FUND (NOT FOR PROFIT)

REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

	Note	2021 \$	2020 \$
REVENUE			
Revenue from Operating Activities			
Workers Compensation Premiums & Revenue	4(iii)	14,891,926	14,569,597
		14,891,926	14,569,597
Interest received Workers Compensation	4(ix)	811,654	796,228
		811,654	796,228
REVENUE		15,703,580	15,365,825
EXPENSES			
Workers Compensation Payments	4(xxix)	12,590,157	11,912,731
Workers Compensation, Administrative, Regulatory & Reinsurance	4(xxix)	1,985,427	1,975,047
Financing Costs	4(xxx)	45,278	85,542
EXPENSES		14,620,862	13,973,320
Funds surplus before allocation of additional provision for possible future liabilities		1,082,718	1,392,505
Increase in provision for possible future liabilities		1,570,358	336,597
Funds Transferred to Reserves		(487,640)	1,055,908

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

	Note	2021 \$	2020 \$
REVENUE FROM CONTINUING OPERATIONS			
Sale of Goods - Publications	4(i)	336,693	331,124
Sale of Services	4(ii)	26,059,550	14,566,962
Workers Compensation Fund Premiums & Other Revenue	4(iii)	14,891,926	14,569,597
First Charge	4(iv)	10,000,000	10,698,838
Interest other parties	4(vi)	1,818,162	2,547,289
Wagering Revenue	4(v)	299,186,167	234,564,481
Outside Broadcast	4(xxxi)	5,895,336	4,433,697
Horse Welfare (1% of prizemoney)	4(xxxii)	3,631,323	3,394,686
Other Income	4(xxxiii)	5,784,000	4,688,999
TOTAL REVENUE AND OTHER INCOME		367,603,157	289,795,673
EXPENSES			
Management of Capital Expenditure	4(viii)	865,016	742,281
Board	4(x)	690,114	693,193
Analytical	4(xi)	168,366	170,152
Finance	4(xii)	787,033	831,781
Administration and Executive	4(xiii)	5,294,192	5,039,979
Legal	4(xiv)	725,815	700,328
Licensing	4(xv)	308,303	281,758
Payments made to sustain minimum prizemoney, promotions, and other commitments	4(xvi) & 17(d)	208,793,612	214,271,166
Collection of Race Fields receipts	4(xvii)	181,389	177,824
Race Results	4(xviii)	15,794	15,972
Cost of Goods Sold - Publications	4(xix)	299,469	354,061
Laboratory	4(xx)	3,408,721	3,301,594
Handicapping	4(xxi)	481,208	575,270
Stewards & Integrity	4(xxii)	5,309,504	5,358,912
Veterinary	4(xxiii)	917,055	881,160
Syndicates	4(xxiv)	193,862	194,976
Stakes Payments	4(xxv)	261,090	274,146
Information Technology	4(xxvi)	1,209,270	1,255,564
Racing Office	4(xxvii)	136,243	177,553
Marketing and media	4(xxviii)	1,465,065	1,442,965
Outside Broadcast	4(xxxi)	6,844,123	6,821,346
Workers Compensation Fund Expenses	4(xxix)	14,649,085	13,929,779
Financing Costs	4(xxx)	76,026	118,927
Horse Welfare	4(xxxii)	3,724,432	3,448,646
(Gain)/Loss on Disposal of Assets	4(vii)	67,798	(21,764)
Drawdown on Race Fields provision	17(b)	(1,502,496)	(5,834,270)
Capital Expenditure Provision	17(c)	89,000,000	30,291,172
Equine Welfare Provision	17(e)	20,000,000	-
Provision for Jockey's Superannuation	17(f)	-	3,060,000
Provision for possible future Workers' Compensation liabilities	18	1,570,358	336,597
TOTAL EXPENSES		365,940,448	288,891,068
Share of profit of associate (Racing Australia "RA")	10	957,541	1,130,991
PROFIT BEFORE INCOME TAX		2,620,251	2,035,597
INCOME TAX EXPENSE		-	-
PROFIT AFTER INCOME TAX		2,620,251	2,035,597
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		2,620,251	2,035,597

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	112,944,375	74,763,563
Trade and Other Receivables	7	31,588,559	37,270,089
Other Current Assets	8	165,568	170,685
Other Financial Assets	9	83,636,309	75,420,154
TOTAL CURRENT ASSETS		228,334,811	187,624,491
NON-CURRENT ASSETS			
Other Financial Assets	9	95,074,627	52,117,806
Investment Accounted for Using the Equity Method	10	12,662,755	12,755,214
Other Non-Current Receivables	14(a)	5,967,334	6,607,487
Property, Plant and Equipment - Land & Buildings	11	75,043,717	39,965,551
Property, Plant and Equipment - Other	12	13,987,967	15,708,764
Investment Property	13	1,804,295	1,331,265
Intangible Assets	14(b)	3,385	-
TOTAL NON-CURRENT ASSETS		204,544,080	128,486,087
TOTAL ASSETS		432,878,891	316,110,578
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	60,453,084	62,343,166
Breeder Owner Bonus Scheme	16	23,101,328	22,782,737
Employee Provisions	17(a)	1,984,388	1,895,082
Race Fields Provisions	17(b)	7,500,000	7,500,000
Capital Expenditure Provision	17(c)	7,000,000	7,000,000
Clubs Sustainment Provision	17(d)	7,000,000	4,000,000
Horse Welfare Provision	17(e)	1,000,000	-
Workers Compensation Provisions	18	11,476,090	11,299,696
Other Liabilities	19	10,852,693	12,298,484
TOTAL CURRENT LIABILITIES		130,367,583	129,133,019
NON-CURRENT LIABILITIES			
Breeder Owner Bonus Scheme	16	2,692,911	2,825,338
Employee Provisions	17(a)	513,914	598,063
Race Fields Provisions	17(b)	32,502,688	20,630,675
Capital Expenditure Provision	17(c)	122,382,951	46,865,958
Clubs Sustainment Provision	17(d)	6,539,208	-
Horse Welfare Provision	17(e)	18,575,901	-
Workers Compensation Provisions	18	41,788,174	41,196,311
Other Liabilities	19	169,230	135,134
TOTAL NON-CURRENT LIABILITIES		225,164,977	112,251,479
TOTAL LIABILITIES		355,532,560	241,384,498
NET ASSETS		77,346,331	74,726,080
EQUITY			
Reserves	20	77,346,331	74,726,080
Accumulated Surplus	21	-	-
TOTAL EQUITY		77,346,331	74,726,080

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

	Note	Reserves \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2019		72,690,483	-	72,690,483
Profit for the year		-	2,035,597	2,035,597
		-	2,035,597	2,035,597
Total Comprehensive Income for the Year	20	2,035,597	(2,035,597)	-
Balance at 30 June 2020		74,726,080	-	74,726,080
Profit for the year		-	2,620,251	1,620,251
Total Comprehensive Income for the Year	20	2,620,251	(2,620,251)	-
Balance at 30 June 2021		77,346,331	-	77,346,331

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

STATEMENT OF CASH FLOWS

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		389,215,399	332,796,816
Payments to suppliers and employees		(266,288,722)	(313,866,625)
Interest received		1,633,949	2,363,076
Finance costs		(76,026)	(118,927)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5(b)	124,484,600	21,174,340
CASH FLOW FROM INVESTING ACTIVITIES			
Short term Investment		(51,172,976)	(762,401)
Payments for property, plant and equipment		(33,303,596)	(8,633,024)
Proceeds from sale of plant and equipment		870,025	412,984
NET CASH USED IN INVESTING ACTIVITIES		(83,606,547)	(8,982,441)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans to/(from) related parties		(2,697,241)	7,446,755
NET CASH PROVIDED / (USED) FINANCING ACTIVITIES		(2,697,241)	7,446,755
NET INCREASE IN CASH		38,180,812	19,638,654
Cash at beginning of the year		74,763,563	55,124,909
CASH AT THE END OF THE YEAR	5(a)	112,944,375	74,763,563

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

FOR THE YEAR ENDED 30 JUNE 2021

RACING NSW ABN 86 281 604 417

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation**

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

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

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

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

(b) Accounting Policies

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

(c) Property, Plant and Equipment

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

Plant and equipment

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

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

Depreciation

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

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

Leases:

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

(d) Financial assets**Classification**

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

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

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

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

(ii) Loans and Receivables:

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

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Racing NSW commits to purchase or sell the asset. Financial Assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit or loss.

Financial assets carried at fair value through the profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Racing NSW has transferred substantially all the risks and rewards of ownership.

Subsequent Measurement

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

Impairment

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

(e) Receivables

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

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

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

(f) Investment in Associates

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

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

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

(f) Investment in Associates (cont.)

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

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

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

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

(g) Foreign Currency Transactions and Balances

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

(h) Employee Benefits

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

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

(i) Cash and Cash Equivalents

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

(j) Revenue

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(k) Trade, Stakes Payments and Other Payables

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

(l) Breeder Owner Bonus Scheme

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

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

(m) Finance Costs

Finance costs are expensed when incurred.

(n) Workers Compensation Insurance

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

(o) Goods and Services Tax (GST)

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

(p) Government Grants

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

(q) Provisions

Provisions for Race Fields Infrastructure Capital Expenditure, Club Sustainment, Horse Welfare, Workers Compensation are recognised when Racing NSW has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(r) Critical Accounting Estimates and Judgements

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

- (i) Estimation of Insurance Liabilities (Refer Note 30)
- (ii) Control of Workers' Compensation Fund: Management have determined that Racing NSW ultimately has the underwriting risk of the workers compensation fund and therefore has control of the fund. Refer to Note 18.
- (iii) Race Fields provision (Refer Note 17(b))
- (iv) Capital Expenditure Provision (Refer Note 17(c))
- (v) Club sustainment provision (Refer Note 17 (d))
- (vi) Horse Welfare provision (Refer Note 17 (e))

(s) Investment Property

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

(t) New Accounting Standards and Interpretations

- (i) Changes in Accounting Policy and Disclosures

New and revised standards that are effective for these financial statements

Racing NSW has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Racing NSW has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a receivable.

(u) Accounting standards issued, not yet effective

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. These accounting standards are expected to have no impact upon Racing NSW.

NOTE 2: CONSOLIDATED OPERATIONS

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

NOTE 3: INCOME TAX

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

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME

- (i) Sale of Goods - Publications represents income derived from the sale of advertising space in the NSW Racing Magazine as well as subscriptions to NSW Racing Magazine by industry participants and customers.
- (ii) Sale of Services represents income derived from the sale of services to the racing industry - including stewards, handicapping, laboratory, veterinary, race results, syndicates and stakes payments.
- (iii) Workers Compensation Fund Premiums and Other Revenue represents premiums, charges, reinsurance recoveries and other revenues of the Racing NSW Workers Compensation Fund other than those disclosed elsewhere in the profit or loss. (Refer to Note 30)
- (iv) First Charge represents a charge to the industry based on the budgeted expenditure for the year.
- (v) Wagering Revenue includes Race field fees and interest, tax parity revenue, point of consumption tax revenue, odds and evens revenue, Everest slot revenue, revenue from Kosciusko ticket sales, sponsorship revenue and prizemoney subsidies.
- (vi) Interest other parties represents interest income as follows:

	2021 \$	2020 \$
Interest from Cash at Bank	1,006,508	1,751,061
Interest from Cash on Deposit	811,654	796,228
	1,818,162	2,547,289

NOTE 4: STATEMENT OF COMPREHENSIVE INCOME (CONT.)

(vii) (Gain) / Loss on Disposal of Assets represents net amounts received on sale or trade in of assets, less the carrying value of these assets.
 (viii) Management of Race Fields capital expenditure includes staff, motor vehicles and travel expenses associated with the management of Race Fields Capital expenditure and other Capital Expenditure on race tracks throughout New South Wales.
 (ix) Interest from workers compensation includes interest earned from workers comp term deposits
 (x) Board includes directors' fees and office costs associated with the board of Racing NSW.
 (xi) Analytical includes staff, software and office costs associated with providing specialised analytical information.
 (xii) Finance includes staff, software and office costs associated with providing finance and accounting support.
 (xiii) Administration and Executive represent the administrative costs of Racing NSW including executive, property, human resources, appeals, consultants as well as support to the Provincial Association and Racing NSW Country.
 (xiv) Legal represents the cost of managing legal matters and litigation, including staff costs and external representation.
 (xv) Licensing expenditure represents staff and office costs associated with the derivation of this income stream.
 (xvi) Payments made to sustain minimum prize money, promotions and other commitments
 (xvii) Collection of Race Fields receipts represents staff and office costs associated with the management of Race Fields information use and collection of fees
 (xviii) Race Results expenditure represents staff, consultants and office costs associated with the deriving of income for the provision of race result information.
 (xix) Cost of Goods Sold - Publications expenditure includes staff and office costs as well as all production, distribution and selling costs.
 (xx) Laboratory expenditure includes staffing, depreciation of capital expenditure, consumables and occupancy costs.
 (xxi) Handicapping expenditure includes staff and office costs.
 (xxii) Stewards' expenditure includes staffing costs, shorthand writers and office costs.
 (xxiii) Veterinary expenditure includes staff, research horses, consumables and office costs.
 (xxiv) Syndicates expenditure includes staffing and office costs.
 (xxv) Stakes Payments costs include staffing, consultants, system development, bank charges and office costs.
 (xxvi) Information Technology represents the cost of providing an IT platform to Racing NSW and supporting staff costs.
 (xxvii) Racing Office represents the cost of coordinating race dates and programming throughout NSW.
 (xxviii) Marketing and media costs include staff, consultants and promotional costs.
 (xxix) Workers Compensation Insurance Fund. This Fund is designed to provide workers compensation insurance cover for employees of NSW Racing Clubs, Associations, owners and trainers of racehorses against liability relating to injury, loss or damage either sustained or caused by jockeys, apprentices, stable hands, workers, servants, employees or agents in their employment or acting on their behalf pursuant to NSW Work Cover legislation. Effective from 1 July 2006 the fund has been managed in-house by Racing NSW. (Refer to Note 30).
 (xxx) Financing costs include interest expense, bank charges and bank guarantee fees.
 (xxxi) Outside broadcast revenue includes revenue from clubs for providing broadcasting services, revenue from Sky Racing television network and revenue from providing broadcasting services and equipment for hire. Outside broadcast expense includes staffing, travel costs associated with providing Broadcasting images.
 (xxxii) Horse Welfare income includes income from 1% of prizemoney and income from sale of retrained thoroughbred horses. Horse welfare income is allocated to staff costs, office costs, horse feed, veterinary, and horse welfare costs associated with retraining and sale of thoroughbred horses
 (xxxiii) Other income includes fair value adjustments on properties purchased by Racing NSW, grants and other income received
 (xxxiv) Racing NSW's revenue disaggregated by pattern of revenue recognition is all revenue is recognised at a point in time (\$367,603,157)
 The profit has been determined after:

	2021 \$	2020 \$
Finance Costs		
Bank Charges	37,520	39,830
Bank Guarantee	38,506	79,097
Total Finance Costs	76,026	118,927
Depreciation and impairment expense of non-current assets		
- Land and Building Depreciation Expense	203,879	203,879
- Plant and Equipment Depreciation Expense	3,265,120	3,352,969
- Investment Property Depreciation Expense	55,220	55,220
Total Depreciation and Impairment Expense	3,524,219	3,612,068
Rental Expense on Operating Leases	48,898	48,898
Bad and Doubtful Debts		
- Trade Debtors written off / (recovered)	10,221	30,795
Total Bad and Doubtful Debts	10,221	30,795
Total (Gain)/Loss on disposal of non-current assets:		
- Property, Plant and Equipment	67,798	(21,764)
Total (Gain)/Loss on disposal of non-current assets:	67,798	(21,764)
Remuneration of Auditor		
- Audit Services	108,000	106,000
Total Remuneration of Auditor	108,000	106,000
Employee Benefits Expense (excluding Superannuation)	17,452,994	17,317,398
Defined Contribution Superannuation Expense	1,512,500	1,345,396
Defined Benefit Superannuation Expense	-	139,617
Insurance Claim Liability Expenses (Refer Note 18):		
Gross Increase / (Decrease) in Provision relating to Insurance Claims Liability as recommended by the Actuary	818,703	791,273
Less Gross (Decrease) / Increase in Reinsurance Recoveries relating to Insurance Claims Liability as recommended by the Actuary	751,655	(454,676)
Net Increase / (Decrease) in Provision relating to Insurance Claims Liability as recommended by the Actuary	1,570,358	336,597

	2021	2020
	\$	\$

NOTE 5: CASH FLOW INFORMATION**a) Reconciliation of Cash**

Cash and Cash Equivalents	112,944,375	74,763,563
	112,944,375	74,763,563

As at 30 June 2021, Racing NSW had no credit facilities in place.

b) Reconciliation of Cash Flow from Operating Activities

Profit after Income Tax	2,620,251	2,035,597
Profit / (Loss) on Sale of Assets	(67,798)	(21,764)
Depreciation	3,524,219	3,612,068
Share of (profit) in associate (RA)	(957,541)	(1,130,991)
Increase in value of Asset through fair value	-	(3,202,999)
	5,119,131	1,291,911
(Increase)/ Decrease in Trade Debtors	7,421,953	(13,751,489)
(Increase)/ Decrease in Related party loans	(2,676,175)	45,481
(Increase)/ Decrease in Prepayments	5,117	(57,775)
(Increase)/ Decrease in Trade Creditors and Other Creditors	(1,869,016)	7,077,525
(Increase)/ Decrease in Breeder Owner Bonus Scheme	640,153	(71,633)
(Increase)/ Decrease in Race Field Provision	11,872,013	(5,834,270)
Increase/ (Decrease) in Capital Expenditure Provision	75,516,993	23,865,958
Increase/ (Decrease) in Workers Compensation Provision	754,403	791,273
Increase/ (Decrease) in Other Liabilities	(1,415,080)	3,607,951
Increase/ (Decrease) in Club Sustainment Provision	9,539,208	4,209,408
Increase/ (Decrease) in Horse Welfare Provisions	19,575,901	-
	119,365,469	19,882,429
Cash Flows from operating activities	124,484,600	21,174,340

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at Bank	60,448,875	56,352,430
Cash at Bank - Redevelopment Grant (Restricted)	17,742	17,742
Cash at Bank - Term Deposits (Maturity of less than 90 days at time of investment)	52,477,758	18,393,391
Total Cash and Cash Equivalents	112,944,375	74,763,563

The Cash at Bank bears floating interest rates between 0% and 1.80% (2020: 0.10% and 2.69%). Cash at bank - Redevelopment Grant (Restricted) bears interest rates of between 0% and 1.20% (2020: 0.0% and 1.20%). The Cash on Deposit - Workers Compensation are pledged as security for the Commonwealth Bank of Australia Limited ("CBA") to Work Cover (Note 18).

NOTE 7: TRADE AND OTHER RECEIVABLES

Trade Debtors	8,211,835	12,199,030
Provision for expected credit losses	(469,644)	(459,423)
Sundry Debtors	21,176,368	25,360,855
Amounts receivable from associated entities:		
- Racing NSW Country Limited	811,219	(1,864,956)
Reinsurance Recoveries Receivable	1,638,781	1,800,729
Amounts receivable - Loans to Clubs	220,000	220,000
Total Receivables	31,588,559	37,256,235

Sundry Debtors includes outstanding Race Fields fees, accrued interest, accrued Tabcorp receipts.

Amounts Receivable - Loans to Clubs is made up of the following:

- Loan to Ballina Jockey Club	180,000	180,000
- Loan to Lismore Turf Club	40,000	40,000
	220,000	220,000

NOTE 8: OTHER CURRENT ASSETS

Prepayments	91,766	76,570
	91,766	76,570
Total cost of purchase of Inventory	146,831	146,831
Total Costs of Goods Sold	(73,029)	(52,716)
Total value of stock available for sale	73,802	94,115
Total Other Current Assets	165,568	170,685

NOTE 9: OTHER FINANCIAL ASSETS

Current	83,636,309	75,420,154
Non Current	95,074,627	52,117,806
Total Financial Assets	178,710,936	127,537,960
Cash on Deposit - Workers' Compensation Insurance (maturity of greater than 90 days at time of investment)	28,318,619	44,565,910
Cash on Deposit - (maturity of greater than 90 days at time of investment)	150,392,317	82,972,050
	178,710,936	127,537,960

Other financial assets include term deposits with maturity of greater than 90 days. A portion of this balance is subject to bank guarantees as stated in Note 23.

	2021 \$	2020 \$	
NOTE 10: INVESTMENT IN RACING AUSTRALIA PTY LIMITED ("RA")			
Investment in RA	12,662,755	12,755,214	
	12,662,775	12,755,214	
Racing NSW has one material joint venture			
Name of the Joint Venture	Country of Incorporation & Principal Place of Business	Principal Activity	Proportion of Ownership Interests Held by the Group
Racing Australia Pty Ltd (RA)	Australia	Maximising benefits of racing Information	35% 35%
The investment in RA is accounted for using the equity method in accordance with AASB 128. Summarised financial information for RA is set out below:			
Current assets (a)	11,519,865	10,050,997	
Non-current assets	31,359,053	31,471,876	
Total assets	42,878,918	41,522,873	
Current liabilities (b)	6,177,006	4,316,308	
Non-current liabilities (c)	611,215	851,700	
Total liabilities	6,788,221	5,168,008	
Revenue	16,382,386	15,471,251	
Profit for the year	(264,168)	3,231,403	
Depreciation and amortisation	2,383,411	2,028,165	
Interest income	1,840	4,973	
a) Includes cash and cash equivalents			
b) Includes financial liabilities (excludes trade and other payable provisions)			
c) Includes financial liabilities (excluding trade and other payables and provisions)			
Movement in carrying amounts:			
At the beginning of the financial year	12,755,214	11,624,223	
Share of RA profit current year	(92,459)	1,130,991	
At the end of the year	12,662,755	12,755,214	
NOTE 11: PROPERTY, PLANT AND EQUIPMENT - BUILDINGS			
Buildings - at cost	10,184,085	10,184,085	
Less accumulated depreciation	(2,357,906)	(2,154,027)	
Total Buildings	7,826,179	8,030,058	
Movement in carrying amounts:			
Balance at beginning of year	8,030,058	8,233,937	
Additions	-	-	
Transfers from investment to owner-occupied property	-	-	
Depreciation expense	(203,879)	(203,879)	
Carrying Amount at the end of the year	7,826,179	8,030,058	
Total Equine Welfare property - at cost	26,704,795	23,148,034	
Total other property - at cost	40,512,743	8,787,459	
Total Equine welfare and other property	67,217,538	31,935,493	
Movement in carrying amounts:			
Balance at beginning of year	31,935,493	22,324,427	
Additions	36,040,718	9,649,539	
Disposals	(733,087)	-	
Depreciation expense	(25,586)	(38,473)	
Carrying Amount at the end of the year	67,217,538	31,935,493	
Total Property, Plant and Equipment - Land & Buildings	75,043,717	39,965,551	

	2021 \$	2020 \$
NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER		
Plant and Equipment - at cost	35,082,681	33,790,741
Less accumulated depreciation	(21,094,714)	(18,081,977)
Total Plant and Equipment	13,987,967	15,708,764
Movement in Carrying Amounts		
Balance at Beginning of Year	15,708,764	17,227,995
Additions	2,097,345	1,743,948
Disposals	(182,917)	(391,218)
Depreciation Expense	(3,239,534)	(3,314,496)
Transfer from WIP	(442,535)	(5,381,373)
Movement in WIP	46,844	5,823,908
Carrying Amount at the end of the year	13,987,967	15,708,764
Plant and equipment above is comprised of the following categories:		
Laboratory Equipment - at cost	6,375,882	6,281,019
Less accumulated depreciation	(5,253,971)	(5,034,019)
Total Laboratory Equipment	1,121,911	1,247,000
Movement in carrying amounts		
Balance at beginning of year	1,247,000	855,428
Additions	94,863	604,541
Disposals	-	-
Depreciation expense	(219,952)	(212,969)
Carrying Amount at the end of the year	1,121,911	1,247,000
Building Fit-out, Furniture and Fittings - at cost	3,914,146	3,824,835
Less accumulated depreciation	(2,668,893)	(2,378,708)
Total Building Fit-out, Furniture and Fittings	1,245,253	1,446,127
Movement in carrying amounts		
Balance at beginning of year	1,446,127	1,745,035
Additions	89,311	-
Disposal	-	(4,800)
Depreciation expense	(290,185)	(294,108)
Carrying Amount at the end of the year	1,245,253	1,446,127
Office and Other Equipment - at cost	4,309,152	4,221,057
Less accumulated depreciation	(3,319,312)	(2,931,434)
Total Office and Other Equipment	989,840	1,289,623
Movement in carrying amounts		
Balance at beginning of year	1,289,623	1,651,402
Additions	90,381	76,359
Disposals	-	(457)
Depreciation expense	(390,164)	(437,681)
Carrying Amount at the end of the year	989,840	1,289,623
Outside broadcast Equipment - at cost	16,548,833	16,520,784
Less accumulated depreciation	(8,546,885)	(6,671,933)
Total Outside Broadcast Equipment	8,001,948	9,848,851
Movement in carrying amounts		
Balance at beginning of year	9,848,851	11,650,467
Additions	28,052	74,658
Disposals	-	-
Depreciation expense	(1,874,952)	(1,876,274)
Carrying Amount at the end of the year	8,001,951	9,848,851
Capital Works - at cost	1,185,475	-
Less accumulated depreciation	(9,879)	-
Total motor vehicles	1,175,596	-

	2021 \$	2020 \$
NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER (CONT.)		
Movement in carrying amounts		
Balance at beginning of year	-	-
Additions	1,185,475	-
Disposals	-	-
Depreciation expense	(9,879)	-
Carrying Amount at the end of the year	1,175,596	-
Motor Vehicles - at cost	2,700,064	2,500,514
Less accumulated depreciation	(1,293,491)	(1,065,883)
Total motor vehicles	1,406,573	1,434,631
Movement in carrying amounts		
Balance at beginning of year	1,434,631	1,325,663
Additions	609,264	988,391
Disposals	(182,917)	(385,961)
Depreciation expense	(454,405)	(493,462)
Carrying Amount at the end of the year	1,406,573	1,434,631
Capital Works in Progress - at cost	489,380	5,823,908
Less Transfer from WIP	(442,534)	(5,381,372)
Total WIP	46,846	442,336
Movement in carrying amounts		
Balance at beginning of year	442,536	-
Additions	46,844	5,823,908
Disposals	-	-
Transfer from WIP	(442,534)	(5,381,372)
Carrying Amount at the end of the year	46,846	442,536
NOTE 13: INVESTMENT PROPERTY (COST MODEL)		
Level 11, 51 Druitt St Sydney NSW 2000 - at cost	1,683,539	1,683,539
Less accumulated depreciation	(407,494)	(352,274)
Total Investment Property - at cost	1,276,045	1,331,265
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	1,331,265	1,386,485
Depreciation expense	(55,220)	(55,220)
Carrying Amount at the end of the year	1,276,045	1,331,265
Level 11 was originally purchased with the intent of leasing out to external parties, however due to a change in circumstances, the Australian Racing Forensic Laboratory was relocated from Royal Randwick to Level 11. Accordingly, in 2015 level 11 was reclassified from solely being an investment property to 77% of floor being classified as PPE for operational purposes. The remaining 23% of Level 11, is leased to Racing Australia on arm's length terms and classified as an investment property.		
Level 11 were purchased on 21 September 2012 for \$6,243,843.		
Other Investment Properties		
Dobie St Grafton	429,750	-
270 Gilmour St Kelso	98,500	-
Total Investment Properties	528,250	-
Opening Balance	-	-
Acquisitions	528,250	-
Carrying Amount at the end of the year	528,250	-
NOTE 14 (a): OTHER NON CURRENT RECEIVABLES		
Non Current Reinsurance Recoveries Receivable	5,967,334	6,607,487
	5,967,334	6,607,487
NOTE 14 (b): INTANGIBLE ASSETS		
Trademarks - Golden Eagle & Everest	3,385	-
Total	3,385	-

	2021 \$	2020 \$
NOTE 15: TRADE AND OTHER PAYABLES		
Trade Creditors	939,793	1,150,533
Other Creditors and Accruals	27,890,856	31,070,225
Amounts payable to associated entities:		
- RacingCorp Pty Limited	(6,719)	11,147
- Jockey's Benefit Scheme Trust	76,800	80,000
Employee Leave	1,804,812	1,819,592
Jockeys Welfare Fund	5,397,301	5,337,547
NSW Equine Welfare Fund	-	529,446
Canberra Equine Welfare Fund	209,850	155,090
Stakes Payment Creditors	17,809,931	17,302,372
Stable Hand Fund	5,344,767	3,949,363
Rosehill Redevelopment Fund	17,742	17,742
Benevolent Fund	967,951	920,109
Total Creditors and Accruals	60,453,084	62,343,166

Stakes Payments Creditors represent balances owed to industry participant accounts that are due to be paid with the exception of Stable Hands which is shown separately.

The Jockeys Welfare Fund represents amounts held in trust to be applied to payment of Jockey Public Liability and Personal Accident Insurances and welfare and career benefit schemes.

Opening balance	5,337,547	4,530,447
Contributions from prizemoney and BOBS Extra prizemoney	2,627,706	2,491,990
Less Jockeys welfare (including superannuation) payments made in 2021 Financial Year	(2,567,952)	(1,684,890)
Closing balance	5,397,301	5,337,547

The Equine Welfare Fund represents unspent fund in relation to the 1% of prizemoney held for the rehabilitation of thoroughbred horses.

Opening balance	529,446	1,229,286
1% of the total prizemoney paid in 2021 Financial Year in NSW and ACT	2,572,955	2,493,125
Less Equine payments made in 2021 Financial Year	(3,526,500)	(3,192,965)
Drawn from provision	424,099	-
Closing balance	-	529,446

The Stable Hands Fund represents 1.5% of total prizemoney. The stable hands are paid their portion of this prizemoney on a quarterly basis. In instances where a trainer does not have any stable hand employed, the money is used to fund welfare claims from trainers and stable hands in the industry such as the current drought assistance program.

Opening balance	3,949,363	4,618,741
1.5% of the prizemoney paid in 2021 Financial Year in NSW	3,802,799	3,608,958
Less payments made to Stable Hands & Welfare Payments	(2,407,395)	(4,278,336)
Closing balance	5,344,767	3,949,363

Redevelopment Fund represents amounts received in relation to redevelopment Rosehill racecourses, less progress payments made to 30 June 2020.

	Rosehill \$	
Redevelopment funds received to 30 June 2014	24,000,000	24,000,000
Less: Progress payments made to 30 June 2021	(23,982,258)	(23,982,258)
Balance of Redevelopment liability	17,742	17,742

The Benevolent Fund is an amount held in trust to be applied to eligible industry participants under significant financial hardship and is funded from fines revenue from industry stakeholders.

NOTE 16: BREEDER OWNER BONUS SCHEME

Current

Breeder Owner Bonus Scheme	23,101,328	22,782,737
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Non-Current

Breeder Owner Bonus Scheme	2,692,911	2,825,338
	25,794,239	25,608,075

BOBS current liabilities are those amounts expected to be settled within the next 12 months or within Racing NSW's normal operating cycle. BOBS is funded by stallion owners who pay a fee to nominate their stallion to participate in BOBS and owners of eligible progeny of participating stallions who also pay nomination fees in respect of each eligible progeny which participates in the scheme. Racing NSW supplements the scheme funds with a First Charge from the TAB distributions. (Refer Note 1(l)).

	2021 \$	2020 \$
NOTE 17(a): EMPLOYEE PROVISIONS		
Current		
Employee Benefits	1,984,388	1,895,082
Non-Current		
Employee Benefits	513,914	598,063
Total Employee Provisions	2,498,302	2,493,145
Superannuation Fund		
One employee of Racing NSW was previously entitled to benefits on retirement, disability or death from the Racing NSW Superannuation Plan. The fund provides target lump sum benefits based on years of service and final average salary. This employee left Racing NSW during the FY21 year.		
Present value of employees accrued benefits	-	763,614
Net market value of assets held by the fund to meet future benefit payments	-	(623,119)
Excess of the present value of employees accrued benefits over assets held to meet future benefit payments (included within employee benefits provision)	-	140,495

NOTE 17(b): RACE FIELDS PROVISIONS

Current		
Race Fields provision	7,500,000	7,500,000
Non-Current		
Race Fields provision	32,502,688	20,630,675
Total Race Fields Provisions	40,002,688	28,130,675
Balance at beginning of the year	28,130,675	33,964,945
Provisions made during the year	13,374,509	-
Provisions used during the year	(1,502,496)	(5,834,270)
Provisions reversed during the year	-	-
Balance at end year	40,002,688	28,130,675

Of the \$98,004,216 Race Fields provision raised as at 30 June 2012, the following amounts were subsequently written back due to the assets being provided for the development of the Industry by Racing NSW rather than part of the Race Fields Capital development program.

Purpose	Amount \$	Year
Purchase of Outside Broadcast Equipment & Laboratory Equipment	10,000,000	2015
Purchase of Laboratory Equipment	3,250,000	2015
Tracking & Timing system for tracks throughout NSW	6,067,000	2016
Purchase of Horse Welfare Land	5,394,785	2017
Total	24,711,785	

Refer to Note 31 for further information.

NOTE 17(c): CAPITAL EXPENDITURE PROVISIONS

The capital provision of \$123,865,958 will be invested in capital projects across NSW in accordance with the 2017-2019 Racing NSW Strategic Plan to benefit the NSW Thoroughbred Racing Industry.

Current		
Capital Expenditure provision	7,000,000	7,000,000
Non Current		
Capital Expenditure provision	122,382,951	46,865,958
Total Capital Expenditure Provisions	129,382,951	53,865,958
Balance at beginning of the year	53,865,958	30,000,000
Provisions made during the year	89,000,000	30,291,172
Provisions used during the year	(13,483,007)	(6,425,214)
Provisions reversed during the year	-	-
Balance at end year	129,382,951	53,865,958

NOTE 17(d): CLUB SUSTAINMENT PROVISIONS

Clubs sustainment provision will be used to support to Thoroughbred Race Club affected by Covid-19 through direct support or reducing costs incurred.

Current		
Club Sustainment Provision	7,000,000	4,000,000
Non Current		
Club Sustainment Provision	6,539,208	-
Total Club Sustainment Provisions	13,539,208	4,000,000
Clubs Sustainment provision	-	-
Balance at beginning of the year	4,000,000	4,000,000
Provisions made during the year	10,000,000	-
Provision used during the year	460,792	-
Total Club Sustainment Provision	13,539,208	4,000,000

	2021 \$	2020 \$
NOTE 17(e): HORSE WELFARE PROVISION		
Horse Welfare provision has been established to provide welfare to former NSW Thoroughbred Race Horses.		
Current		
Horse Welfare Provision	1,000,000	-
Non Current		
Horse Welfare Provision	18,575,901	-
Total Horse Welfare Provisions	19,575,901	-
Horse Welfare Provison		
Balance at beginning of the year		
Provisions made during the year	20,000,000	-
Provision used during the year	424,099	-
Total Horse Welfare Provision	19,575,901	-
NOTE 17(f): JOCKEY'S SUPERANNUATION PROVISION		
Current		
Jockey's Superannuation Provision	3,060,000	-
Non Current		
Jockey's Superannuation Provision	-	3,060,000
Total Jockey's Superannuation Provision	3,060,000	3,060,000
Jockey's Superannuation Provision		
Balance at beginning of the year	-	-
Provision made during the year	-	3,060,000
Provision used during the year	-	-
Total Jockey's Superannuation Provision	3,060,000	3,060,000
NOTE 18: WORKERS COMPENSATION PROVISION		
Current		
Provision for Insurance Outstanding Claims	11,476,090	11,313,550
Non-Current		
Provision for Insurance Outstanding Claims	41,788,174	41,196,311
Total Provisions for Workers Compensation	53,264,264	52,509,861
Workers Compensation Provisions		
Opening Balance of Workers Compensation Provisions	52,445,561	51,718,588
Gross Movement in Workers Compensation Provisions	818,703	791,273
Closing Balance of Workers Compensation Provisions	53,264,264	52,509,861
The movement in the Workers Compensation Provision is shown at a Gross of any Reinsurance Recoveries.		
Gross Movement in Workers Compensation Provisions	818,703	791,273
Less Decrease/ (Increase) in Reinsurance Recoveries	751,655	(454,676)
Net Movement in Workers Compensation Provision	1,570,358	336,597

Provision for Insurance Outstanding Claims

An actuarial valuation of the Insurance Funds' outstanding claims was performed by independent actuaries, Finity Consulting Pty Limited, as at 30 June 2021 in the amount of \$44,100,000. The CBA Bank had issued guarantees amounting to \$42,300,000 as at 30 June 2020 (2019: \$42,300,000) in favour of WorkCover Authority of NSW. This guarantee is required under the terms of Racing NSW's insurance licence. In accordance with the Workers Compensation Act 1987 Clause 7.3.6 and actuarial recommendations, Racing NSW has provided for a prudential margin of 20% (2020: 20%) in respect of the net central estimate of liabilities relating to the specialised insurer's license and a prudential margin of 20% (2020: 20%) in respect of the net central estimate of liabilities relating to the self insurer's license.

The increase in provisions for outstanding claims has been predominantly due to decreasing interest rates and recent court decisions reducing Racing NSW's recovery entitlements.

The directors have determined that these prudential risk margins are appropriate to increase the likelihood that the provision will be adequate to meet the cost of claims. Due to the small amount of claim data and the difficulties in determining a mathematical distribution appropriate to Racing NSW, the probability of adequately corresponding to the margin cannot be reliably estimated.

The movement in Workers Compensation Provision is recognised as either income or an expense of the period.

	2021 \$	2020 \$
NOTE 19: OTHER LIABILITIES		
Current		
Contract liabilities	8,353,651	9,238,484
Other Liabilities	2,499,042	3,060,000
Non-Current		
Contract liabilities	169,230	135,134
Total Other Current Liabilities	11,021,923	12,433,618

Monies received by Racing NSW at the end of the reporting period for products or services to be provided in more than 12 months time are classified as non current contract liabilities. These items include subscriptions received for registration of racing colours, license fees, Workers Compensation Insurance premiums and subscriptions to NSW Racing magazine.

NOTE 20: RESERVES

The following reserves have been set aside in accordance with a resolution of Racing NSW.

	2021 \$	2020 \$
Reserves		
General Reserve	104,231,418	69,363,706
Industry Distribution Reserve	(32,687,439)	(927,619)
Workers Compensation Reserve	5,802,353	6,289,993
Total Reserves	77,346,331	74,726,080
Movement in Reserves		
General Reserve		
Balance at the beginning of the year	69,363,706	60,904,393
Transfers to accumulated surplus	34,867,712	8,459,313
Transfers from accumulated surplus		
Balance reserve at the end of the year	104,231,418	69,363,706
Industry Distribution Reserve		
Balance at the beginning of the year	(927,619)	6,552,005
Payments to Industry Participant	(31,759,821)	(7,479,624)
Transfers to accumulated surplus	-	0
Balance reserve at the end of the year	(32,687,440)	(927,619)
Workers Compensation Reserve		
Balance at the beginning of the year	6,289,993	5,234,085
Transfers (from)/to accumulated surplus	(487,640)	1,055,908
Balance reserve at the end of the year	5,802,353	6,289,993
Total Reserves	77,346,331	74,726,080

The Industry Distribution Reserve and General Reserve represent monies that have progressively been accumulated by Racing NSW from its operation since inception, to fund different areas of its general activities segment. The Workers Compensation Reserve represents accumulated profit/ (losses) from Racing NSW Workers Compensation segment.

NOTE 21: ACCUMULATED SURPLUS

Accumulated surplus at beginning of the financial year	-	-
Total Funds transferred (to)/from Reserves	2,621,251	2,035,597
Transfer (to)/from General Reserve	(34,867,712)	(8,459,313)
Transfer from/(to) Industry Distribution Reserve	31,759,821	7,479,624
Transfer (to)/from Workers Compensation Reserve	487,640	(1,055,908)
Accumulated surplus at end of the financial year	-	-

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Operating lease Commitments	-	-
Non-cancellable operating lease contracted for but not capitalised in the Financial statements	33,844	49,876
Payable not later than 1 year	-	-
Payable later than 1 year and not later than 5 years	33,844	49,876

	2021	2020
	\$	\$

NOTE 23: CONTINGENT LIABILITIES

Of the \$24,000,000 received from the New South Wales Government for the purpose of the Rosehill Gardens Racecourse development, \$17,742 remains on hand as at 30 June 2019 and is due to be paid out during subsequent periods. The accounting treatment will be on a cash basis to reflect when economic benefits and obligations will be received. Payments to the Australian Turf Club (owner of the aforementioned Rosehill Racecourse) will be made on receipt of certified progress claims.

There are currently guarantees provided by the CBA in favour of WorkCover Authority of NSW amounting to \$42,300,000 (2019: \$42,300,000) at the end of the reporting period, against a facility of \$44,565,910 (2019: \$43,833,200). Based on the most recent actuarial valuation, Racing NSW expects WorkCover NSW to vary the guaranteed amount to \$44,100,000 an increase of \$1,800,000 subsequent to year end. Racing NSW has pledged to CBA to maintain a minimum balance of 100% cash cover security for the WorkCover NSW bank guarantee (2021: \$44,100,000).

NOTE 24: KEY MANAGEMENT PERSONNEL**a) Key Management Personnel**

The following persons were key management personnel of Racing NSW during the financial year:

Name	Position Held
Russell Balding AO	Chairman
Anthony Hodgson AM	Vice-Chairman
Dr Saranne Cooke	Board Member
Simon Tuxen	Board Member
Tony Shepherd AO	Board Member
George Souris AM	Board Member
Michael Crismale	Board Member
Peter V'landys AM	Chief Executive Officer
Marc Van Gestel	Chairman of Stewards
Scott Kennedy	General Manager - Industry & Analytical
Pete Sweney	Legal Counsel
Keith Bulloch	General Manager - Regulatory
Graeme Hinton	Chief Operating Officer
Alice Gibson	General Manager - Equine Welfare
Jacqueline Johnstone	General Manager - Investigations & Surveillance
John Keledjian	Laboratory Director - Operations
Adam Cawley	Laboratory Director - Scientific
Craig Barnes	General Manager - Finance
Ariel Paez	General Manager - Information Technology
John Galvin	General Manager - Workers Compensation

b) Key Management Personnel Compensation

Salary, Bonuses and Fees	4,673,081	4,298,712
Non-Cash Benefits	181,967	175,238
Other Long Term Benefits	48,412	83,696
Superannuation	325,876	303,562
Total	5,229,336	4,861,207

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity

c) Policy for determining the nature and amount of key management personnel compensation

The remuneration of Board Members is established by the Thoroughbred Racing Act, 1996.

The remuneration of the Chief Executive is subject to a contract for executive services, with the level of remuneration subject to annual review by the Board of Racing NSW. Due to the nature of Racing NSW as an entity, remuneration while being performance based, is not tied to the achievement of specific objectives tied to shareholder value and no formal bonus structure is in place.

The remuneration of the other key management personnel is determined by the Chief Executive Officer, with the level of remuneration subject to annual review by the Chief Executive Officer. Remuneration whilst being performance based, is not tied to the achievement of specific objectives and no formal bonus structure is in place.

Due to the nature of Racing NSW as an entity, no Board Member or employee receives compensation in the form of equity instruments. There are no loans to key management personnel and their related parties.

NOTE 25: ENTITY DETAILS

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

The registered office and principal place of business of the Board is: Level 7, 51 Druiit Street, Sydney, NSW, 2000.

NOTE 26: SEGMENT REPORTING

	2021			2020		
	Racing NSW	Insurance	Total	Racing NSW	Insurance	Total
Primary Reporting - Business Segments						
Revenue						
External Sales	350,893,071	14,891,926	365,784,996	272,678,788	14,569,597	287,248,385
Other Revenue	1,006,508	811,654	1,818,162	1,751,061	796,228	2,548,289
Share of profit of associate (Racing Australia "RA")	957,541	-	957,541	1,130,991	-	1,130,991
Total Segment Revenue	352,857,120	15,703,580	368,560,699	275,560,840	15,365,825	290,926,665
Expenditure	346,225,009	16,191,220	362,416,229	270,969,083	14,309,917	285,270,000
Depreciation	3,524,219	-	3,524,219	3,612,068	-	3,612,068
Total Segment Expenditure	349,749,228	16,191,220	365,940,448	274,581,151	14,309,917	288,891,068
Segment Result	3,107,892	(487,640)	2,620,251	979,689	1,055,908	2,035,597
Assets						
Segment Assets	355,965,532	64,250,604	420,216,136	244,432,877	58,922,487	303,355,364
Investments in Assets Accounted for using the Equity Method	12,662,755	-	12,662,755	12,755,214	-	12,755,214
Total Assets	368,628,287	64,250,604	432,878,891	257,188,091	58,922,487	316,110,578
Liabilities						
Segment Liabilities	302,133,106	53,399,454	355,532,560	188,738,637	52,645,861	241,384,498
Total Liabilities	302,133,106	53,399,454	355,532,560	188,738,637	52,645,861	241,384,498
Net Assets/(Liabilities)	66,495,181	10,851,150	77,346,331	68,449,454	6,276,626	74,726,080
Purchase of Non-Current Assets	38,270,621	-	38,270,621	11,836,023	-	11,836,023
Impairment Losses	-	-	-	-	-	-
Significant Non Cash Expenses other than Depreciation	-	818,703	818,703	-	726,973	726,973

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

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

The entity operates in one geographical segment, being NSW Australia.

NOTE 27: RELATED PARTIES**(a) Key Management Personne**

The key management personnel of the entity are disclosed in Note 24(a).

The names of the key management personnel who were members of the Board at any time during the year were as follows:

R. Balding AO	A Hodgson AM
Dr S. Cooke	P.N. V'landys AM
S. Tuxen	Michael Crismale
George Souris AM	T. Shepherd AO

Mr R Balding and Mr P N V'landys, both board members of Racing NSW, are also directors of Racingcorp Pty Limited and each beneficially own for Racing NSW one Class A1 share unit in Racingcorp Pty Limited.

Mr R Balding is also a director of Racing Australia.

(b) Other Related Parties

Racing NSW undertakes accounting, administrative, banking and payroll services and support for Racing NSW Country Limited, NSW TRB Training Limited, Racingcorp Pty Limited, Jockeys Benefit Scheme Trust and NSW Thoroughbred Rehabilitation Trust. Refer to Notes 7 and 15 for amounts due from/payable to these related entities. Amounts disclosed below detail transactions with these related entities during the year. These transactions are on normal commercial terms. These are summarised as follows:

	2021	2020
	\$	\$
	Expenses Paid on behalf of entity	Receipts taken on behalf of entity
- Racing NSW Country Limited	100,368,863	107,228,543
- Racingcorp Pty Limite	66,533	164,185
- NSW TRB Training Limited	687,141	687,141
- The Jockeys Benefit Scheme Trust	9,701	10,350
- Thoroughbred Horse Rehabilitation Trust	20,934	76,488

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**a) General objectives, policies and processes**

Activities undertaken by Racing NSW may expose the business to a variety of financial risks: credit risk, liquidity risk, market risk and insurance risk. The Board has overall responsibility for the determination of Racing NSW's financial risk management objectives and policies. Racing NSW's financial risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of Racing NSW where such impacts may be material.

Racing NSW has a central treasury function which implements the financial risk management policies approved by the Board of Directors.

There have been no substantive changes in Racing NSW's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated.

b) Credit risk

Credit risk is the risk that the other party to the financial instrument will fail to discharge their obligations resulting in Racing NSW incurring a financial loss. Racing NSW trades only with recognised, credit worthy third parties. Receivable balances are monitored on an ongoing basis with the result that Racing NSW's exposure to bad debts is not significant

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the end of the reporting period to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements

	2021 \$	2020 \$
Trade Debtors	7,742,191	11,739,607
Other Receivables	29,813,702	32,137,969
Other Financial Assets	83,636,309	75,420,154
Cash at Bank	112,944,375	74,763,563
	234,136,577	194,061,293

Whilst Racing NSW has a material credit risk exposure to Other Receivables through Amounts Receivable from NSW Country Racing Council Limited, the Board is of the view that this risk is negligible due to control over the funding stream through the Racing Distribution Agreement, Inter-Code Agreement and Intra-Code Agreements.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Policies require that Cash at Bank and Cash on Deposit be placed with major banks approved by the Board.	No changes to investments are made without Board approval. Deposits and term investments are placed with major banks with rating AA or above.	The holdings and performance of Cash at Bank and Cash on Deposit are reported to the Board on a monthly basis
Debtors are assessed as to likely recovery prior to the advancing credit. Stakes Payment Debtors and Trade	Debtors are reviewed on an ongoing basis depending on type of debit. Collectability is assessed on a regular basis.	Aged Debtors Balances are reviewed on a regular basis.
Policies require that all Investments be placed with major institutions approved by the Board	No changes to investments are made without Board approval.	The holdings and performances of Investments are reported to the Board on a monthly basis.

Concentration of Debtors

Racing NSW determines the credit risk from the type of debtor and type of debt. Stakes Payment debtors are recoverable as Racing NSW has significant control over industry funding and acts as the facilitator between industry participants for the distribution of these funds.

Impairment

Impairment is determined based on the type of debtor and the type of debt. Normal trading terms are 30 days from date of invoice, however in respect of Stakes Payment debtors this may vary depending on the debtor type. In general the major Stakes Payment debtors have 30 working days following the fortnightly prize money pay run to clear their accounts. This is generally automatic as Racing NSW facilitates distribution of the TAB Product Fees to Stakes Payment debtors.

Unpaid Trade debtor's accounts over 90 days are reviewed for impairment. Outstanding Other Receivables are reviewed for impairment on an individual basis. The provision for impairment is based on the likelihood of recovery after contact with the debtor and assessment of recourse action available.

	Total \$	Current \$	30 days \$	60 Days \$	90 Days \$
2021 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	8,211,835	7,488,183	457,075	22,071	244,506
Maximum Exposure - Other Receivables	29,813,702	29,813,702	-	-	-
Maximum Exposure - Other Financial Assets	178,710,936	178,710,936	-	-	-
	216,736,473	216,012,821	457,075	22,071	244,506
Amount past due but not considered Impaired	723,652	-	457,075	22,071	244,506
Amount past due considered Impaired	469,644	-	-	-	469,644
	1,193,296	-	457,075	22,071	714,150
Impairment provision	(469,644)	-	-	-	(469,644)

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)**b) Credit risk (cont.)**

	Total \$	Current \$	30 days \$	60 Days \$	90 Days \$
2020 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	12,199,030	11,475,378	457,075	22,071	244,506
Maximum Exposure - Other Receivables	32,137,969	32,137,969	-	-	-
Maximum Exposure - Other Financial Assets	127,537,960	127,537,960	-	-	-
	<u>171,874,959</u>	<u>171,151,307</u>	<u>457,075</u>	<u>22,071</u>	<u>244,506</u>
Amount past due but not considered Impaired	723,652	-	457,075	22,071	244,506
Amount past due considered Impaired	459,423	-	-	-	459,423
	<u>1,183,075</u>	<u>-</u>	<u>457,075</u>	<u>22,071</u>	<u>703,929</u>
Impairment provision	(459,423)	-	-	-	(459,423)

Trade debtor amounts are unsecured. Stakes Payment debtor and Other Receivable amounts are primarily Racing Clubs and are indirectly secured through industry agreements.

Trade debtors are primarily Race Fields fees receivable and are subject to 'Information Use' agreements. The Board does not believe there is any material credit risk on the debtor balances that are past due but not considered impaired due to the mutually beneficial ongoing business associations in place.

Allowance for Impairment Loss

Trade Receivables and stakes debtors are non-interest bearing and are generally required to be settled with 30 days. BOBS receivables may be deferred for 12 months. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Movements in the provision for impairment loss were as follows.

	2021 \$	2020 \$
Opening Balance	459,423	428,789
Bad Debts written off during year	-	(161)
Provision for Doubtful Receivables	25,630	62,774
Add back money recovered	(15,409)	(31,979)
Closing Balance	<u>469,644</u>	<u>459,423</u>

Concentration of Investments

Racing NSW determines the credit risk from the bank or institution that retains funds of the business. There is a concentration of credit risk with respect to current bank deposits and investments in the following institutions

Institution

Commonwealth Bank (A-1+ rated by S&P)	279,522,605	116,873,993
National Australia Bank (A-1+ rated by S&P)	12,132,706	85,427,530
Total	<u>291,655,311</u>	<u>202,301,523</u>

c) Liquidity Risk

Liquidity risk is the risk that Racing NSW may encounter difficulties raising funds to meet commitments associated with financial instruments.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW maintain adequate cash reserves to meet the liquidity demands when due and payable.	Racing NSW monitors liquidity risk by daily monitoring of the cash position and regular review of the annual cash flow.	Racing NSW manages purchases and staff remuneration within an expenditure budget.
Borrowings are not generally undertaken by the Board. Any borrowing must be approved by the Board.	Borrowings must be 100% supported by the investment.	
Trade Creditors are assessed as to quality of service provided and paid within due date following General Manager Authorisation.	Trade Creditors are paid weekly based on due date and managerial authorisation.	Trade Creditors' ledger is reviewed on a monthly basis.
Stakes Payment Creditors are paid on a fortnightly basis.	Stakes Payment Creditors are paid fortnightly in arrears following authorisation by the Chief Executive.	Industry Creditors are reviewed every fortnight when they are paid.

Concentration of Creditors

Racing NSW determines the credit risk from the type of creditor and type of payable. Stakes Payment creditors are generally offset by Stakes Payment debtors. Racing NSW acts as the facilitator between industry participants for the distribution of these funds.

There is no concentration of credit risk with respect to current payables.

Maturity Analysis for Financial Liabilities - 2021

	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-4 years \$
Trade and Other Payables	37,280,644	37,280,644	37,280,644	-	-
Stakes Payment Creditors	23,154,698	23,154,698	23,154,698	-	-
Breeder Owner Bonus Schemes	25,794,240	25,794,240	14,296,690	8,804,639	2,692,911
Redevelopment Funds	17,742	17,742	17,742	-	-
Total	<u>86,247,324</u>	<u>86,247,324</u>	<u>74,749,774</u>	<u>8,804,639</u>	<u>2,692,911</u>

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)**c) Liquidity Risk (cont.)****Maturity Analysis for Financial Liabilities - 2020**

Carrying	Contractual	< 6 Months		6-12 Months		1-4 years	
	Amount	Cash Flows					
	\$	\$	\$	\$	\$	\$	\$
Trade and Other Payables	41,073,689	41,073,689	41,073,689	-	-	-	-
Stakes Payment Creditors	21,251,735	21,251,735	21,251,735	-	-	-	-
Breeder Owner Bonus Schemes	25,608,076	25,608,076	14,498,209	8,284,529	2,825,338	-	-
Redevelopment Funds	17,742	17,742	17,742	-	-	-	-
Total	87,951,242	87,951,242	76,841,375	8,284,529	2,825,338		

Economic Dependency

Racing NSW received 2.75% (2020: 3.69%) of its income via a First Charge on the TAB distributions to the Thoroughbred Racing Industry. This distribution is governed by the NSW Racing Distribution Agreement as entered into by Racingcorp Pty Limited and TAB Limited. Consequently, Racing NSW is economically dependent on TAB Limited.

d) Market Risk

Market Risk includes interest rate risk and price risk and arises from the use of interest bearing financial instruments. Racing NSW is exposed to fluctuations in interest rates on its cash holdings and cash deposits. Racing NSW is exposed to price risk on its investments.

Interest Rate Risk

Racing NSW is exposed to fluctuations in interest rates on its cash at bank balances. Cash on Deposit have short term fixed interest rates. There are no interest bearing financial liabilities. The effective weighted average interest rate on financial assets is shown below.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Board policies require that Racing NSW review and negotiate interest rates on Cash at Bank on a regular basis in order to maximise their return.	Racing NSW negotiates an interest rate in line with market rates.	Racing NSW checks interest rates received against market leading interest rates offered by competing financial institutions of a similar credit rating.
Board policies require that Racing NSW review and negotiate interest rates on Cash on Deposit on roll-over of the deposit.	Racing NSW negotiates an interest rate in line with market rates at the time of roll-over.	Racing NSW checks interest rate received against market leading rates offered by competing financial institutions of a similar credit rating.

	Effective Weighted Average Rate	Floating Interest Rate	Fixed Interest Maturing < 1 year	Non Interest Bearing	Total
		\$	\$	\$	\$
2021					
Financial Assets:					
Cash at Bank	0.85%	112,944,375	-	-	112,944,375
Other Financial Assets	1.00%	-	178,710,936	-	178,710,936
Other Receivables	1.50%	-	-	37,555,893	37,555,893
Total Financial Assets		112,944,375	178,710,936	37,555,893	329,211,204
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	(25,794,239)	(25,794,239)
Trade and Other Payables	-	-	-	(60,453,084)	(60,453,084)
Total Financial Liabilities measured at amortised cost				86,247,323	(86,247,323)
Net financial assets/(liabilities)		112,944,375	178,710,936	(48,691,430)	242,963,881
2020					
Financial Assets:					
Cash at Bank	0.85%	74,763,563	-	-	74,763,563
Other Financial Assets:	1.00%	-	127,537,960	-	127,537,960
Other Receivables	1.50%	-	-	43,877,576	43,877,576
Total Financial Assets		74,763,563	127,537,960	43,877,576	246,179,099
Financial Liabilities:					
Breeder Owner Bonus Scheme	-	-	-	(25,608,075)	(25,608,075)
Trade and Other Payables	-	-	-	(62,343,166)	(62,343,166)
Total Financial Liabilities measured at amortised cost				(87,951,241)	(87,951,241)
Net financial assets/(liabilities)		74,763,563	127,537,960	(44,073,665)	158,227,858

NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)**d) Market Risk (cont.)****Interest Rate Sensitivity**

Racing NSW performs a sensitivity analysis to measure market risk exposures at the time of each maturity of the investment to assess the reinvestment opportunities. There is no interest rate sensitivity for trade receivables or payables. Interest rate sensitivity only applies to Racing NSW Cash at Bank, Cash on Deposit, other financial assets and loans.

Based on the calculations as at 30 June 2021, the net profit impact for a 100 basis points movement in interest rates would be \$2,023,016 (2019: 1,819,005)

	Current Weighted Average Rate	Amount \$	100 basis points Increase in Interest rate \$	100 basis points Decrease in Interest rate \$
2021				
Cash at Bank	0.85%	112,944,375	1,129,444	(1,129,444)
Cash at Bank	1.00%	178,710,936	1,787,109	(1,787,109)
Other Financial Assets:				
Total		291,655,311	2,916,553	(2,916,553)
2020				
Cash at Bank	0.85%	74,763,563	747,636	(747,636)
Other Financial Assets	1.00%	127,537,960	1,275,380	(1,275,380)
Total		202,301,523	2,023,016	(2,023,016)

The method used in determining the sensitivity was to evaluate the interest revenue based on the timing of the interest repricing on the deposits for the next 12 months. The following assumptions were applied:

- the rate at the beginning of the 12 month period would apply for the whole period.
- the cash on deposit would all reprice to the new interest rate at the same time.
- the base rate is the weighted average across the cash on deposit.

Insurance Risk

Pursuant to section 13(1)(d) of the Thoroughbred Racing Act 1996 (NSW), Racing NSW's functions include "insuring of participants in the horseracing industry". Racing NSW holds a specialised insurer's licence issued by WorkCover NSW that permits it to offer compulsory workers compensation insurance for employers and employees engaged in activities incidental to thoroughbred horse racing.

The rights and obligations of Racing NSW as a specialised insurer, are regulated by the Workers Compensation Act 1987 (NSW) and the Workplace Injury Management and Workers Compensation Act 1998 (NSW). These Acts define the circumstances in which an employer has a liability to an injured worker, the manner and timing of any decision by Racing NSW as to the granting of indemnity, and the quantum of benefits payable in response to a claim.

Racing NSW provides an annual actuarial report to WorkCover NSW for the period to 30 June each financial year that covers issues such as:

- The quantum of outstanding liabilities.
- The predicted development of such liabilities, payments on new claims and other expenses during the subsequent financial year
- The number of new claims expected and an estimate of Incurred but Not Reported (IBNR) claims for the preceding financial year
- The amount of the bank guarantee that Racing NSW must arrange to be executed by an established financial institution in favour of WorkCover NSW to support its ability to fund the thoroughbred racing industry's accumulated and expected workers' compensation liabilities. (Refer Note 18)

Racing NSW is committed to managing legal, operational and financial risk in the conduct of its workers' compensation activities.

Financial payments made by the fund are initially approved by the relevant claims manager. Payments are then entered by a different department and returned to the Insurance Manager for authorisation before being randomly audited and processed by the General Manager – Finance and the Chief Executive.

Established practices and procedures govern the internal management of claims, the selection and remuneration of service providers and the manner in which critical decisions are made in relation to individual claimants (such as decisions to contest liability and/or litigate appropriate cases). These practices and procedures are regularly reviewed and, in conjunction with the Occupational Health & Safety and Workers Compensation summary publicly available on Racing NSW's website, are available for review and comment by WorkCover NSW upon request.

Racing NSW's General Manager, Workers' Compensation is a highly experienced workers' compensation professional with qualifications in general insurance. He has held senior workers' compensation positions with WorkCover, NSW Police Service and Deloitte Touche Thomatsu. Racing NSW also engages external legal and medical specialists and other independent experts as and when needed in the administration or litigation of claims.

NOTE 29: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value has been determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset and liability. The information is only relevant to circumstances at balance date and will vary depending on market rates and conditions at the time. The carrying value less impairment provisions for trade receivables and payables approximates their fair values due to their short term nature. The carrying value of other short term financial assets and liabilities is assumed to approximate their fair value due to their short term nature. The fair value of financial liabilities, that are maturing in more than 12 months, for disclosure purposes, has been estimated by discounting the future contractual cash flows at the current market interest that is available to Racing NSW. Significant assumptions used in determining the cash flows are that they will be consistent with the contracted cash flows under their respective contracts. Other specific assumptions used are:

- the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2021: 7.08% (2020: 7.08%)
- payments are made evenly throughout the period.
- BOBS has been discounted over 2 years (2020: 2 years) due to the nature of the BOBS agreement.

	Fair Value	2021 Carrying Value	Variance	Fair Value	2020 Carrying Value	Variance
Financial Assets:						
Cash at Bank	112,944,375	112,944,375	-	74,763,563	74,763,563	-
Receivables - term deposits	178,710,936	178,710,936	-	127,537,960	127,537,960	-
Other Receivables	37,555,893	37,555,893	-	43,877,576	43,877,576	-
Total Financial Assets	329,211,204	329,211,204	-	246,179,099	246,179,099	-

NOTE 29: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

	2021			2020		
	Fair Value	Carrying Value	Variance	Fair Value	Carrying Value	Variance
Financial Liabilities:						
Breeder Owner Bonus Scheme	(25,697,428)	(25,794,239)	96,811	(25,506,503)	(25,608,075)	-
Trade and Other Payables	(60,453,084)	(60,453,084)	-	(62,343,166)	(62,343,166)	-
Total Financial Liabilities measured at amortised cost	(86,150,512)	(86,247,323)	96,811	(87,849,669)	(87,951,241)	-

NOTE 30: INSURANCE ACTIVITIES

	2021 \$	2020 \$
Premium revenue	13,788,091	13,688,666
Reinsurance recoveries and other recoveries revenue	848,285	692,081
Other Income	255,550	188,850
	14,891,926	14,569,597
Interest Income	811,654	796,228
	811,654	796,228
Underwriting expenses	1,574,855	1,680,589
Direct claims expense	12,590,157	11,912,731
Outwards reinsurance premium expense	455,850	380,000
	14,620,862	13,973,320
Underwriting result for the financial year excluding investments revenue and expense	271,064	596,277
Investments		
Investment Property	-	-
	-	-
Operating Assets		
Bank	56,644,489	50,500,417
Reinsurance recoveries	7,606,115	8,422,070
	64,250,604	58,922,487
Total Assets	64,250,604	58,922,487
Liabilities		
Outstanding claims	53,264,264	52,509,861
Unearned Premiums	135,190	136,000
	53,399,454	52,645,861

Refer to Note 18 for bank guarantee and other information relating to Workers Compensation Provision.

a) Outstanding Claims

Gross undiscounted claim liability	50,296,420	48,725,233
Discount to present value	(4,641,847)	(3,627,637)
Third party recoveries	(362,611)	(1,950,631)
Reinsurance recoveries	(7,243,505)	(6,407,139)
Central estimate of the expected present value of future payments for claims incurred	38,048,458	36,739,826
Prudential margin	7,609,692	7,347,965
	45,658,149	44,087,791
Current	9,837,309	9,498,967
Non-current	35,820,840	34,588,824
	45,658,149	44,087,791

The average weighted term to settlement of the outstanding liabilities is 5.7 years (2020: 6.4 years)

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

	2021		2020	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	2.10%	2.10%	2.10%	2.10%
Discount Rate	1.50%	1.50%	1.50%	1.50%

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

	Current Year Incurred \$	Reassess Prior Years \$	Current Year Incurred \$	Reassess Prior Years \$
Gross undiscounted incurred claims	17,681,070	(3,103,535)	15,017,524	(4,224,850)
Undiscounted reinsurance & other recoveries	(313,343)	(76,647)	(461,047)	(453,292)
Net undiscounted incurred claims	17,367,727	(3,180,182)	14,556,477	(4,678,142)
Discounting of incurred claims	(907,169)	(246,452)	(671,952)	3,744,626
Discounting recoveries	39,991	267,726	44,944	(467,267)
	(867,178)	21,273	(627,007)	3,277,359
Gross discounted incurred claims	16,773,902	(3,349,987)	14,345,572	(480,224)
Discounted reinsurance & other recoveries	(273,352)	191,079	(416,103)	(920,558)
Net discounted incurred claims	16,500,549	(3,158,909)	13,929,470	(1,400,782)

The claim cost incurred consists of paid to date plus estimate of outstanding liabilities plus claim management expenses, being 9% of the gross discounted liability.

NOTE 30: INSURANCE ACTIVITIES (CONT.)

- a) the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2021: 7.08% (2020: 7.08%)
 b) payments are made evenly throughout the period.

c) Claim Development

Claims cost estimate	Prior \$	Accident Year										Total \$000
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
At the end of accident year	n/a	12,900	11,168	11,499	11,661	11,693	12,561	12,968	12,813	11,672	12,277	
One year later	n/a	10,839	10,719	9,786	11,123	11,078	12,473	12,781	12,516	11,598		
Two years later	n/a	9,567	8,198	8,987	10,913	10,484	9,877	12,127	12,511			
Three years later	n/a	8,602	7,261	8,742	10,157	9,910	9,393	11,571				
Four years later	n/a	8,192	7,128	8,063	7,387	8,976	9,807					
Five years later	n/a	7,696	7,669	8,061	6,909	8,718						
Six years later	n/a	7,542	6,943	8,367	6,510							
Seven years later	n/a	9,066	6,651	8,090								
Eight years later	n/a	8,796	6,556									
Nine years later	n/a	8,378										
Current estimate of claims cost		8,378	6,556	8,090	6,510	8,718	9,807	11,571	12,511	11,598	12,277	96,016
Cumulative payments		(7,495)	(5,776)	(6,970)	(4,744)	(6,119)	(7,569)	(8,175)	(9,358)	(6,462)	(2,797)	(65,465)
Undiscounted central estimate		7,027	883	1,120	1,766	2,598	2,238	3,396	3,153	5,136	9,480	37,579
Effect of discounting		(480)	(45)	(100)	(159)	(222)	(176)	(278)	(201)	(372)	(564)	(2,672)
Discounted central estimate		6,547	807	1,020	1,607	2,376	2,062	3,119	2,953	4,764	8,916	34,907
Claims handling expense		589	73	92	145	214	186	281	266	429	802	3,142
Risk margin		1,427	176	222	350	518	449	680	644	1,039	1,944	7,610
Present value recognised in the statement of financial position		8,564	1,055	1,335	2,102	3,108	2,697	4,079	3,862	6,232	11,663	45,658

d) Maturity Analysis for Outstanding Claims

	2021					2020				
	All Years	< 1 year	1-2 years	2-5 years	> 5 years	All Years	< 1 year	1-2 years	2-5 years	> 5 years
Workers' Compensation Claim Payments - Undiscounted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	37,578,530	8,744,701	5,626,337	8,716,772	14,490,720	35,687,387	4,999,206	8,144,885	15,245,521	7,297,774

This table shows the maturity analysis for the remaining contractual maturities of the workers' compensation liabilities. The management of insurance risk and liquidity risk are disclosed in Note 29. Amounts shown are undiscounted and exclude claims handling expenses.

NOTE 31: RACE FIELDS DEVELOPMENT PROGRAM

As result of Race Fields High Court case decision of 30 March, 2012 the Board of Racing NSW commenced a capital development program for the State's racecourses over a sustained period. The focus of the program is improvements to racing surfaces and training facilities at major provincial and country racecourses throughout the State. In the year ended 30 June 2021, the following clubs benefited from the program in the current financial year and since the High Court case as follows:

	2021	Cumulative Total	Racing NSW Board approved project balance remaining
	\$	\$	\$
- Albury Racing Club	-	1,236,517	13,483
- Australian Turf Club (Kensington Track)		1,701,539	-
- Quarantine facility	-	1,003,208	6,996,792
- Ballina Jockey Club	11,004	295,911	1,874,089
- Bathurst Thoroughbred Racing	-	577,843	172,157
- Coffs Harbour Jockey Club	-	1,175,434	2,566
- Dubbo Turf Club	-	1,504,428	45,573
- Goulburn & District Racing Club	506,463	2,080,809	869,191
- Gosford Race Club	-	238,600	22,200
- Hawkesbury Race Club (Home Straight)	-	4,516,295	233,705
- Hawkesbury Race Club (Polytrack)	-	2,200,000	1,800,000
- Illawarra Turf Club	163,637	5,203,882	6,296,11
- Muswellbrook Racing Club	-	463,188	86,812
- Murrumbidgee Turf Club	-	1,304,950	-
- Newcastle Jockey Club	-	11,266,868	-
- Racing Orange	-	1,235,795	64,205
- Port Macquarie	25	4,434,213	31,729
- Scone Race Club	218,284	979,993	500,008
- Tuncurry Forster Jockey Club	157,562	1,029,234	129,234
- Manning Valley Race Club	-	94,201	1,105,799
- Tamworth Jockey Club	108,498	2,298,222	611,778
- Wyong Race Club	-	1,448,763	51,237
- ATC - Capital Development fund	-	4,000,000	-
- ATC - Rosehill Training Track	-	1,500,000	-
- Sapphire Coast Turf Club	18,400	125,013	234,987
- Narromine Turf Club/Albury Turf Club - Treadmills	-	58,470	110,530
- Clarence River Jockey Club	-	106,891	-
	1,255,963	52,080,267	20,993,724

The Race Fields funding to clubs was provided by way of interest free interminable loans with certain conditions attached allowing Racing NSW to recover these funds should these conditions be breached. The above amounts have been utilised from the Racefields provision for the year ended 30 June 2021 on the basis that it is not probable that these loans will ever be recovered by Racing NSW.

NOTE 32: RACECOURSE REDEVELOPMENT FUND AND OTHER LOANS TO THE ATC

On 1 July 1998, the operations of the Racecourse Redevelopment Fund were transferred to Racing NSW, including the right to interminable loans from the former Australian Jockey Club for \$43,036,000 and former Sydney Turf Club for \$53,671,000 (subsequently combined within the Australian Turf Club for \$99,707,000). These interminable loans are repayable only on the sale of properties which have benefited from the expenditure of the funds, or in the event of the Company ceasing to perform its current operations. As such, the aforementioned amounts were expensed in the respective year on the basis that it is not probable that these loans will ever be recovered by Racing NSW. The ATC repaid the \$4.05m during the current financial year.

Further, Australian Turf Club (ATC) is currently indebted to Racing NSW (RNSW) in the amount of \$4.05 million, being outstanding prizemoney contributed owed by ATC to RNSW pursuant to the championships sponsorship agreement between RNSW and ATC dated 4 March 2014. RNSW has agreed to convert that debt to an interminable and interest-free loan from RNSW to ATC. RNSW has agreed the Loan is only to be called up in the event that ATC sells an asset valued at more than \$7.5 million. The ATC repaid the \$4.05m during the period ending 30 June 2021.

NOTE 33: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the organisation, the results of those operations or the statement of affairs of the organisation in future financial years. We will continue to monitor the impact of COVID-19 on the Group's operations.

The Members of the Board declare that:

- (1) the financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes:
 - (i) give a true and fair view of the financial position of Racing NSW as at 30 June 2021 and its performance for the year ended on that date.
 - (ii) are in accordance with the *Thoroughbred Racing Act 1996 (NSW)* and comply with Accounting Standards.
- (2) as at the date of this declaration there are reasonable grounds to believe that Racing NSW will be able to pay its debts as and when they become due and payable.

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



Mr R Balding AO
Chairman



Mr P N V'landys AM
Chief Executive

Dated at Sydney this 25 October 2021



Tel: +61 2 8297 2400
Fax: +61 2 9299 4445
Email: info.nsw@au.gt.com
www.grantthornton.com.au

Level 17, 383 Kent St
Sydney NSW 2000
Locked Bag Q800 QVB Post Office
Sydney NSW 1230

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING NSW BOARD

Report on the audit of the financial report

Opinion

We have audited pages 60 to 83 of the accompanying financial report of Racing NSW (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Declaration by Members of the Board.

In our opinion, the accompanying financial report of Racing NSW:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards and the Thoroughbred Racing Act 1996.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit of otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Thoroughbred Racing Act 1996. This responsibility also includes such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

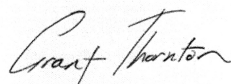
In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A G Rigele
Partner - Audit & Assurance
Sydney 25 October 2021

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A jubilant Tommy Berry celebrates aboard Art Cadeau after taking out the 2021 Newhaven Park Country Championships Final at Royal Randwick



Racing NSW
Level 7, 51 Druitt Street,
Sydney, NSW 2000

Tel: +61 2 9551 7500
Fax: +61 2 9551 7501

Email: racing@racingnsw.com.au
Website: www.racingnsw.com.au