



Racing NSW

ANNUAL REPORT 2020



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: Yes Yes Yes (top) wins The TAB Everest with Glen Boss aboard and Sydney's champions for the 2019/20 racing season (L-R): Robbie Dolan, Chris Waller and James McDonald

CURRENT MEMBERS OF THE BOARD



R Balding AO (Russell)

CHAIRMAN
Re-appointed
19 December 2019
Attended 12 meetings



A G Hodgson AM (Tony)

DEPUTY CHAIRMAN
Re-appointed
19 December 2019
Attended 12 meetings



P N V'landys AM (Peter)

RACING NSW
CHIEF EXECUTIVE
Appointed 23 February 2004
Attended 12 meetings



Dr S Cooke (Saranne)

Re-appointed
19 December 2019
Attended 11 meetings



S Tuxen (Simon)

Re-appointed
20 December 2018
Attended 12 meetings



A Shepherd AO (Anthony)

Re-appointed
20 December 2018
Attended 11 meetings



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

Appointed 19 December 2017
Attended 12 meetings



M Crismale (Michael)

Appointed 20 December 2018
Attended 12 meetings

FUNCTIONS OF THE BOARD

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

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

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

Dear Minister,

In accordance with Section 30 of the Thoroughbred Racing Act 1996, I am pleased to submit to you the 24th Annual Report of Racing NSW (formerly the NSW Thoroughbred Racing Board) covering the period 1 July 2019 to 30 June 2020.

Despite the difficulties faced by the industry following the outbreak of the Coronavirus COVID-19 pandemic, I am pleased to report that overall, the NSW Thoroughbred Racing Industry once again had a very successful year. This is borne out by the fact that, even allowing for the effects of the Coronavirus pandemic, the NSW Thoroughbred Racing Industry continued to operate successfully with returns to owners increasing beyond the previous year's returns.

Thoroughbred racing in New South Wales contributes some \$3.58 billion annually to the NSW economy with more than \$1.93 billion of this economic contribution occurring in regional New South Wales.

This economic contribution includes more than 27,600 full-time-equivalent jobs, with 17,700 of these being in regional and rural New South Wales. As such, it was critically important that our industry continue to operate during these extremely difficult and extraordinary times.

The support given to the industry by the NSW Government in facilitating the continuing conduct of racing activities when much of the State was faced with a severe lock-down not only demonstrated strong leadership, but also sound economic management and was very much appreciated. This allowed us to protect the incomes and livelihoods of the vast numbers of participants involved in the industry.

I must also take the opportunity of congratulating the management and staff of Racing NSW for their enormous efforts in implementing and overseeing the very strict bio-security protocols put in place to ensure racing in New South Wales continued. I also thank the industry's participants because, without their strict adherence to the protocols and conditions, the industry would not have been able to carry on.

Board meetings were held on 12 occasions throughout this period and I again acknowledge the contributions and support of my fellow Board Members who possess an excellent mix of financial, commercial and industry experience.

During the year, with your support, the Government introduced the Better Regulation Legislation Amendment Bill 2019 into the Parliament. This legislation had the effect of amending Section 6 (4) of the Thoroughbred Racing Act 1996 allowing Board members of Racing NSW to serve a total of 10 years on the Board.

Enactment of this amendment then allowed you to approve the re-appointment of the Deputy Chairman, Mr Tony Hodgson AM and myself for a further two-year term. At that time, Dr Saranne Cooke was also reappointed for a further term of office and I congratulate both Tony and Saranne on their well-deserved re-appointments.

On the legislative front, you also arranged for the enactment of the Racing Legislation Amendment Act 2019 which, among other things, permits Racing NSW to use compulsion powers to require persons to provide information for the purposes of a special inquiry. This was a much-needed amendment and will improve the integrity of the NSW Thoroughbred Racing Industry.

On behalf of the Board I wish to thank you for your support and the confidence you have shown in the Board and management of Racing NSW by introducing and supporting these amendments.

The Government's support of the industry is also shown by the enactment of enabling legislation over recent years which has in



Russell Balding AO
Chairman

turn provided a significant boost to the racing economy (Race Fields, Tax Parity and Point of Consumption Tax).

During the year, Racing NSW joined with several of the State's race clubs in hosting and promoting a number of significant racing events which not only reflected on the importance of the NSW Thoroughbred Racing Industry, but also assisted the Government and its various agencies in promoting New South Wales as a major destination.

These races included the various events which made up the two days of *The Championships* and *The Everest*, which retained the mantle of Australia's richest race and the world's richest race on turf and *The Kosciuszko*.

In addition, Racing NSW expanded and enhanced the Spring Carnival with several other new races of significance being successfully conducted, including the \$7.5 million *The Golden Eagle*, *The Hunter*, and *The Gong* which extended the Sydney and

NSW Spring Carnival to mid-November.

The immediate success and public acceptance of *The Golden Eagle* can be gauged by the fact that turnover on the event exceeded turnover on the VRC Derby held on the same day. Importantly, the conditions of the race provided that 10% of all prizemoney (\$750,000) was directed to various charitable organisations throughout the State as nominated by the connections of the starters in the race.

Racing NSW continues to support Country and Provincial racing and apart from funding the *Country and Provincial Championships* and *The Kosciuszko*, *The Hunter* and *The Gong*, Racing NSW also arranged for significant prizemoney increases for many of the annual cups and other feature races conducted by Country race clubs.

These prizemoney increases enhanced the status of those meetings in their respective regions and provided a fillip for country racing participants, many of whom have been significantly affected by drought and bushfires which have ravaged many parts of the State.

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 continued negotiations to acquire, the Moruya, Cessnock and Tuncurry/Forster Racecourses.

These negotiations were successfully finalised in the early part of the 2021 financial year. We are also continuing to locate and acquire a suitable site in an area on the outskirts of Sydney to establish a large-scale training complex.

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

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

Yours Sincerely

Russell Balding AO

Chairman

7 October 2020



Peter V'landys AM
Chief Executive

Executive Summary

Like the rest of Australia and the world, the NSW Thoroughbred Racing Industry faced possibly one of its most difficult periods ever as a result of the COVID-19 pandemic and the associated lockdowns and other Government measures introduced to mitigate the spread of the virus through the community.

Racing NSW acted swiftly as soon as the threat of COVID-19 became apparent, introducing strict and comprehensive bio-security measures and other protocols. By virtue of this immediate action, the NSW Thoroughbred Racing Industry was able to continue to race throughout the COVID-19 pandemic, having satisfied the NSW Government and health authorities that the appropriate restrictions and protocols were in place. Racing was the only sport in Australia that was able to continue uninterrupted throughout the pandemic.

Fortunately, the NSW Thoroughbred Racing Industry has been in a very strong financial position over the last decade, due to additional sources of funding from crucial recent initiatives of Racing NSW, including the introduction of Race Fields Legislation, State Tax Parity rebates and a share of revenue from the Point of Consumption Tax. Those initiatives alone contributed revenue of \$212 million this financial year.

Accordingly, the NSW Thoroughbred Racing Industry was able to weather the economic storm ensuing from the COVID-19 pandemic, with there only being a reduction of prizemoney for a short period from 12 April 2020 to 30 June 2020, with the major reduction occurring for *The Championships*. This was notwithstanding the significant decrease in funding from TAB distributions arising from the lockdowns of pubs, clubs and TAB retail agencies and other sources of funding for NSW Race Clubs, being on-course attendances, catering revenue and sponsorship that were non-existent given the public was not permitted to attend race meetings. Even with the reductions, Racing NSW paid more prizemoney than the previous year.

Financial Performance

Racing NSW reported an underlying surplus of \$2.036 million in the 2020 financial year (down from \$14.4 million in 2019) despite the impacts of COVID-19. The pleasing aspect was that prizemoney paid for the year was \$259 million, the most paid of any State in Australia with the closest being Victoria, paying \$229 million for the year.

Racing NSW recorded a first charge to the NSW Thoroughbred Racing Industry against the TAB distribution of \$10.698 million, a modest increase from the previous year (\$10.178 million in 2019). This efficiency continues to facilitate increases in funding to NSW Thoroughbred Race Clubs including a 300% increase from \$3.073 million to \$12.259 million in Capital Expenditure funding.

As detailed in the 2017/2018/2019 Strategic Plan, Racing NSW allocated \$98.5 million towards the funding of racecourse infrastructure. The most pleasing aspect of this year's financial performance is that Racing NSW set aside an additional \$30 million in the current financial year towards this strategic goal and Racing NSW is now working with various NSW Thoroughbred Race Clubs to improve racing facilities for participants with this funding. Racing NSW now has in excess of \$50 million in the Capital Expenditure fund to support this major objective.

Highlights

- Being able to continue to race during the COVID-19 pandemic, thereby sustaining the livelihood of the 50,000 plus participants in the NSW Thoroughbred Racing Industry. Racing was the only sport in Australia that was able to continue uninterrupted throughout the COVID-19 pandemic.
- Returns to owners, trainers and jockeys during the year totaling \$279.34 million (\$259 million in prizemoney), an increase on the previous year despite the effects on the NSW Thoroughbred Racing Industry of the COVID-19 pandemic. Again, the returns to owners, trainers and jockeys in NSW is the highest of any State in Australia.

- Total returns to owners, trainers and jockeys paid in NSW have now grown by \$138.4 million since 2010. This has only been possible due to the additional sources of funding from crucial initiatives of Racing NSW including Race Fields Legislation (\$956.5 million since its introduction in 2008, with \$135 million this financial year), State Tax Parity rebates (\$182.14 million since FY16, with \$47.87 million this financial year) and a share of revenue from the Point of Consumption Tax (\$42.163 million since 1 January 2019, with \$29.329 million this financial year). Those initiatives alone contributed revenue of \$212 million this financial year.
- A peak crowd of 40,912 attending Royal Randwick Racecourse to witness the third running of *The Everest* and the second running of *The Kosciuszko*.
- Retraining and rehoming Thoroughbred horses for their post-racing life. This includes direct retraining and rehoming by Racing NSW's Equine Welfare Program at properties purchased by Racing NSW for equine welfare.
- The inaugural conduct of *The Golden Eagle*, a \$7.5 million race specifically for four-year-old horses, held at Rosehill Gardens on 2 November 2019. Turnover for the meeting saw an increase of 65% over the corresponding meeting the previous year. Nationally, more people watched *The Golden Eagle* on free to air than the Victorian Derby at Flemington.
- An extended Everest Spring Carnival, headlined by *The Everest* and *The Golden Eagle*, was held over six weeks with several new races being introduced and significant increases in prizemoney for other races. The Everest Spring Carnival for the first time had a feature race carrying at least \$1 million in prizemoney each week.
- The inaugural running of the new \$1 million regional races, *The \$1 million Hunter* at Newcastle and *The \$1 million Gong* at Kembla Grange held as consecutive standalone Saturday meetings in November 2019.
- Successful running of *The Championships* on 4 and 11 April 2020, notwithstanding the strict restrictions on gatherings imposed by the NSW Government from 30 March 2020. While *The Championships* was run without public racegoers in attendance, total turnover still increased over the two days.
- The enactment of long-awaited legislation allowing Racing NSW to apply to the Supreme Court to compel non-licensed persons to attend Racing NSW's special inquiries and provide information to such inquiries. This adds a significant weapon in ensuring the integrity of Thoroughbred Racing in New South Wales.

COVID-19

Following the imposition of State-wide lockdowns as a result of the spread of COVID-19 throughout New South Wales, the NSW Thoroughbred Racing Industry faced the very real threat of being shut down indefinitely, thereby threatening the futures of the many thousands of people who depend on the industry for their livelihoods.

Racing NSW was acutely aware of the debilitating effects of an industry shutdown following equine influenza in 2007. Accordingly, it acted as soon as the threat of COVID-19 became apparent, introducing strict and comprehensive bio-security measures and other protocols.

By virtue of this immediate action, the NSW Thoroughbred Racing Industry was able to continue to race throughout the COVID-19 pandemic, having satisfied the NSW Government and health authorities that the appropriate bio-security measures and protocols were in place.

Revenue

Race Fields Legislation

The Race Fields scheme continues to be a critical source of funding for the NSW Thoroughbred Racing Industry. During the year, 238 wagering operators were granted approvals to provide wagering services on NSW Thoroughbred Race Fields and \$135 million was collected from this source, an increase of \$5.4 million from the previous year.

Racing NSW reviews the structure and function of the Race Fields scheme annually to measure its performance and to ensure that it is performing to its optimum level. Following the annual review in June 2020, no changes to the fees structure were made.

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

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

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

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

The 2020 financial year was the fifth year of wagering tax parity and the NSW Thoroughbred Racing Industry's 77.3% share was \$47.87 million taking the total amount received to date to \$182.14 million.

The legislation provided for a staged introduction of the concessions over 5 years commencing from 1 July 2015.

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	\$70.00 million

Point of Consumption Tax

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

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

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

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

With the introduction of the PoCT, Racing NSW strongly argued that the NSW Racing Industry should not be worse off as a result of the introduction of the PoCT, given the impact it has on the pricing power of the NSW Racing Industry when setting the rate of Race Fields fees. In order to provide certainty, Racing NSW

also recommended that the NSW Racing Industry's share of PoCT revenue should be prescribed by legislation rather than being allocated to the industry on an annual basis in accordance with the budget process.

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

The PoCT commenced on 1 January 2019 with the revenue payable to NSW Thoroughbred Racing Industry for the initial six-month period being \$12.834 million. Revenue paid to NSW Thoroughbred Racing Industry from the PoCT for the year ended 30 June 2020 was \$29.329 million taking the total amount received to date to \$42.163 million.

It should also be noted that Racing NSW's efforts in procuring a 20% share for the NSW Racing Industry has assisted the racing industries of other States in successfully lobbying their governments. In particular, Victoria initially was to only receive \$3 million per annum. It was only after NSW's three codes of racing received \$40 million per annum that the Victorian Government made an election commitment to increase the Victorian Racing Industry share to \$40 million per annum.

Prizemoney>Returns to Owners

Racing NSW again focused on developing and implementing policies to maximise returns to participants particularly racehorse owners. Despite the adverse conditions thrust upon the industry by the COVID-19 pandemic, the NSW Thoroughbred Racing Industry continued to perform strongly in delivering prizemoney and other financial returns to owners.

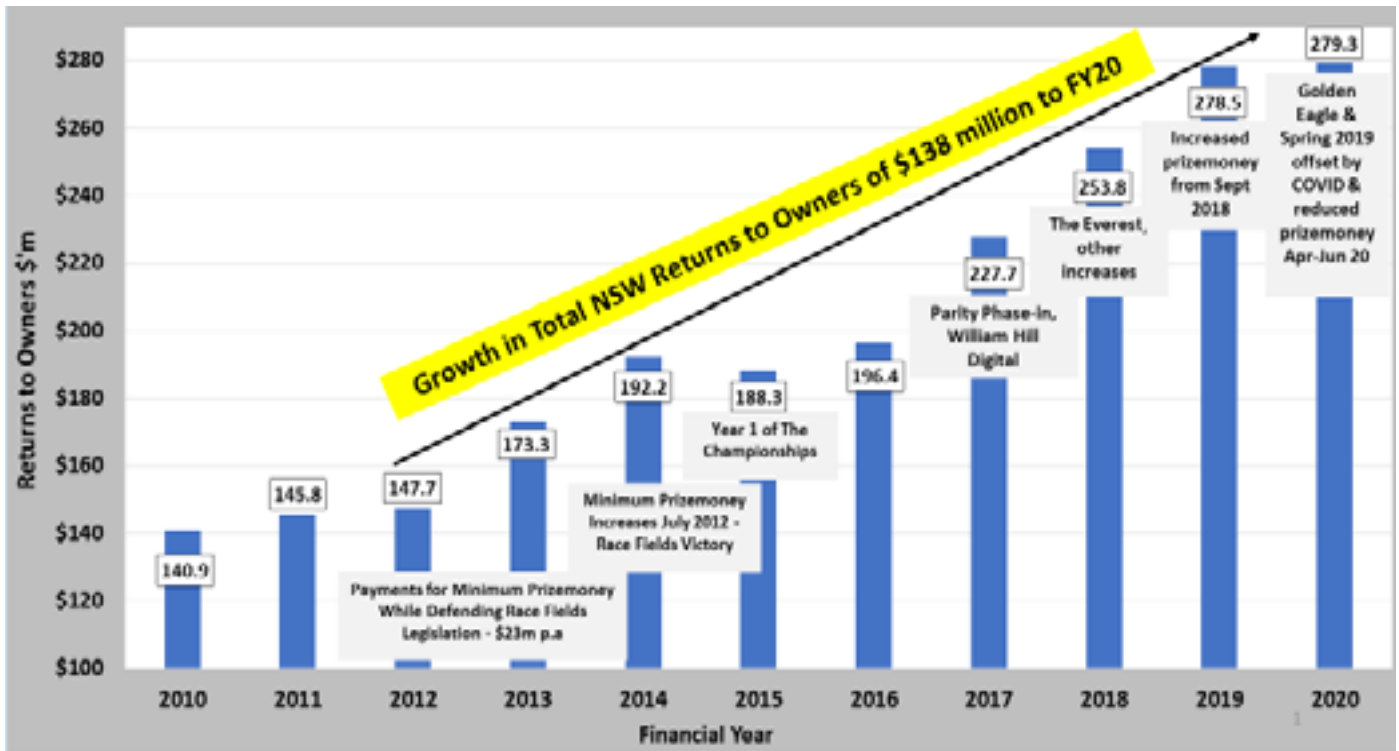
Returns to owners during the year totalled \$279.3 million by far the most of any State in Australia. Pleasingly, despite the difficulties experienced and the temporary reductions in prizemoney owing to the COVID-19 pandemic, total returns to owners still increased.

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

Item	2018/19	2019/20
Prizemoney & BOBS	\$258,419,142	\$258,946,594
Other Payments on behalf of Owners (i.e. jockeys riding fees, etc.)	\$20,080,881	\$20,393,009
Total	\$278,500,022	\$279,339,603

Total returns to owners paid in NSW have now grown by \$138.4 million since 2010, as summarised in the chart overleaf.

GROWTH IN TOTAL NSW RETURNS TO OWNERS OF \$138M



Country Racing

Racing NSW continued its policy of ensuring the viability of Country racing and major prizemoney increases to Country racing carnivals provided a major boost for the sector that raced under adverse conditions during the year.

With total annual prizemoney now more than \$81 million it was significant that the sector was able to conduct 495 race meetings throughout the State despite the impacts and devastation of drought and bush fire conditions. This is a positive result for the Country sector which generated more than 28,500 starters trained from Country facilities.

Feature prizemoney increases that were effective from 1 August 2019 at Country Race Clubs were endorsed with record crowds at several of the meetings during spring and summer including Coonamble and Coonabarabran Cups in October 2019 with 5,000 racegoers in attendance.

The impact of COVID-19 has been far reaching and the Country Race Clubs have adopted and effectively implemented the Racing NSW Protocols that has resulted in many of the scheduled race meetings continuing during this period. There were several Community and Picnic Race Clubs that made the difficult decision to abandon their annual race meetings and those who have missed the opportunity this year are looking forward to racing

again in 2021. To boost Country racing during the COVID-19 pandemic, Racing NSW strategically replaced meetings and the division of races served as additional support to abandoned programs providing opportunities for 10,490 race starters and participants at 132 race meetings.

During the COVID-19 pandemic, the Country sector still conducted Country Cup Carnival Prizemoney meetings at Albury, Muswellbrook, Wellington, Orange, Moruya, Tamworth, Murrumbidgee and Scone without crowds and distributed prizemoney of \$5.1 million to these races. Further, Country Showcase meetings and other Feature Country Cups continued to be held throughout the state.

The minimum prizemoney levels reduced during COVID-19 were reinstated effective from 1 July 2020 to \$22,000 and the Country Showcase meetings at \$30,000 per race. As Race Clubs begin to welcome racegoers back to the races the Country sector will continue to showcase Country-trained horses at races such as:

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

BOBS

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 18th year and gets stronger each season, with a total of almost \$12 million paid out in bonuses and double up vouchers in 2019/20. Some quick facts on BOBS: -

- In 2019/20, there were 1248 BOBS Silver bonuses paid;
- Racing NSW has paid out more than \$153 million in bonus prizemoney since BOBS began 18 years ago;
- Since the double-up option was introduced in January 2005, more than \$47 million has been put back into the NSW Breeding Industry through this scheme, benefiting not just breeders, but also owners and trainers;
- Of the BOBS Silver bonuses won, two-year-old horses won 180 (14%) and three-year-old horses accounted for 1068 (86%) wins; and
- Fifteen of the seventeen leading sires by value of bonuses are Australian-bred.

BOBS Double-Up

BOBS Double-Up provides owners with the opportunity to double the amount of their cash bonus. For example, owners winning a Metropolitan race would receive \$16,000 cash as their share of the winning bonus. BOBS Double-Up allows the owners to double their \$16,000 into a voucher worth \$32,000, which can be redeemed towards purchases at yearling sales, ready to run sales or towards the cost of stallion fees for their mares.

Equine Welfare Program – Rehoming of horses

Throughout 2019/20, Racing NSW continued to further strengthen the Equine Welfare Program that cares for, rehabilitates and rehomes retired NSW Thoroughbred racehorses.

Two dedicated Equine Welfare Veterinarians have been appointed to complement the Stewards in inspecting NSW Thoroughbreds that have been retired from racing. Owners are required under the Rules of Racing to disclose the location and contact details of the new owners. The Equine Welfare Veterinarians, alongside the Stewards, audit this list of retired horses and physically inspect the horses in their new homes to ensure that they are at the disclosed location and are being appropriately cared for.

Unfortunately, during the year NSW suffered from severe drought conditions and bushfires across much of the State and this created welfare issues for many Thoroughbred horses. The Equine Welfare Team provided extensive support and assistance in arranging temporary accommodation, providing

emergency feed and water supplies and, where necessary on welfare grounds, horses were taken into Racing NSW's Equine Welfare Program for ongoing care.

In addition to the support provided for drought and bushfire cases, the Equine Welfare Team continued to provide assistance and seize horses on welfare grounds. Interstate auctions were also closely monitored with Racing NSW placing bids against, and if necessary purchasing, any NSW Thoroughbred that was at risk of being sold to an abattoir or knackery.

Across the three Racing NSW owned welfare properties, Racing NSW staff continued to undertake a direct rehoming program with retired Thoroughbred racehorses. The joint venture with Corrective Services NSW also continued successfully at St Heliers Correctional Centre at Muswellbrook, with Racing NSW now employing a full time staff member at the property to oversee the equine therapy and training programs.

In May 2020, Local Rule of Racing 114 – Equine Welfare was amended to establish an Excluded List for any person, irrespective of their connection to the NSW Thoroughbred Racing Industry, who Racing NSW consider unsuitable on welfare grounds to be responsible for the care of NSW Thoroughbreds. A person will be placed on the Excluded List by Racing NSW for a number of welfare reasons, including not providing proper nutrition to a horse, having mistreated a horse or that person's property does not meet the minimum standards set by Racing NSW for properties where horses are rehomed.

It is then an offence for any NSW licensed trainer or owner to transfer, sell or gift a horse to a person on the Excluded List. Accordingly, the Excluded List provides a further weapon for Racing NSW in its efforts to ensure that all NSW Thoroughbreds are properly cared for when they are retired from the industry.

In September 2020, Racing NSW launched an End of Life Welfare Program to ensure that every NSW Thoroughbred horse has access to a free humane euthanasia service throughout its life in circumstances where a vet has certified that it is in the horse's best interest and necessary on welfare or safety grounds. This End of Life Welfare Program reiterates Racing NSW's position that under no circumstances should a NSW Thoroughbred horse ever be sent to an abattoir or knackery.

The Everest

The third running of *The Everest* was held at Royal Randwick on 19 October 2019 and the event continues to excite racegoers and the off-course audience alike, including a global audience watching the race through Sky Racing.

A peak crowd of 40,912 turned out on the day and most of the crowd were under 35 years of age. This illustrates the effectiveness of Racing NSW's aim in targeting the under 35 demographics.

The race was won by the exciting 3-year-old colt Yes Yes Yes ridden by Champion Jockey Glen Boss.

In accordance with the Board's earlier decision, prizemoney for the race totalled \$14 million.

Racing NSW and the Australian Turf Club have always committed to reinvest any incremental profits from *The Everest* back into the race.

Accordingly, the success of the first three instalments of *The Everest* has enabled Racing NSW and the Australian Turf Club to continue with increases in prizemoney in future years and *The Everest 2020* will be worth \$15 million in total prizemoney. This level of prizemoney is befitting the world's richest race on turf.

The Kosciuszko

Also held on *The Everest* race meeting was the second running of *The Kosciuszko*. *The Kosciuszko* is the world's richest Country race, with Country trained horses competing on the biggest day of prizemoney in Australia with \$17.4 million on offer.

A promotion was conducted by the Australian Hotels Association (AHA), Tabcorp (TAB) and Racing NSW for members of the public to buy \$5 sweepstake tickets. There were a total of 210,000 tickets sold, with the first 14 winning tickets winning an entry in *The Kosciuszko*. Those winning ticket holders were then able to select a NSW Country trained horse to race in their entry, subject to agreeing with the horse's owners as to how they would share the prizemoney for *The Kosciuszko*.

The Kosciuszko concept has been widely accepted by racing enthusiasts throughout the State and, in addition to individual ticket buyers, numerous syndicates were formed to participate in the event. In fact, one such syndicate comprising 42 people, drew a winning ticket and selected the winning horse, Handle the Truth, trained by Keith Dryden and ridden by Nash Rawiller.

The race received comprehensive media coverage, particularly throughout regional centres. This resulted in the furtherance of brand awareness for *The Kosciuszko*.

The public's favourable reception of *The Kosciuszko* can also be gauged by the total turnover on the race increasing by 13% from the previous year's turnover.

The Golden Eagle

Having identified the need to establish a new feature race for 4-year-old horses during the spring, Racing NSW and the Australian Turf Club staged the inaugural *The Golden Eagle* at Rosehill Gardens on 2 November 2019.

The Golden Eagle capitalised on the success of *The Everest* and *The Kosciuszko* to provide Sydney's west with a feature race well into the spring. It is the first feature race on the Australian Racing Calendar exclusively for four-year-old horses and incentivises

owners of star young horses to continue racing in Australia rather than retiring to stud or being sold overseas.

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

The field featured representatives from across Australia as well as three international runners in a world-class inaugural edition of the innovative race. Turnover for the meeting was a massive increase of 65% over the corresponding meeting the previous year. On free to air, 254,643 people watched *The Golden Eagle*, nationally, compared with 233,780 people watching the Victorian Derby at Flemington.

The Golden Eagle was won by the Chris Waller trained Kolding which was ridden by Glen Boss, following on from his win in *The Everest*.

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 Kolding's win, the National Jockeys Trust was handed a cheque for \$410,000. Dementia Australia, chosen by Sunlight's owners, received \$150,000 while third placed Mizzy was racing for Ronald McDonald House which picked up \$75,000.

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

Extension of Everest Spring Carnival

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

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

The Golden Eagle meeting also saw the running of the inaugural Rosehill Gold Cup over 2000m for prizemoney of \$500,000, also attached to a bonus from races on 5 October and 19 October 2019. The path to *The Golden Eagle* included the running of a new race being the \$500,000 *The Silver Eagle* over 1300m at Royal Randwick on Saturday 12 October 2019, three weeks prior. *The Silver Eagle* was restricted to four-year olds and run at set weight and penalty conditions.

Other major changes to the program included:

- Spring Champion Stakes on 12 October 2019 - prizemoney increased from \$500,000 to \$1 million – won by Shadow Hero
- \$1 million Bondi Stakes for three-year olds on Saturday 26 October 2019 – won by Kubric
- \$1 million Golden Gift for two-year olds on 9 November 2019 – won by Dame Giselle
- \$500,000 Hot Danish Stakes for fillies and mares on 9 November 2019 – won by Reelem in Ruby

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

The Hunter and The Gong

In keeping with Racing NSW's vision of having major races conducted throughout the State and not just in the Metropolitan area, the inaugural \$1 million *The Hunter* was held by Newcastle Jockey Club at its Broadmeadow Racecourse on 16 November 2019, followed a week later by the Illawarra Turf Club's \$1 million *The Gong* at Kembla Grange. Both those meetings were standalone Saturday meetings.

Local racegoers embraced the concept with good crowds attending both race meetings. Turnover for the meetings increased by 19% on last year's corresponding meetings held in the Metropolitan area.

The Hunter was won by the James Cummings trained Savatiano ridden by James McDonald while *The Gong* was taken out by the Chris Waller trained Mister Sea Wolf also ridden by James McDonald.

These races will now form an integral part of the annual Spring Carnival and are expected to grow in relevance as the years progress.

The Championships

Unfortunately, the 2020 edition of *the Championships* was held in the early stages of the State-wide lockdown following the advent of the COVID-19 pandemic which prevented any spectators attending the race meetings.

Nevertheless, the race meetings themselves went ahead and presented an attractive viewing and betting medium for the large off-course audience that was 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. This resulted in record turnovers being achieved over the two race meetings.

Included on an attractive program of feature races on Day 1 of *the Championships* were the time-honoured ATC Derby (won by Quick Thinker) and The Doncaster Mile (won by Nettoyer) as well as the TJ Smith Stakes (won by Nature Strip) and the final of *the Country Championships* (won by Gracie Belle).

Turnover for the day increased by 4.2% over the corresponding meeting in 2019.

Day 2 of *the Championships* featured the *Queen Elizabeth Stakes* (won by Addeybb), the *Sydney Cup* (won by Etah James) and the *ATC Oaks* (won by Colette) as well as several other major races including the final of the *Provincial Championships* (won by Through the Cracks).

Turnover on this meeting slightly decreased when compared to last year's meeting. This still presented a very good result considering that the corresponding meeting in 2019 featured the final race of champion mare Winx.

Bearing in mind the circumstances under which they were conducted, it must be said that the 2020 *The Championships* was a major success.

Legislative Amendments

During the year, the NSW Government introduced the *Racing Legislation Amendment Act 2019* which, among other things, included a significant integrity measure for Racing NSW, being the ability to apply to the Supreme Court to compel non-licensed persons to attend Racing NSW's special inquiries and provide information to such inquiries.

Racing NSW has been seeking these amendments for some time and their enactment will greatly assist with the overall integrity of Thoroughbred Racing in New South Wales.

Workers Compensation

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

There were 555 workers compensation claims received during 2019/20 which was 5.5% higher than the 526 new claims received during 2018/19. The Fund experienced a revenue to costs surplus of \$1.39 million. The surplus was largely attributable to a further reduction in average claims costs during the year through achieving solid return to work rates and a lower than estimated incurred cost of claims across most claim years.

There was a slight deterioration of \$0.34 million in the actuarial valuation of the possible future liability of the Fund at 30 June 2020 (compared to 30 June 2019). The provision for those potential liabilities reduced the surplus for the 2019/20 year to \$1.05 million. The estimated future liability of the Fund increased from \$43.8 million at 30 June 2019 to \$44.1 million at 30 June 2020. It should be noted however, that the valuation at 30 June 2020 was \$2 million lower than the \$46.1 million that had been forecast in the 2019 valuation.

The extensive protocols implemented by Racing NSW in response to the COVID-19 pandemic protected the Fund from any adverse financial impact. The actuarial report from Finity Consulting confirmed that racing activity during 2019/20 was materially unchanged compared to previous years and that there

were no forced shutdowns or COVID-19 related claims. The sensitivity analysis referred to in the actuarial report indicated that the NSW workers compensation jurisdiction at large was exposed to a 12% deterioration in the valuation of future liabilities due to the COVID-19 impact.

The Fund continues to perform soundly and the \$1.05 million surplus takes the Fund's reserves to \$6.1 million. It is pleasing to confirm that the target set by the Board of Racing NSW of maintaining a reserve of \$5 million was achieved in 2019 and has been maintained.

Capital Development Projects

Throughout the year, Racing NSW continued to identify and fund Capital Development projects to deliver enhanced racing and training facilities throughout NSW. In keeping with this objective, two significant projects were successfully delivered during the reporting period, being the construction of new Polytrack synthetic all-weather training tracks at Kembla Grange and Wyong racecourses.

The Kembla Grange Polytrack was commissioned in October 2019 and has provided a first-class synthetic surface for use by trainers. The outstanding all-weather characteristics were highlighted in February 2020 when the track was able to be used for training despite having received more than 300mm of rainfall over the preceding days.

The Wyong Polytrack was opened in May 2020 and similarly provides an excellent all-weather surface for trainers. The project was completed one month ahead of schedule which was a significant achievement given the extremely poor ground conditions encountered on-site. A substantial period of wet weather in February and March 2020 during which Wyong received more than 500mm of rain also negatively impacted on construction activity. The difficult ground conditions necessitated deployment of a variety of different geotechnical solutions such as boxing-out and replacement of sub-grade material with rockfill treatment plus Combigrid, geofabric and recycled DBG20 crushed road base, along with in-situ lime stabilisation of suitable existing subgrade where appropriate.

Wyong was the third Polytrack successfully delivered by the Race Fields Capital Works Fund in recent years and provides Provincial trainers with access to all-weather training surfaces which are the equal of those to be found at Metropolitan racecourses.

Supply and installation of a new irrigation system at Scone Racecourse is also well advanced. This project will deliver new mainlines, valve assemblies and sprinklers to the Course Proper, "B" Grass training track and sand track, as well as a new state of the art computer control system. In addition, a new decoder system has been adopted and given this platform is conceived as the basis for new development work by the supplier, the system being installed is as future-proof as possible.

Land Acquisitions

Racing NSW has acquired large land holdings for use by its Equine Welfare Program to cater for the care, retraining and rehoming of retired Thoroughbred racehorses. These properties include:

- Bandanora, which is a 2600 acre property at Capertee (near Mudgee) that has an Olympic sized indoor equestrian arena that is used for retraining horses
- Bart's Farm, (formerly known as Princes Farm when owned by the late Bart Cummings) which is a 137 acre property near Penrith that is the shopfront for the Equine Welfare Program
- The Grange, which is an 87 acre property at Oxley Island (near Taree) that is a training centre for the Equine Welfare Program.

In addition to these Equine Welfare properties, Racing NSW has also acquired additional land holdings to secure the future of the NSW Thoroughbred Racing Industry in key areas. These acquisitions are set out below and include some transactions that have settled in the 2020/21 financial year:

- Scone Racecourse and surrounding lands, totalling 368 acres. This landholding includes the Scone Racecourse which is being leased back to the Scone Race Club, the former Hunter Valley Equine Research Centre administration building which is leased out to industry participants and a 116 acre undeveloped parcel of land known as Satur House which will be incorporated into the Scone Racecourse master plan
- Six properties adjacent to Kembla Grange Racecourse have been acquired that form an integral part of the specially zoned Equine Training Precinct that adjoins the Racecourse. Given the importance of Kembla Grange as a racing and training venue, securing these properties ensures that they will remain exclusively used for Thoroughbred training into the future and not converted for other residential or industrial use that may have jeopardised continuation of training at Kembla Grange. These properties include a combination existing stables and training facilities and vacant land and will be incorporated into a new master plan for Kembla Grange Racecourse.
- Moruya Racecourse which was acquired from the local council and has been leased back to the Race Club to continue their operations. Now owned by Racing NSW, this acquisition provides certainty for Thoroughbred Racing at Moruya Racecourse
- Cessnock Racecourse which was acquired from the Newcastle Jockey Club and will be developed into a pre-training centre for the NSW Thoroughbred Racing Industry. This Racecourse will become an industry asset and will provide an opportunity for trainers focusing on pre-training horses to base themselves at Cessnock instead of other Metropolitan or Provincial Racecourses, thus freeing up those stables for racehorses in work and ready to race.

- Tuncurry Forster Racecourse which was acquired from the Tuncurry Forster Jockey Club which will use the sale proceeds exclusively for upgrade works at the Racecourse to improve facilities for industry participants and race day attendees. The Racecourse has been leased back to the Tuncurry Forster Jockey Club to continue their ongoing operations.
- 27 acres of agricultural land adjacent to Bathurst Racecourse was acquired to provide a buffer between the Racecourse and the growing residential developments on the outskirts of Bathurst. This land will be incorporated into a new master plan for Bathurst Racecourse.

Australian Racing Forensic Laboratory

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

In 2019/20 an additional 9,822 enhanced tests were undertaken on top of routine testing of race day samples, which equated to 10,505 urine and 15,574 blood samples collected. 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 6% from last year to 3,501 tests.

The ARFL equipment fleet was further bolstered in 2019/20 with the acquisition of a Liquid Chromatograph - hybrid quadrupole-Orbitrap High Resolution Mass Spectrometer with superior performance in sensitivity and accuracy. The platform comes with sophisticated software features for the confident identification of unknown substances and is used to routinely screen for 60 peptides in race day samples.

One of the highlights for the ARFL during 2019/20 was the further development of highly sensitive and robust hair testing capabilities to complement the analysis of blood and urine samples. This 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. This has been achieved using sophisticated Liquid Chromatography-tandem Mass Spectrometry instrumentation that the ARFL has in its arsenal to fight doping.

As a department of the Principal Racing Authority, the ARFL integrates with Racing NSW Stewards, Veterinary Department and the Intelligence and Surveillance Unit in a whole-of-organisation approach. To this effect, the ARFL analysed 206 special exhibit

samples using accredited analytical methodologies for the testing of these products confiscated by Racing NSW stewards. Adverse findings in such exhibits provides corroborative evidence when investigating the origins of a positive swab.

Acknowledgements

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

I particularly thank the Chairman, Russell Balding AO whose stewardship, mentoring and advice has been invaluable to me in undertaking my duties and responsibilities. Russell's contribution to the NSW Thoroughbred Racing Industry has been enormous.

I welcome and congratulate the re-appointment of Russell together with Tony Hodgson AM and Dr Saranne Cooke to the Board for further terms of office. Their re-appointments will allow the Board to continue to pursue the realisation of the many targets and objectives they have developed in recent years.

Thanks also to the executive and staff of Racing NSW for their continued loyalty, dedication and professionalism. The combined efforts and achievements of these officers, particularly during the COVID-19 pandemic, have contributed largely to the continued viability of the NSW Thoroughbred Racing 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 Racing Industry Consultation Group, Club Committees and participant groups who give freely of their time and effort mostly in a voluntary capacity in the various administrative and other roles which contributed to the success of the industry in New South Wales.

Finally, I offer my sincere condolences to the families and friends of those participants who sadly passed away during the year. Full details are shown on page 49.

Peter V'landys AM
Chief Executive



Scott Kennedy

General Manager
Industry & Analytical

Racing in New South Wales

2019/20 proved to be tumultuous with the onset of COVID-19 which significantly impacted racing in NSW from mid-March 2020. However, as outlined elsewhere in this report, Thoroughbred racing continued, albeit under strict biosecurity protocols.

Compliance with Public Health Orders meant that racing was conducted with essential personnel only between 17 March 2020 and Saturday, 6 June 2020 when owners were admitted to that day's Royal Randwick meeting.

Owners were then progressively admitted to meetings throughout NSW. Racegoers first returned to racecourses under restricted arrangements from late June 2020.

Uncertainty created by COVID-19 and loss of non-wagering revenues to the industry saw prizemoney reduced for *The Championships* and then more broadly for TAB racing from 12 April 2020 until the end of the financial year, before this was restored from 1 July 2020.

As was the case with many community gatherings and events, the Public Health Orders arising from COVID that prevented or restricted the number of people able to gather saw numerous community non-TAB and picnic meetings abandoned.

The NSW Thoroughbred Racing Industry funds the large number of community non-TAB and picnic meetings to provide regional and rural communities the annual social highlight of its local race meeting, also ensuring that racing has a presence throughout the State.

Whilst many of these meetings were abandoned, 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.

With respect to biosecurity and separation of participants which has occurred and continued since mid-March, TAB meetings at Gunnedah were transferred elsewhere as the venue was not suited to providing the required separation of jockeys.

To the Club's credit it has undertaken jockey room upgrades that enabled a return to racing from August 2020.

Prior to the COVID period, racing was at times disrupted during the year by the impact of bushfires throughout NSW. This commenced on the North Coast

and some provincial meetings in November with the partial abandonment of the Kempsey Cup meeting as well as fixtures scheduled for Taree, Port Macquarie and Hawkesbury.

In December and January, meetings were lost or partly lost due to bushfire smoke at Goulburn, Gosford, Albury, Gundagai and Tumut.

Racing on the South Coast was even more heavily impacted by bushfires with the loss of meetings at Nowra and Sapphire Coast as well as two meetings at Moruya including the Cup in January 2020.

Participants in Moruya were the most heavily impacted by the bushfires with the racecourse at one point being in danger. Racing NSW provided financial support to participants most heavily impacted by lost meetings and the direct impact of fires both in November 2019 and January 2020.

Between COVID and bushfires, the number of meeting held during the year fell to be the lowest since 2016/17.

The total number of TAB meetings run were 659, down slightly on the record of 668 in the previous year. The number of non-TAB and picnic meetings held declined, primarily due to the impact of COVID.

NSW RACE MEETINGS HELD

SECTOR	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Metropolitan	117	114	116	113	116	116	114
Provincial	134	130	131	130	133	130	127
Country TAB	328	312	304	318	342	348	348
Country Saturday TAB	61	65	64	58	75	74	70
Country Non-TAB	108	100	93	87	83	82	57
Picnic	29	27	27	26	31	29	22
TOTAL	777	748	735	732	780	779	738

As could be expected with fewer race meetings staged, the total number of NSW races run declined to 5,378 with the reduction most largely attributable races lost from non-TAB and picnic meetings.



NSW RACES RUN

SECTOR	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Metropolitan	890	863	913	929	955	949	920
Provincial	1,037	1,010	1,020	1,010	1,039	1,012	964
Country TAB	2,468	2,360	2,291	2,411	2,560	2,616	2,603
Country Saturday TAB	393	416	418	381	481	464	453
Country Non-TAB	584	533	504	481	462	458	317
Picnic	165	159	159	152	179	164	121
TOTAL	5,537	5,351	5,305	5,364	5,676	5,663	5,378

The total NSW race starters in 2019/20 year also decreased in line with the lesser number of meetings held.

Racing NSW has also been more actively managing races with small fields either at the close of nomination or at acceptance time. This includes abandoning races or combining races following nominations, or at acceptance time, where these are at the same or similar distances, but may have been programmed for different ages and or sexes.

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	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Metropolitan	8,731	8,125	9,082	8,735	8,864	9,317	8,894
Provincial	10,074	9,338	9,176	8,542	8,436	8,891	8,912
Country TAB	26,662	25,226	24,304	25,792	26,781	27,596	27,501
Country Saturday TAB	4,171	4,296	4,289	3,924	4,842	4,763	4,686
Country Non-TAB	4,754	4,356	4,121	3,723	3,288	3,264	2,320
Picnic	1,054	993	902	925	1,034	921	683
TOTAL	55,446	52,374	51,874	51,641	53,245	54,752	52,996

Provincial race starters have continued to grow strongly in 2019/20 to an average field size of 9.24 starters/race, improving from 8.79 in 2018/19 and 8.12 starters/race two years ago.

Metropolitan fields decreased in 2019/20 to 9.67 starters/race but remain well above 2017/18 levels.

The decrease in midweek Metropolitan fields is partly explained by the growth in Provincial field sizes.

Fields for Country TAB races were slightly higher than the previous year, including Saturday races that are generally Sky 2 meetings.

Non-TAB and picnic field sizes increased slightly, albeit on fewer meetings and races run during the year.

NSW AVERAGE FIELD SIZES

SECTOR	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Metropolitan	9.81	9.41	9.95	9.40	9.28	9.82	9.67
Provincial	9.71	9.25	9.00	8.46	8.12	8.79	9.24
Country TAB	10.80	10.71	10.61	10.70	10.46	10.55	10.57
Country Saturday TAB	10.61	10.33	10.26	10.30	10.07	10.27	10.34
Country Non-TAB	8.14	8.17	8.18	7.74	7.12	7.13	7.32
Picnic	6.39	6.25	5.67	6.09	5.78	5.62	5.64
TOTAL	10.01	9.81	9.78	9.63	9.38	9.67	9.85

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

Racing Highlights

The Everest was the highlight of a newly revamped Spring Carnival in Sydney which for the first time also featured the \$7.5 million *The Golden Eagle* run at Rosehill Gardens.

The Golden Eagle, at a distance of 1500m for four-year olds, also saw 10% of prizemoney donated to charities nominated by the connections of runners.

The Everest itself saw a three-year-old prevail for the first time with Yes Yes Yes ridden by Glen Boss defeating Santa Ana Lane.

Trained by Chris Waller, the horse represented the Chris Waller slot that also includes Peter Tighe, Deb Kepitis, Noel Greenhalgh, Ingham Racing and Neville Morgan.

For the first time the Melbourne Racing Club took a slot and were rewarded with the Schillaci Stakes winner Trekking finishing third.

On *The Everest* day, The Kosciuszko was held for the second time for prizemoney of \$1.3 million open to NSW Country-trained horses.

The Kosciuszko sweepstakes saw Shellharbour TAB Punters Club drawing one of the prizes and choosing Handle the Truth who held off former Country Championships winner, Victorem.

Two weeks later was the inaugural running of *The Golden Eagle* at Rosehill Gardens.

Unique in Australian racing, the \$7.5 million race for four-year olds drew together a superb field of Australia and international runners.

Epsom Handicap winner Kolding, also for Chris Waller and Glen Boss, ran down Sunlight who led most of the way after backing up from *The Everest*.

The National Jockey's Trust was the winning charity selected by owner Neville Morgan. On the same day, the Redzel Stakes also proved to be a success in its

first running with Pierata winning after a close-up fifth in *The Everest*.

The spring of 2019 was capped off with the inaugural runnings of *The Hunter* at Newcastle and *The Gong* at Kembla Grange Racecourse.

Both races carried prizemoney of \$1million and made an excellent start establishing themselves as feature racing events in the next largest cities in NSW after Sydney.

Not surprisingly the major stables were to the fore with Savatiano (James Cummings) winning *The Hunter* and Mister Sea Wolf (Chris Waller) winning *The Gong*, with champion jockey James McDonald winning both races.

The Championships were run soon after the commencement of COVID-19 lockdowns but were nonetheless a tremendous success during a difficult period.

Day 1 was highlighted by the display of sustained speed by Nature Strip to win the TJ Smith Stakes. The Wendy Roche-trained Nettoyer ran on from near last at the 600m to win the Doncaster Mile, in turn providing James Innes Jnr his first Group 1 victory.

Day 2 of *The Championships* saw Addeybb add the Queen Elizabeth II Stakes to his Ranvet Stakes win for Newmarket (UK) trainer William Haggas and capping a fruitful period in Sydney for English rider Tom Marquand.

Jockey Glen Boss added to his spring successes by winning both the Sydney Cup and Australian Oaks on the day.

The Coronavirus pandemic played its part in restricting travel late in the season and probably resulted in NSW trainers having a reduced win rate of Group 1 races in Australia.

In the 2019/20 season NSW trainers produced 28 of the 68 Group 1 winners.

COVID-19 saw the Queensland Winter Carnival truncated which resulted in NSW trainers having a reduced win rate of Group 1 races in Australia.

Chris Waller was the most successful NSW trainer with 7 Group 1 wins along with *The Everest* and *The Golden Eagle*. Nature Strip (3 wins), along with Kolding (Epsom Handicap), Funstar (Flight Stakes), Verry Elleegant (Tancred Stakes) and Toffee Tongue (Australasian Oaks).

James Cummings was able to produce 6 Group 1 winners with Bivouac (Golden Rose & VRC Newmarket Handicap), Avilius (George Main Stakes), Flit (1000 Guineas), Colette (ATC Australian Oaks) and Trekking (Goodwood Handicap).

The training partnership of Gai Waterhouse and Adrian Bott had another good year with four Group 1 winners, Con Te Partiro (Coolmore Classic and Coolmore Legacy), Shout the Bar (Vinery Stud Stakes) and the 2yo pinnacle, the Golden Slipper with Farnan.

Three further trainers had dual Group 1 wins, whilst a further five trainers had a single Group 1 win.

Following the retirement of champion Winx, no horses were as dominant in the Group 1 races.

Nature Strip for Chris Waller was the only horse in Australia to win three Group 1s in the season. He was successful in the AJ Moir Stakes and VRC Classic before a resounding victory in the TJ Smith Stakes at Royal Randwick.

Bivouac, Con Te Partiro, Fierce Impact, King's Legacy

and Shadow Hero each recorded two Group 1 victories during the season.

NSW horses were very prominent in the Australian Classifications categories. Top-rated horses were Farnan (Champion 2yo Colt), Bivouac and Yes Yes Yes (Joint Champion 3yo Sprinter), Funstar (Leading 3yo Miler Filly), Castelvecchio (Leading 3yo Intermediate Male), Shout the Bar (Leading 3yo Intermediate Filly), Colette (Leading 3yo Long/Extended Filly), Nature Strip (Leading Older Sprinter), Avilius (Leading Older Mile Male) and Verry Elleegant (NZ) (Leading Older Long & Extended Mare). NSW-trained horses won 9 of the 19 possible categories.

Among the riding achievements, James McDonald captured his fourth Metropolitan jockeys' premiership in 2019/20 with 103.5 wins. Nash Rawiller settled back into Sydney with great success finishing second with 90 wins.

Irish apprentice Tom Sherry took out the Provincial premiership from Keagan Latham and Andrew Gibbons.

The Country premiership went to Blaike McDougall with 116.5 wins from Greg Ryan and Andrew Gibbons.

The overall NSW premiership was taken out by Andrew Gibbons from Blaike McDougall and Tommy Berry.

Tom Sherry was the most successful apprentice jockey in the state with 95 wins, ahead of Samantha Clenton with 89 wins. Robbie Dolan won his second Metropolitan apprentice's title with 31 wins.

Chris Waller topped the Sydney trainer's premiership for the 10th consecutive year with 135.5 wins, ahead of runner-up James Cummings with 72.

Kris Lees prepared 193 winners to be the leading trainer in NSW, with Chris Waller runner-up with 179.5 winners statewide.

Industry Support

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

Race Fields funded Capital Works Fund operations were adversely affected during the second half of 2019/20 due to negative impacts of the COVID-19 pandemic on economic activity.

Nonetheless, significant projects were successfully delivered during the reporting period, being the construction of new Polytrack® synthetic all-weather training tracks at both Kembla Grange Racecourse and Wyong Racecourse.

Following a construction period of approximately five months, the Kembla Grange Polytrack® was completed in October 2019 and immediately provided a first-class synthetic surface for use by trainers.

This critical piece of training infrastructure will enable Kembla Grange to effectively work more horses and produce a greater number of starters. The track provides consistency of use to trainers, with horses able to be worked in February 2020 when more than 300mm of rain fell over the preceding days.

Despite the challenges of COVID-19, the Wyong Polytrack® was opened in May 2020 and also provides an excellent all-weather surface for trainers.

The site presented difficult ground conditions and substantial rains (500mls) during February and March



2020 but this was overcome with the project being completed ahead of schedule.

At Port Macquarie, an upgrade of the B Grass training track was completed in May 2020 with the refurbished turf track being provided time to properly bed down prior to use which will commence over the summer.

Racing NSW also commenced an upgrade of the irrigations system at Scone Racecourse and sand fast work training track at Tamworth. Stage 2 irrigation system improvements at Goulburn will also be commenced shortly.

During 2019/20, a total of 12 WHS Seminars for all NSW Race Clubs were delivered throughout the State, and a further online presentation was conducted in early 2020 in lieu of the Coffs Harbour Seminar which was unavoidably cancelled due to bushfire impacts in November 2019.

These WHS Seminars provide introductory tuition to new industry participants, as well as refresher training for existing club staff.

The Seminars are conducted at venues offering computer facilities for all attendees and therefore deliver hands-on instruction in usage of the Online Work Health & Safety Management System ("OWHSMS").

This system assists clubs in managing their WHS obligations and being PC-based, enables all users to easily access the OWHSMS regardless of their geographic location or isolation.

Additional value-adding features are being incorporated

into the OWHSMS including a simple site sign-in process to assist all clubs with COVID-19 management.

This process operates within the existing OWHSMS portal and piggybacks off the QR Code scanning feature, which will be of great benefit to club operations during this challenging period.

Payments to Race Clubs from TAB Funding and Returns to Owners

TAB distributions to NSW race clubs in 2019/20 were just over \$138 million, the total distributions significantly impacted by COVID.

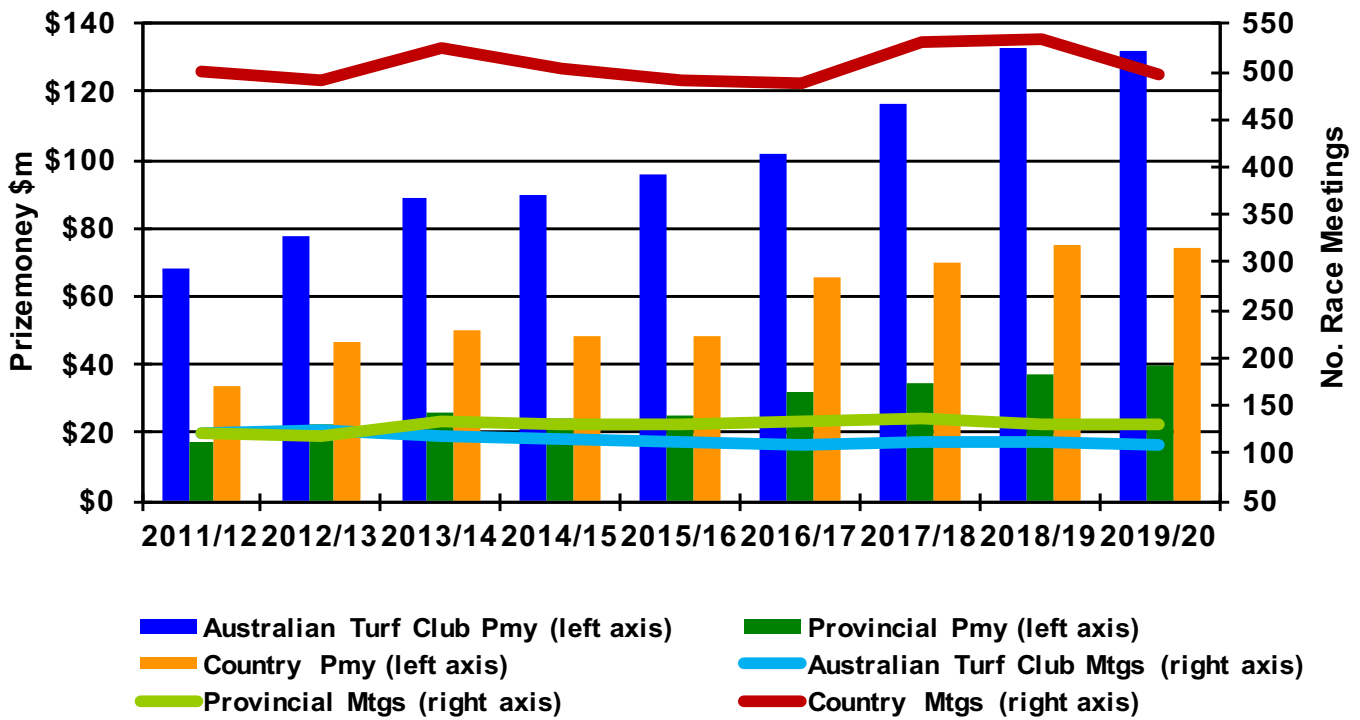
Total prizemoney and returns to owners in NSW grew slightly despite the reductions to prizemoney from April 2020. The total prizemoney paid during 2019/20 was \$245.96 million, slightly up on that recorded in 2018/19.

Total returns to owners were also slightly ahead of 2018/19 at \$279.34 million.

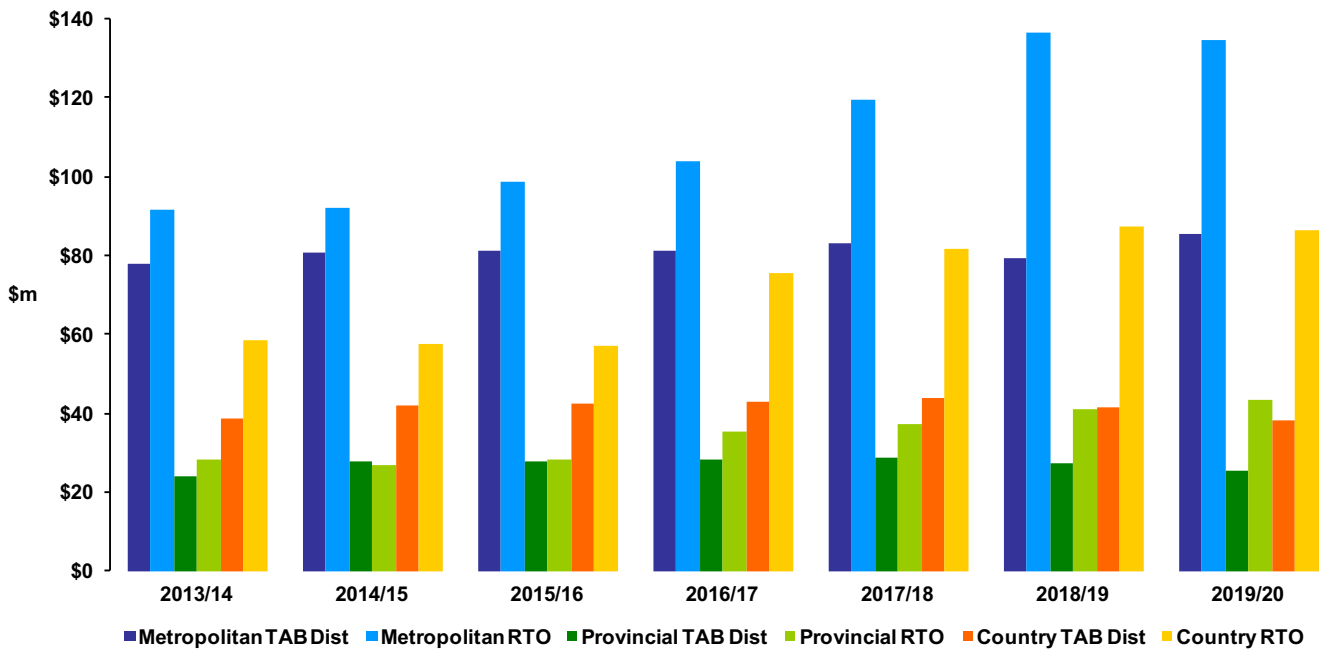
The difference between total returns to owners and TAB distributions paid to clubs highlights the importance of alternative income streams that have been developed over the past ten years by Racing NSW.

The chart overleaf summarises TAB distributions and returns to owners for each sector and demonstrates the extent to which prizemoney is supported by race fields fees.

NSW PRIZEMONEY AND RACE MEETINGS



TAB DISTRIBUTIONS AND RETURNS TO OWNER BY SECTOR





Alice Gibson
General Manager
Equine Welfare

Equine Welfare Program

2019/20 saw the continued expansion of Racing NSW's Equine Welfare Program and ongoing commitment to equine welfare at every stage of the horse's life. Racing NSW maintains an industry leading position on equine welfare with initiatives that are built on the principles that all Thoroughbred horses should be treated equally irrespective of success or ability, all Thoroughbred horses should find a suitable new home following their racing careers, and that under no circumstances should a Thoroughbred horse be sent to an abattoir or knackery.

The vast majority of NSW Thoroughbred Industry Participants continue to appropriately care for and rehome their horses after they retire from racing. However, Racing NSW has established a program to support those horses that aren't able to be rehomed by their owners for whatever reason and has also established a regulatory framework to deter and prosecute those participants who don't appropriately care for and rehome their horses.

Set out below is a summary of Racing NSW's equine welfare initiatives:

- Establishment of a direct retraining and rehoming program for retired NSW Thoroughbreds since 2012, being the first state to introduce such a program;
- Deduction of 1% of all prizemoney paid, totalling \$2.6 million per year, to fund operational expenses of the welfare program. Commencing in 2016, NSW was the first state to introduce such a fund;
- Introduction of Local Rule of Racing 114 making it an offence to send a NSW Thoroughbred to an abattoir or knackery. Introduced in 2017, NSW was the first and only state to introduce such a rule;
- Acquisition of three properties for the care, retraining and rehoming of retired NSW Thoroughbred horses. A total of \$26 million has been spent on the purchase and capital upgrades of these properties which has been funded by Racing NSW's capital reserves and is in addition to the 1% of prizemoney that is used for operating expenses. NSW was the first state to make such investments;
- Appointment of 2 full time Equine Welfare Veterinarians who, along with the Racing NSW Stewards, conduct audits and inspections of retired NSW Thoroughbreds right across the state to ensure that they are being appropriately cared for in their new homes;
- Introduction of an Excluded Persons List for any

person, irrespective of their connection to the Thoroughbred Racing Industry, who Racing NSW consider unsuitable to be responsible for the aftercare of Thoroughbred horses. No NSW Racing Industry Participant can transfer, sell or gift a Thoroughbred to any person listed on the Excluded Persons List;

- Direct intervention by taking in, seizing, and purchasing NSW Thoroughbred horses whose welfare is at risk. This includes purchasing NSW Thoroughbreds being sold at interstate auctions who are identified as being at risk of ending up at an abattoir or knackery. Racing NSW also provides support by way of feed and veterinary care for Thoroughbreds where required due to financial hardship or difficulties associated with natural events such as drought, flooding, or bushfires. In total, over 200 horses have been taken in, seized, or purchased on welfare grounds by Racing NSW since 2016.
- Introduction of the End Of Life Welfare Program. Introduced in September 2020, this program ensures that every NSW Thoroughbred horse has access to a free humane euthanasia service throughout its life in circumstances where a vet has certified that it is in the horse's best interest and necessary on welfare or safety grounds.
- Racing NSW has and will continue to sponsor Thoroughbred specific classes at various equestrian events and shows. Such sponsorship has proven successful in promoting the Thoroughbred breed and directly incentivises equestrian riders of all levels to own and compete Thoroughbred horses.

Recent Welfare Initiatives

In May 2020 Racing NSW introduced the Excluded Persons List to support LR114. Any persons, irrespective of their connection to the Thoroughbred Racing Industry, who Racing NSW consider unsuitable to be responsible for Thoroughbred horses can be placed on the Excluded Persons List. Under LR114 no NSW Thoroughbred Industry Participant can transfer, sell, or gift a Thoroughbred to any person listed on the Excluded Persons List. This expansion of LR114 provides an avenue for Racing NSW to prohibit participants from rehoming horses to unsuitable persons who are outside of Racing NSW's jurisdiction. Further, the presence of such a list provides a resource to NSW Thoroughbred Industry Participants to identify such unsuitable homes in the first instance.



In a further extension of Racing NSW's existing equine welfare programs, Racing NSW has established an End of Life Welfare Program to ensure that every NSW Thoroughbred horse has access to a free humane euthanasia service throughout its life in circumstances where a vet has certified that it is in the horse's best interest and necessary on welfare or safety grounds.

Euthanasia under the End of Life Welfare Program is only permitted where a Racing NSW licensed veterinarian has certified that it is necessary on genuine welfare or safety reasons in the best interests of the horse. As part of this free service to the owners of the horse, Racing NSW will also appropriately attend to the burial or cremation of the horse.

This End of Life Welfare Program applies to all Thoroughbred horses that have been predominately domiciled in NSW irrespective of age or when they retired from racing. Importantly, this captures horses after they have exited the racing industry who are in the ownership of members of the public as equestrian horses, paddock mates or trail riders for example.

Welfare Assistance

2019/20 has been a year which has presented many challenges for NSW due to drought, bushfires, COVID-19 and other necessitous circumstance. Where the welfare needs of NSW Thoroughbred horses could not be met due to the financial hardship of owners, Racing NSW provided assistance with feeding costs and veterinary services on an as needs basis.

Racing NSW also took a number of horses onto our properties to care for them during the devastating bushfires to ensure the horses safety and provide relief to affected owners.

Such short term support has proven to assist with the most urgent welfare needs of the horses and ultimately has ensured that the horses are able to remain with their current owners, provided Racing NSW is satisfied that it will be appropriately cared for in the future. The Equine Welfare Veterinarians and Stewards assisted in monitoring such cases and intervened to take these horses in where the owners proved unable to care for the horse in the long term.

Over the last year, Racing NSW also intervened to take in, or seize, horses where there were welfare concerns, or where owners were unable to provide the necessary ongoing care. Racing NSW also continues to monitor public auctions to ensure NSW Thoroughbreds are not at risk of being sold to a knackery or abattoir. To ensure their safety, Racing NSW places bids on horses to make them unviable to be purchased by meat buyers, and purchases horses where there are no other suitable buyers. Over 200 horses have been taken in, seized, or purchased since 2016 on welfare grounds by Racing NSW.



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:

Benchmark Programming and Handicapping Review

Further changes to programming

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

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

To continue with the success of the updated programming and handicapping system, a few further enhancements have been made commencing on 1 August 2020.

- Increased the standard minimum Metropolitan Midweek race to BM72 level from BM70;
- Decreased the Conditional Provincial BM70 level down to BM68 level. Schedule some standard BM68 races when required;
- Introduction of a Conditional Open race into the Provincial area;
- Class 2 Provincial races will be deleted from programs and replaced with benchmark races, and
- Introduction of a 3yo Only Graduation race for Metropolitan midweek programs.

Biggest improvement of average field size

Provincial Sector – A significant increase can be seen in the Provincial sector with an average of 9.25 horses per race in 2019/20, compared with 8.82 in 2018/19. This equates to an extra 401 starters.

Bushfire Relief Payments

Following widespread bushfires severely affecting trainers and horse properties, Racing NSW distributed in excess of \$500,000 in relief and assistance payments to participants affected by the 2019/20 Bushfire Crisis.

Assistance commenced with the initial fires in the Mid-North Coast region in November then the late December/January spate of fires in the South Coast region – worst at Moruya, and fires in the Southern Highlands and Batlow areas.

Racing NSW staff and Stewards make direct contact with participants to check on their wellbeing and ask if any assistance can be offered. In particular, the Moruya fires were the most devastating.

Our Welfare Officer contacted all trainers and offered support counselling for participants, family, and staff.

Immediate financial assistance is offered. In some cases, participants lost their homes in addition to stables, yards and fencing.

Once the situations are established, payments are made in several ways:

i) Abandoned race meeting payments:

- \$200 per horse plus travel component if the horses had left home for the races – to be credited to the Owners
- 3 or 4 race rides per jockey all acceptors
- Top up to \$500 per horse if locally trained due to additional problems of missing trackwork and interruption to training program in affected areas
- One-off top up payment of \$500 to local jockeys
- One-off top up payment of \$500 to local trainers

ii) Special assistance for as needs costs:

- evacuation of horses – transport costs and feed
- funding temporary fencing to corral horses after fires have passed through trainer's properties destroying boundary fences and yards
- generator hire or replacement - for power source needed including to pump water for horses
- replacement feed lost in the fires that was stored in sheds or stables
- horse rugs and gear lost in the fires, water troughs and feed bins
- accommodation, clothing, and food assistance for participants whose houses were destroyed

iii) Commercial Horse Assistance Payments

In addition, for the South Coast and Batlow fires a per horse, per day assistance payment was made to assist owners and trainers for periods when tracks were closed for trackwork and horses' programs severely interrupted.

This was similar to the CHAPs (Commercial Horse Assistance Program) payments made with Government funding during the Equine Influenza shutdown in 2008.

Details of these payments are:

South Coast and Batlow Trainers, Owners:

\$50 per day Commercial Horse per horse, per day payment to be divided \$15 to the trainer and \$35 credited to the owners' account for all active horses in the stable at 31 December 2019 (racing/in work).

If trained at Moruya (most affected) – 28 days payment = \$1,400 per horse that was active in the stable at 31 December 2019.

If trained at Nowra, Sapphire Coast or Tumbarumba (Batlow) – 10 days payment = \$500 per horse that was active in the stable at 31 December 2019.

iv) South Coast and Batlow Stablehands and Trackwork Riders

Also, payments to staff track riders and stablehands were made to supplement lost wages due to shutdowns.

On receipt of wage records from trainer employers, staff received payment equal to wages or average net wage – paid as a funding grant:

Moruya: 4 weeks wages

Nowra, Sapphire Coast or Tumbarumba: 10 days wages

v) Feed and Hay – special assistance:

vi) Within a few days of the Moruya fires, Racing NSW arranged immediate assistance providing feed for the horses in the district.

vii) All horses that were active in the stable (racing/ in work) of a Moruya trainer at 31 December 2019 were allocated \$100 credit per horse hard feed at the local feed store, with 480 bales of Lucerne hay for distribution to active horses and non-active horses in the district (spellers, breeders, retired horses).

The distribution and auditing of the active horse list was managed by South East Racing Association Stewards.

viii) Counselling support and Racing Mates

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

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

In addition, Pat Webster hosted a Racing Mates morning tea for participants at Moruya to coincide with the Moruya race meeting on 16 March 2020.

This follow up and the timing was agreed with the race club and follows the recommended pattern of a few months after a stressful event has occurred.

Racing NSW continued to assist as the fire crisis eased in February, following up with assistance as needs arise. Participants were most appreciative of the pro-active support from Racing NSW in making contact and processing assistance quickly to ease financial burden and the stress of the situation.

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

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

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

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

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

As a result of the 2016 review, the category of a "premier" meeting category was introduced from 1 July 2016, which applies to race meetings with at least one race carrying advertised prizemoney of \$1 million or greater.

The fee for Premier meetings is set at 3.5% for Derivative Bets and 3.0% for other (non-derivative) bets.

Following this year's 2020 review, no changes to the fees structure were made. The Standard Conditions were published on 1 July 2020 with no changes.

Jockeys Insurances – Renewal of Policies

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

Trainers Insurances – Renewal of Policies

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

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

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

After pricing the market and receiving quotes for each type, the policies were renewed by NSWTA for 2020/21 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 (2019/20) was achieved for both policies. An increase in premium for PLI cover was required due to rising global insurance markets – trainers will pay an increase in the base 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 Licensing Supervisor, assisted by Matinde James.

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

The Licensing Committee met on seven occasions during 2019/2020. 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.

The Licensing Committee held major meetings on five occasions during 2019/2020. Applications for licences are considered and applicants may be further interviewed at these meetings.

- In 2019/20 the Committee at these meetings;
- conducted 16 interviews in relation to licence and other applications
 - considered 23 licence applications that were referred to them by the Licensing Supervisor, of which 9 were approved and 14 refused
 - considered 3 other matters that were referred to them including licensee disciplinary matters & proposed amendments to licensing policy and procedures. The Committee also reviewed and agreed with the approval of the following new licences;
 - 37 Trainers licences
 - 2 Trainer partnerships
 - 1 Trainer/Jockey dual licence
 - 15 Jockey licences
 - 18 applications to register an Apprentice Jockey
 - 18 applications to transfer the indentures of an Apprentice Jockey
 - 12 applications from an Apprentice Jockey to extend their indentures
 - 9 applications to register as an Approved Rider
 - 1 Bookmaker licences
 - 3 Bookmaker Company licences
 - 7 Rider Agent licences
 - 644 Stable employee licences (203 declined/did not proceed due to the applicant not obtaining the required Police Certificate, or not obtaining their HorseSafe Certificate)
 - 34 Bookmaker Clerk's licences (3 declined/did not proceed due to the applicant not obtaining the required Police Certificate)

Comparison of Licensing Statistics – 2018/19 vs 2019/20

The number of trainers registered during the 2019/20 season was down by 4.2% (945 vs 905) when compared to the season prior.

This follows the trend over several seasons as retiring or resigning Trainers or not being replaced by new applicants at the same rate.

The number of NSW resident Jockeys and Apprentices licensed to ride in professional races in 2019/20 was relatively consistent with those from the previous season.

140 Jockeys were registered during the 2019/20 season which was only two short of the number registered in 2018/19. Apprentice Jockeys numbered 51 registered to ride in races during the 2019/20 season compared to 49 in 2018/19.

The steady decrease in the number of registered Bookmakers over previous seasons has continued during the 2019/20 season (down by 7% 129 vs 120). It is evident that the influence of Corporate Bookmakers and the effect they have had on on-course turnover continues to affect the viability of the on-course Bookmaker, resulting in the small number of new applicants.

REGISTRATION

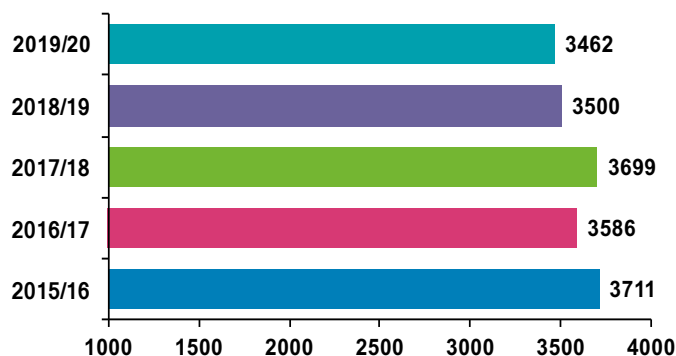
Racing Australia manages the Registrar of Racehorses which processes all new horse registrations nationally. Racing NSW is a stakeholder in Racing Australia.

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

Horse Registrations – NSW

At the end of the 2019/20 financial year the Registrar of Racehorses (ROR) had registered 11,131 new horses, of which 3,462 are owned in NSW. NSW represents 30% of the total number of horses registered, as identified having the Manager (first named owner) located in NSW.

NSW REGISTRATION FIGURES



LICENSES WITH THE EXPIRY DATE 30 JUNE 2020 (1/7/2019 TO 30/6/2020)

	Metropolitan		Provincial		Country		Total	
	Total 18/19	Total 19/20	Total 18/19	Total 19/20	Total 18/19	Total 19/20	Total 18/19	Total 19/20
Trainers	77	73	157	152	711	680	945	905
Jockeys	52	52	25	21	65	67	142	140
Apprentice Jockeys	7	10	11	10	31	31	49	51
Trial Apprentice	-	-	4	2	6	5	10	7
Approved Rider (Picnic)	-	-	-	12	33	36	33	33
Trial AR (Picnic)	-	-	-	-	9	11	9	11
Bookmakers	34	33	7	6	88	81	129	120
Rider Agents	17	17	7	7	21	20	45	44

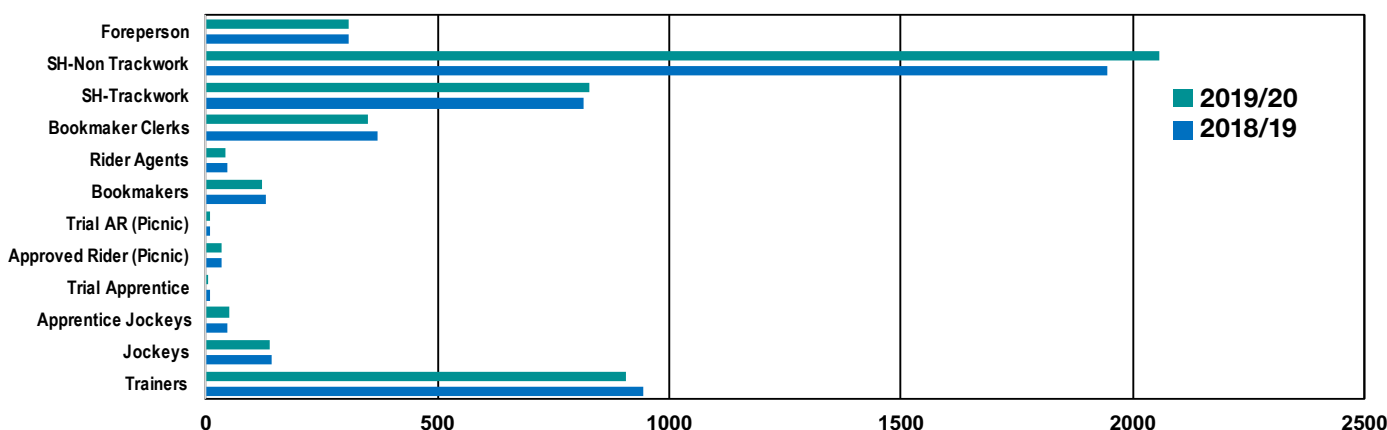
NB – Jockeys/Apprentices NSW-based

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

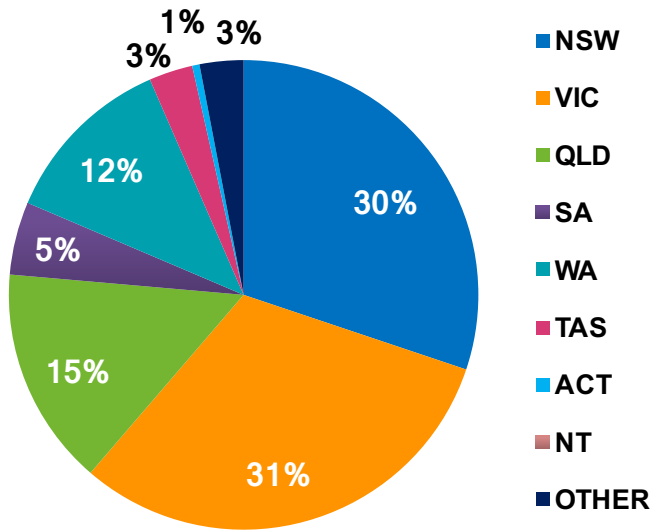
	Metropolitan			Provincial			Country			Total		
	YTD 18/19	Total 18/19	YTD 19/20	YTD 18/19	Total 18/19	YTD 19/20	YTD 18/19	Total 18/19	YTD 19/20	YTD 18/19	Total 18/19	YTD 19/20
Bookmaker Clerks	212	219	201	23	24	21	136	142	128	371	385	350
SH-Trackwork	301	329	316	123	130	116	391	416	395	815	875	827
SH-Non Trackwork	675	783	667	355	393	340	916	1015	1052	1946	2192	2059
Foreperson	114	116	107	48	48	56	148	157	144	310	321	307

NB – Year to date (YTD) figures as at 30 June 2020. Total figures 18/19 as at 31 October 2019

TOTAL LICENCES



REGISTRATION FIGURES BY STATE



Transfers/Leases/Syndicates – NSW

The Racing NSW Regulatory Department recorded 3,118 Transfers of Ownership for the 2019/20 financial year, an increase of 9% from the previous season.

NSW registered 517 Syndicates during the 2019/20 season which is a minor 1% decrease on the previous season.

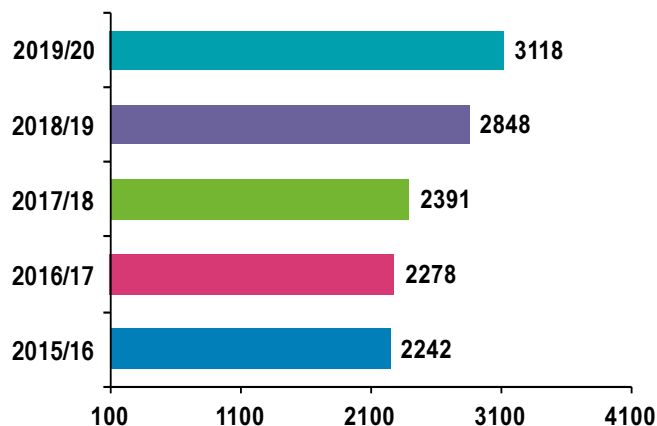
The steady increase in these numbers over the past few seasons points to the success of attracting first time owners by promoting a more affordable ownership option in larger groups.

Of NSW registered syndicates this season, 91% of those were ‘ordinary’ syndicates made up of a group of up to 20 persons (or up to 50 persons for publicly promoted syndicates).

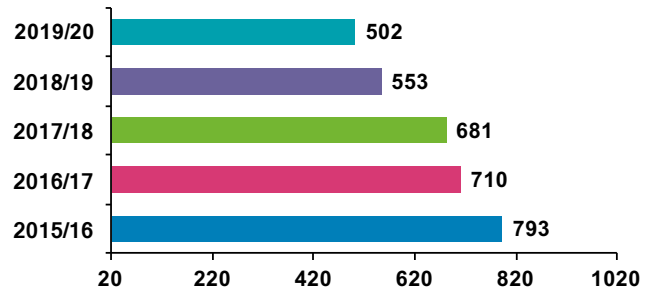
The remaining 9% of syndicate registrations comprise Company, Firm or Stud Syndicates. Transfers continue to increase as smaller shares are taken in horses by new owners.

502 Lease Agreements were recorded. A decrease of 10% on the previous season, representing a change in ownership structure by some major owners.

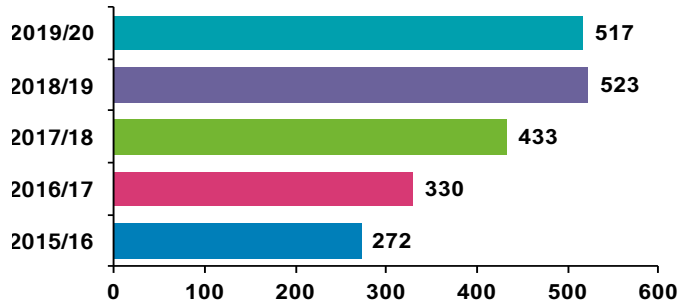
NSW TRANSFERS



NSW LEASES



NSW SYNDICATES

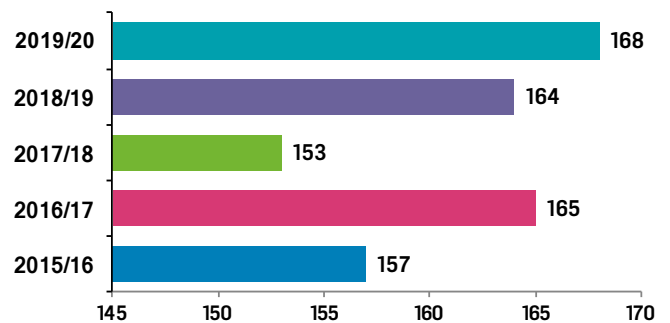


Racing Colours – NSW

Racing NSW registered 168 new sets of jockey silks during the 2019/20 financial year. There is a total of 2,275 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 30,861 owners activating an account in the 12 months 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. Currently 3815 of 4471 (85%) 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, a partnership between Racing NSW and TAFE NSW, expired on June 30, 2019.

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

Stuart Rich is Training Manager/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, Cassie Schmidt, and Head Jockey Coach, Leeann Olsen (Manager).

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

The objectives of the Industry Training department include: -

- Assisting people entering the racing industry to find their most pertinent career path;
- Ensuring participants are informed about the national Racing Industry Training Package;
- Providing equitable training throughout the Country, Provincial and Metropolitan areas;
- Seeking State and Federal funding to assist with the delivery of training for trainees and apprentices in the racing industry; in February 2020, Smart and Skilled funding was approved for delivery to the above qualifications, with the NSW Government fee-free-training initiative granted to all eligible apprentices and trainees. The RTO ended the 2019/20 financial year with over one hundred (100) approved 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, May and June Apprentice Jockey Schools were delivered online statewide, 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, site visits to both Bart's Farm and Scone Race Club were conducted, reporting on the proposed developments for a future training academy.

A proposed acquisition of the Hunter TAFE, together with an upgraded stable area would pave the way for a centre of excellence style academy in the heart of Australia's horse capital.

Executive Officer, Stuart Rich, was invited onto the Board of the Agrifoods 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.

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

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

Safety is a critical part of the industry training program. The 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.

Racing NSW 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.

No overall winner has been declared this Series due to COVID-19 restrictions limiting apprentices' ability to contest all heats.

Apprentice Rides

The overall apprentice ride summary for the 2019/20 season is comparable with that of the previous year. This table includes Metropolitan, Provincial and Country statistics.

COMPARISON OF APPRENTICE RIDERS TO TOTAL STARTERS

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

APPRENTICE WINNING RIDES

TOTAL	16/17	17/18	18/19	19/20
Winning Rides	1255	1186	1212	1233

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 the introduction of a Stable Skills Short Course for International 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 Induction Course has also been accepted by the industry and now has had over 5,000 participants complete it.

TRAINEE AND STUDENT FIGURES

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

* Barrier Attendant Skill Set – Application to have subject applied to the RTO scope of delivery

** Approved Rider Skill Set – Currently being reviewed by RTO Trainers

*** Stable Skills Short Course – Short course offered to

those not eligible for subsidised training, also lends itself to the 1.5% Stablehand Prizemoney Scheme

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 withdrawn from a Thoroughbred race meeting.

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

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

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

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 2019/20 period the total number of Australian Wagering Operators that had been approved to use NSW Thoroughbred Race Fields Information was 238.

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

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

These approvals are sub-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; Handicappers Nathan Bryant, Harry Smithers, Josh Edwards, and Racing Office Assistant Sam Reed.

The Handicapping Department allocated the weights and ballot orders for 5,944 races held across the 855 race meetings which were conducted in the 2019/20 racing season.

Weights were released for the 108,624 nominations at these meetings with each of the 54,844 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 2019/20 racing season: Doncaster Mile, Sydney Cup, Epsom Handicap and The Metropolitan.

Epsom Handicap – Spring Carnival

The 2019 Epsom Handicap run at Royal Randwick over 1600m received 83 entries with 38 horses weighted above the limit weight of 50.0kg (48.0kg for 3yos). A topweight of 59.5kg was given to Happy Clapper achieving a 11.5kg weight spread at the time weights were released.

The Metropolitan – Spring Carnival

The Metropolitan of 2019, a 2400m staying test, received 95 entries with 50 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 58.0kg was given to Harlem (GB), achieving an 8.0kg weight spread at the time weights were released (no 3yos were nominated).

Doncaster Mile – Autumn Carnival

The Doncaster Mile of 2020 received 154 entries with 60 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 58.0kg was given jointly to Happy Clapper and Avilius (GB), achieving a 9.0kg weight spread at the time weights were released.

Sydney Cup – Autumn Carnival

The 2020 Sydney Cup over the time-honoured stayers' distance of 3200m received 104 entries with 40 horses weighted above the limit weight of 50.0kg (49.0kg for 3yos). A topweight of 58.0kg was given to Avilius (GB), achieving a 9.0kg weight spread.

These Group One races are among those at the pinnacle of racing in our State and their handicap status provides

the racing industry with open and competitive races.

This invariably produces wide betting markets, in turn promoting public interest and healthy betting turnover for our feature events.

Registered NSW Syndicate Promoters and Authorised Representatives

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

The 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 2019/20 there were 19 Approved Promoters and 16 Authorised Representatives on the Racing NSW registers, which is an increase of 1 and 3 respectively from in the previous season.

There was a total of 147 approved promotions in the 2019/20 period, a decrease of 33 from 2018/19. After considering the likely impact that COVID-19 will have on the economy, it is evident that Promoters have taken a more cautious approach regarding the number of horses they purchased and offered for syndication this season.

NUMBER OF HORSES SYNDICATED BRACKETED ON PRICE PER 10% SHARE

Price Range – 10% Share	14/15	15/16	16/17	17/18	18/19	19/20
<\$10,000	33	31	57	79	63	39
\$10,000 +	105	103	118	128	117	108

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

Price Range - Horse	14/15	15/16	16/17	17/18	18/19	19/20
<\$30,000	9	8	15	34	31	14
\$30,000 to \$59,999	21	19	44	46	29	22
\$60,000 to \$99,999	46	44	49	47	34	32
\$100,000 to \$149,999	27	43	40	36	36	34
\$150,000 +	35	20	27	44	50	45
Total	138	134	175	207	180	147



Marc Van Gestel

General Manager
Integrity
Chairman of
Stewards

Functions

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 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 investigation 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 race day and away from competition.
- Regulating and investigating wagering activities.
- Arbitrating on betting disputes.
- Producing speed maps for race meetings.

Training and Development

The focus to appoint Trainee Stewards again continued this year. Trainees have been enrolled into the Certificate IV 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 experience 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
- Drug testing procedures

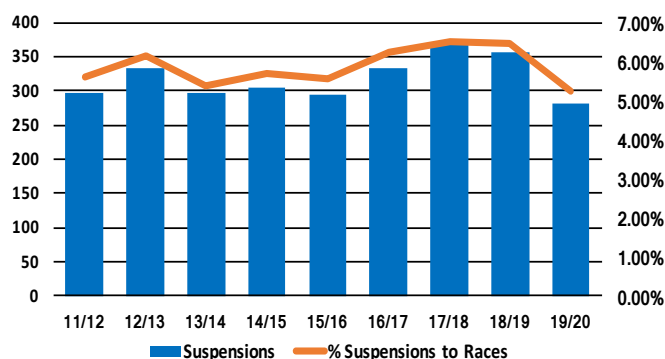
The Certificate IV provides each trainee with a formal qualification at the completion of their traineeship. In addition to this qualification, all trainees are provided with on the job training and specific training in the conduct of Stewards inquiries and investigations. Further, Trainees are seconded to the Investigations and Surveillance Unit for a period of their Traineeship to gain skills in non-raceday investigative functions.

Stewards Inquiries

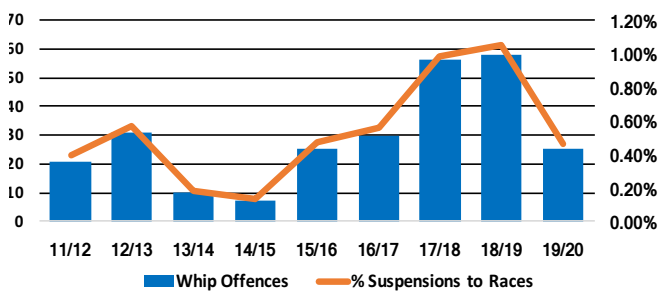
During the 2019/20 year, the Stewards panel presided over a broad range of inquiries involving offences under the Rules of Racing. The following periods of suspension were issued against jockeys during this period:

- **AR131(a)**: Careless Riding - 281 suspensions of licence;
- **AR131(b)**: Failure to ride horse out to finish - 18 suspensions of licence;
- **AR132**: Whip related offences - 25 suspensions of licence;
- **AR211**: Jockey weight related – 6 suspensions of licence;
- **AR129**: Failure to take all reasonable and permissible measures to win or obtain the best possible placing – 2 suspension of licence.

CARELESS RIDING SUSPENSIONS



WHIP OFFENCE SUSPENSION



Major Inquiries

Adam Hyeronimus & Blake Paine Betting

The Stewards utilizing 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. With the matter now before the Racing NSW Appeal Panel.

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.

Trainer James Thomsen

Charged and found guilty of the following breaches following an operation performed by the Investigation and Surveillance Unit, acting on an intelligence report.

- AR228(b) – Possession of drug paraphernalia within his stable
 - AR139(1)(b) – Substituting a urine sample
 - AR139(1)(a) – Providing a sample with a banned substance detected
 - AR232(i) – Providing false evidence at a Stewards inquiry
- Mr Thomsen was disqualified for a period of 21 months.

Trainer Tim Martin

Licensed trainer Tim Martin disqualified for a period of 6-month under AR229(1)(a) for engaging in an improper action by failing to pay funds he received from persons for the purchase of 2015 High Chaparral x Eileen filly. Before the Racing NSW Appeal Panel, the penalty was reduced to a suspension of his trainers' licence for a period of 4 months.

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;
- Work Health and Safety.

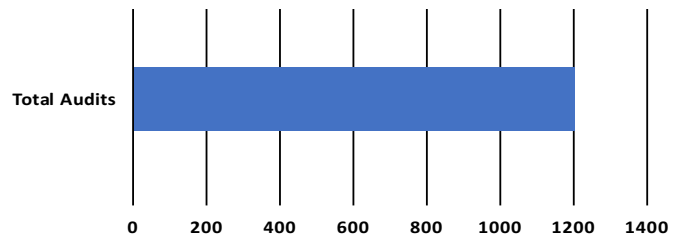
Horse Welfare

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

Dr Rose Bensley and Dr Carly Garland were employed to conduct inspections and audits of retired racehorses to compliment the Integrity Department's audit process that was already in place, as well as investigating any breach of the welfare Rules of Racing.

This year Racing NSW Stewards and Welfare Officers completed 1201 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. 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 HORSES AUDIT



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 May 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.

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

New Developments

Secondment of Detective Sergeant

In 2019 a joint venture with the NSW Police and Racing NSW was established that led to the secondment of a Detective Sergeant from the NSW Police to the Integrity Department.

The secondment has resulted in Racing NSW being able to work closely with NSW Police to ensure that Racing NSW continues to uphold the highest level of integrity.

The secondment has allowed Racing NSW Stewards and Investigators to refer matters to the NSW Police for criminal investigation as well as being able to share information between the two organisations through a Memorandum of Understanding that was introduced.

Remote Access to Stewards 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. This access allowed inquiries and investigations to continue to be transparent and ensuing public confidence.

Body Worn Cameras

Members of the Investigations and Surveillance Unit commenced to utilise body worn cameras during stable inspections and investigations.

COVID-19

The COVID-19 pandemic resulted in Racing NSW Stewards having to enforce strict bio-security and social distancing protocols at race meetings, barrier trials, trackwork and within stables that were introduced in March 2020 to enable the industry to continue to operate during the pandemic.

A summary of the protocols introduced by Racing NSW included:

- Only Essential Personnel were initially permitted to attend racecourses and training stables in NSW. On 11 June 2020 owners were permitted to attend race meetings subject to strict biosecurity and social distancing measures.
- Stewards conducting temperature checks on raceday and at trackwork;
- Between 23 March 2020 and 1 June 2020, at the height of NSW Positive cases, Jockeys were divided into three regions;
- Additional jockeys' rooms introduced to distance riders from each other on raceday and ensure adherence to government requirements;
- Jockeys segregated on raceday from other essential personnel;
- Social distancing strictly enforced and in enclosed

spaces each person (including jockeys' rooms) provided with 4 square metres of space;

- Dedicated staff members or security personnel at access points to the racecourse ensuring only Essential Personnel accessed the course. Names of persons entering at each access point were recorded.
- Dedicated personnel provided ongoing and continual disinfection of common surfaces and touch points used during the conduct of the race meeting;
- Supply of hand sanitising stations;
- Installation of signage in all areas detailing hygiene and social distancing requirements;
- Barrier Attendants required to wear gloves and a face mask;
- Two Barrier Attendants wearing gloves and a face mask assigned to leg up riders;
- Clerks of the Course required to wear face masks when leading a horse;
- Horse arrival times reduced from 120 minutes to 90 minutes in Metropolitan area to limit time on racecourse;
- Horses stabled by regions on raceday, to minimise risk of regional exposure of COVID-19.

Whilst COVID-19 continues to be present in the community, the measures put in place and complied with by industry personal has resulted in racing being able to continue to operate thus providing employment to thousands of employees who work within the industry.

Drug Testing

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

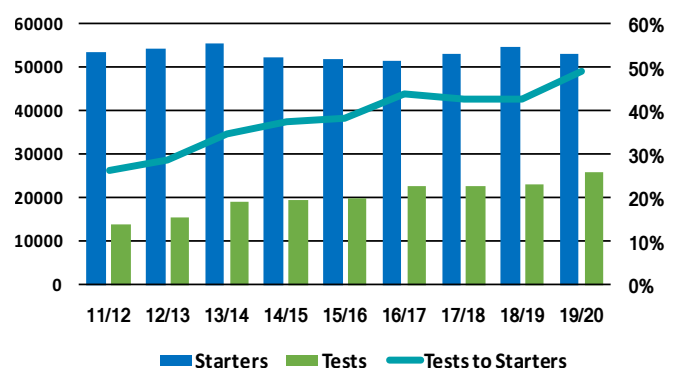
Regular strategy meetings were conducted between the departments which had allowed the Stewards to efficiently channel their resources into relevant areas.

During 2019/20 a total number of 26,079 tests were performed by the ARFL on raceday samples that were analysed for prohibited substances in accordance with the Rules of Racing.

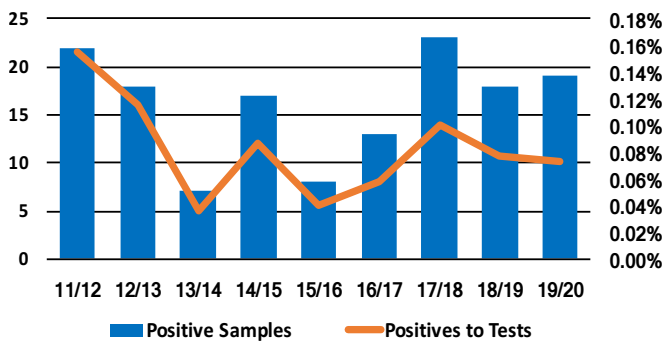
This figure is an increase of the 2018/19 tests, where there was a total of 23,336 tests performed. In addition, all Metropolitan and selected Provincial and Country samples were sent to the National Measurement Institute to be analysed for trace metals including cobalt.

19 samples returned positive to prohibited substances. Substances detected in these samples included cobalt, phenylbutazone, meloxicam, xylazine and lignocaine.

ANALYTICAL STATISTICS



POSITIVE SAMPLES (EQUINES)

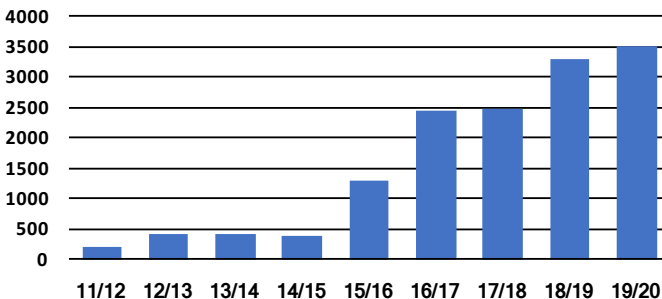


Racing NSW Stewards and Veterinarians continued to expand and modify the collection of out-of-competition samples, whereby Stewards ordered samples to be analysed for substances prohibited at any time in accordance with Part 1 of the Prohibited Substance List A of the Australian Rules of Racing.

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 saw 3501 out of competition samples taken an increase of 200 from 2018/19.

OUT OF COMPETITION SAMPLES



Licensee Sampling

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

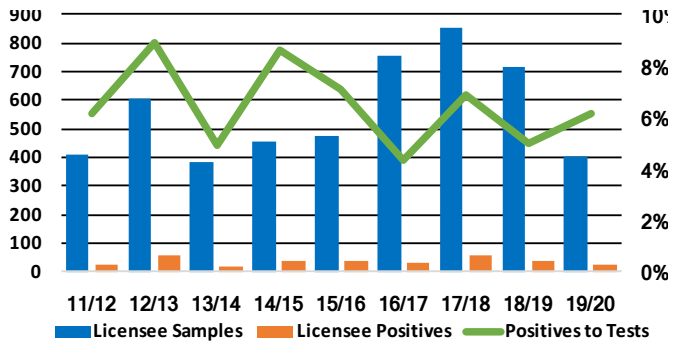
Samples were taken from Stablehands both working on the ground and riding trackwork as well as Jockeys and Trainers.

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.

This resulted in a reduction in the number of human samples obtained to 406, with 25 positive results recorded. Over 200 breath tests were also carried out on licensed persons at trackwork and on raceday.

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.

LICENSEE SAMPLING



Investigation and Surveillance Unit

In October 2019, Jacqueline Johnstone was appointed to the role of Senior Investigator with Racing NSW.

Jacqueline joined Racing NSW following approximately 10 years' service within the NSW Police at a senior level and having had a strong equine background.

Following her appointment, the Investigation and Surveillance Unit has conducted numerous major operations in the Metropolitan and regional areas of NSW whereby Investigators, Stewards and Veterinarians have conducted concentrated stable inspections and raceday audits to ensure compliance under the Rules of Racing.

This year also saw the secondment of a Detective Sergeant from the NSW Police to Racing NSW. This has allowed Racing NSW to work closely with the NSW Police with a number of operations and in addition obtain intelligence in respect to industry participants.

Racing NSW also entered into a formal Memorandum of Understanding with the NSW Police to assist in the information sharing process.

The Racing NSW Investigation and Surveillance Unit also focused on increased raceday surveillance this year, which included float searches and gear bags being inspected on raceday. These inspections resulted in an increased number of breaches being detected.

Conferences

During 2019/20 Marc Van Gestel, attended the Racing Australia National Chairman of Stewards Advisory Group (NCOS) meeting conducted in Darwin in November 2019 and the Asian Racing Conference conducted in Cape Town South Africa.

The annual Racing NSW Stewards Conference was conducted in February 2020.

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); Racing Australia; NSW Trainers and Jockeys' Associations; NSW Bookmakers' Co-operative Ltd; Australian Equine Veterinary Association; Racing NSW Integrity Assurance Committee; Veterinary and Analysts Committee; Interstate and Overseas Principal Racing Authorities.



**Jacqueline
Johnstone**

General Manager
Investigation and
Surveillance Unit

Investigation and Surveillance Unit

Racing NSW's Investigation and Surveillance Unit was established to work in conjunction with the Racing NSW Stewards panel to assist the Stewards in maintaining the integrity of thoroughbred racing in NSW. Recognising the importance of community and industry sourced information, the Investigation and Surveillance Unit welcomes information and complaints from any person or body that may impact upon the integrity of thoroughbred racing in NSW.

In October 2019 Jacqueline Johnstone was appointed to the role of General Manager - Investigation & Surveillance Unit. Jacqueline joined Racing NSW following approximately 10 years' service within the NSW Police Force as a Detective at a senior level and having had a strong equine background.

In October 2019, Racing NSW also announced the appointment of a seconded Detective Sergeant from the NSW Police Force and entered into a Memorandum of Understanding, which strengthened the relationship between both organisations. This enhanced Racing NSW's capabilities with the implementation of a dedicated Racing Intelligence Analyst thus providing additional resources to investigate matters and enhancing the exchange of information. Where applicable breaches have been referred to the NSW Police for criminal investigation. The Department has continued to extend its information sharing capabilities with external agencies by formally entering into a Memorandum of Understanding with the Australian Pesticides and Veterinary Medicines Authority (APVMA) and improved communication across sporting codes.

This year, the Investigation and Surveillance Unit focused on increased surveillance and proactivity, which included searches of float and gear bags and licensees being inspected on race day. These inspections resulted in an increased number of breaches of the Rules of Racing being detected. To ensure Racing NSW are utilising the latest technology, members of the Investigations and Surveillance Unit implemented the use of body worn cameras, which are endorsed by law enforcement globally as well as utilising modern surveillance equipment.

In July 2020, The Department introduced Investigator, Jared Rodger. Jared's former employment was with the NSW Police Force as a Dog Handler. Jared brings a decade of policing experience, together with a drug detection dog and the skill set to train future dogs for Racing NSW. Since Jared's appointment, Racing NSW are now equipped with

a dog capable of detecting electronic devices in addition to banned substances. This initiative resulted in the introduction of Local Rule 12A, which permits investigators to utilise a dog to conduct inspections.

The Investigation and Surveillance Unit have conducted several major operations in the Metropolitan region and broader New South Wales. These operations have involved the use Investigators, 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.

The Unit has worked 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.

In 2020 Racing NSW conducted an operation in response to intelligence received concerning a licensed trainer having possession of an electronic device in contravention of AR231 (2)(b)

Division 5 – Misconduct in relation to the care and welfare of horses

AR 231 Care and welfare of horses

AR231(1) A person must not:

(b) 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.

Racing NSW conducted covert surveillance, before attending the racecourse and subjecting the trainer to a search using a metal detector and detection dog under recently implemented Local Rule LR12A. Allegations were put to the trainer before he was formally interviewed and a search continued at his licensed training premises.

Racing NSW Investigators and detection dog continued with a search of his licensed premises for the purposes of locating an electronic device. During this search, the Detection Dog identified an area of interest located in the trainer's residence. Due to this interest, Racing NSW Investigators conducted a thorough search of the area and located an electronic device. Investigators seized the device, which is now subject of forensic examination by the Forensic and Analytical Science Service (FASS) and Racing Australia Equine Genetics Research Centre for the presence of equine DNA.



Dr Toby J. Koenig

BVSc (Hons)
Senior Official
Veterinarian
assisted by
Dr James Mizzi

Role of the Racing NSW Veterinary Department

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

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

This is achieved through the implementation of Racing NSW prohibited substance control policies, whilst ensuring that the health, safety and welfare of the horse

is paramount at all times.

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, through the assurance of appropriate husbandry throughout and after the horses' racing careers.

Through the effective implementation of these actions, Racing NSW sets out to lead in setting standards that always maximise welfare, through optimising the health and welfare of the Thoroughbred and mitigating 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 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 coordinating other veterinarians in the provision of out-of-competition and tactical testing program for horses in racing stables and the testing for anabolic steroids at the Inglis Sale Series, conducted at Inglis Riverside, Warwick Farm;
- Out-of-competition testing has become a growing tool for the assurance of integrity in racing around the world and this has been a focus for the future assurance of integrity in the NSW racing industry;
- The continued approval process for new veterinarians wishing to apply for permits for the provision of veterinary services with Racing NSW and, also, those applying to officiate at race meetings around NSW, both TAB and non-TAB meetings;
- The provision and oversight of the various policies and guidelines as they pertain to the provision of veterinary

services to ensure the welfare of all participants, including:

- ♦ 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, 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.
- Dr Koenig has continued to consult extensively with the Australian Veterinary Association, Australian Pesticides and Veterinary Medicines Authority, NSW Veterinary Practitioners Board, as well as numerous other interested parties and relevant government authorities with regards to the proper provision of registered and compounded medications in the racing industry, as well as Complementary Animal Health and Excluded Nutritional and Dietary supplements commonly used in Thoroughbreds. The Australian Veterinary Association has provided updated Guidelines and Policy Statement of the Australian Veterinary Association to its members. Simultaneously, the AgVet Code is currently under review;
- 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 control;
 - ♦ Racing in hot weather;
 - ♦ Equine welfare inquiries and assurance;
 - ♦ Medication management and the review of health, safety and welfare of the racehorse in stable and training environments throughout the state of NSW;
 - ♦ The assessment of Veterinary suitability of a horse to race and determinations if a horse is unsuitable to race permanently;
 - ♦ Post-race inspections for integrity, assessment of poor racing performance, maintenance of a 'level playing field' and the assurance of raceday welfare.

As is clear, the 2019/2020 racing season appeared to progress from challenge to challenge. The extensive bushfire season experienced throughout the state posed air quality and safety concerns to a degree not experienced before, leading to the cancellation of numerous race meetings in the face of unsuitable conditions.

The successful implementation of new Air Quality Protocols and Monitoring posed a new challenge, however, has added an additional layer of safety and welfare monitoring for horses and participants alike.

COVID-19 represented a risk to the industry's continuation at large. It has been a pleasure to be able to contribute to the sound biosecurity measures implemented by Racing NSW Stewards.

Racing NSW Animal Care and Ethics Committee (ACEC)

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

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

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

The Committee approved 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 2019/2020 the Racing NSW Veterinary Department continued to expand its reach with the appointment of two additional Welfare Veterinarians.

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 of 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.



John Keledjian

General Manager
ARFL

Function and Accreditation

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

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

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

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

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

It is one of only five laboratories in the world selected as an approved reference laboratory to analyse samples for

the Fédération Equestre Internationale (FEI), the others being in the United Kingdom, France, Hong Kong and the United States.

Analysis of Samples

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

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

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 5.7% of these samples found to contain banned substances (Table 2).

The ARFL also performs 'B' sample referee counter analyses to confirm the findings of other Australian and international racing laboratories. From 1 July 2019 to 30 June 2020 this totalled 276 confirmatory requests.

The number of special exhibit samples tested by the ARFL this year totalled 206. These included unregistered

**TABLE 1 – ANIMAL SAMPLE STATISTICS
1 JULY 2019 TO 30 JUNE 2020**

	Total urine	Total Blood	TCO2 tests	OC tests	Cobalt tests	Enhanced testing	Prohibited Substances Detected
Metro T'breds NSW	1938	5717	3073	-	1987	6795	3
Provincial T'breds NSW	1461	1313	902	-	1461	289	2
Country T'breds NSW	3579	2110	874	-	3637	934	14
Other clients	3527	6434	3948	-	3508	1804	23
TOTAL	10505	15574	8801	-	10593	9822	42
Out-of-competition T'breds			4	3501			
Out-of-competition Others				1558			
Hair Samples	28						
TOTAL				5059			

OC – Out of Competition tests

**TABLE 2 – HUMAN SAMPLES
STATISTICS 1 JULY 2019
TO 30 JUNE 2020**

Human Samples	Urine	Banned Substances Detected
Metropolitan NSW	69	4
Provincial NSW	67	4
Country NSW	274	17
Other Racing NSW	5	1
Other clients	44	0
TOTAL	459	26

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

Sampling Kits

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

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

In an enrichment of an already 16-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.

Research and Development

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

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

The ARFL R&D portfolio currently has six major collaborations involving four different institutions and four PhD students. This covers a diverse range of science; from the detection of bis-phosphonate drugs to metabolomics.

Bisphosphonates are drugs used in human medicine to reduce loss in bone density for the treatment of conditions such as osteoporosis. However, there is concern that use of bis-phosphonates in Thoroughbred racehorses can reduce bone strength.

There is also potential for misuse of these drugs as analgesic agents. In response to this, the ARFL has developed comprehensive detection capabilities for bisphosphonates in equine samples.

The ARFL is adapting science from human medical research to implement a metabolomics approach for the Racing NSW Equine Biological Passport (EBP).

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

Development of the analytical component which is managed by the ARFL continued in 2019/20 to include 25 biomarkers that can be compared for each horse over time to provide intelligence concerning novel doping threats.

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

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

Quality Assurance

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

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

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

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

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

Key Milestones

In order to support the industry and LR 44A, the ARFL dedicated a great deal of time and resourcing toward the development of sensitive tests to detect the presence of trace levels of the anabolic steroids trendione and trenbolone in altrenogest-containing oral and injectable products.

Several exhibits comprising both registered and unregistered products presented by Racing NSW Stewards were analysed throughout 2019/20.

The identification of cannabidiolic acid in a number of equine urine samples were traced back to hemp related products such as oils and contaminated bedding material following extensive investigation and laboratory analysis of these exhibits.

In a first-time detection, the ARFL reported the presence of the synthetic cannabinoid metabolites PB-22 3-CARBOXYINDOLE & 5F PB-22 CARBOXYINDOLE in a jockey urine sample.

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

At the request of Racing NSW Stewards, equine urine and blood samples were analysed by the National Measurement Institute to detect the presence of cobalt in accordance with Division 3 – Prohibited List B against the threshold level of 100 micrograms per litre in urine and 25 micrograms per litre in plasma.

Additional Clients

ARFL's major external clients during 2019/20 were Harness Racing NSW, Darwin and Alice Springs Turf Clubs, Equestrian Australia and Canberra Race Club.

Other clients include Royal Agricultural Society, Show Horse Council of Australia and Inglis Bloodstock. In addition, the ARFL's capabilities are utilised by external clients undertaking pharmacokinetic studies of drugs in various animal species.



Graeme Hinton

Chief Operating
Officer

During 2019/20 Racing NSW continued to further develop and promote the NSW Thoroughbred Racing Industry and its major events.

This included introduction of new races and promotions, as well as lifting the profile of existing events to continue to grow the audience for and participation in Thoroughbred Racing in NSW.

This was achieved through a combination of key media partnerships across print, radio and television as well as through social media and digital marketing.

Racing NSW's Marketing and Media Team also generates an array of inhouse content to promote NSW Thoroughbred Racing and drive wagering including daily tips and previews, weekly podcasts and regular video content to preview races and provide in depth form analysis.

The Everest Carnival

The spring of 2019 saw the first edition of the expanded Everest Carnival that included several new feature races across an expanded carnival period building on the success of The TAB Everest which launched in October 2017.

These new races were headlined by the \$7.5 million *Iron Jack Golden Eagle* which was run for the first time on 2 November 2019 at Rosehill Gardens and immediately established itself as a major event for Western Sydney. Other new feature races also included the \$500,000 *Silver Eagle*, the \$1 million Bondi Stakes, the \$1 million Winner's Stakes, the \$1 million Golden Gift and the \$500,000 Hot Danish Stakes.

Thoroughbred Racing in NSW now boasts nine straight weeks with feature races worth at least \$1 million each week, starting with *the Golden Rose* at Rosehill Gardens and extending to *The Gong* at Kembla Grange.

Across this nine-week period is now an opportunity for all of NSW to become engaged in NSW Thoroughbred Racing and there is a platform for Racing NSW to continue to attract new customers from a range of regions and demographics.

Marketing of *The Everest* continues to focus on attracting the under 35 demographic to engage this new audience with racing through an exciting and unique concept that is a major event in its own right.

In 2019 *The Everest* continued the trend of having

over 80% of attendees oncourse under the age of 35, as captured via ticketing and EFTPOS user data at Royal Randwick.



The Everest has built an entire week of events to support the raceday itself, with momentum building through the week until the barriers open on Saturday afternoon.

This 'Everest week' includes the TAB Everest Ladies Breakfast at the Ivy Sunroom, the barrier draw, the Chairmen's Gala Dinner and the NSW Business Chamber Everest Lunch at Randwick. Invites to each of these events are highly sought after and attract their own unique audiences and media coverage.

As has become the tradition with *The TAB Everest* each year, the barrier draw continues to be a feature of Everest Week and is designed to promote not just *The Everest*, but Sydney itself.

In 2018 *The TAB Everest* barrier draw was conducted via a light display on the sails of the Sydney Opera House that garnered unprecedented international attention for the race.

In 2019 this concept was continued via a light display on the Sydney Harbour Bridge. Everest slotholders and industry participants were entertained at a function at the iconic Opera Bar overlooking the bridge and witnessed the arches of the bridge light up to coincide with the colours of each runner in the race, whilst the barriers were revealed via a light projection on the bridge pylon.



Broadcast live on Sky Thoroughbred Central and with all mainstream media in attendance, the barrier draw provides a platform for media coverage to raise awareness of the race.

One of the highlights of The Everest Carnival is undoubtedly *The Kosciuszko* which captures the attention of all of NSW.

With prizemoney of \$1.3 million and with the field limited to Country and ACT-trained horses only, *The Kosciuszko* is a feature event of the Everest Carnival. However, *The Kosciuszko's* appeal is in how the race is funded – via a sweepstake with members of the public purchasing \$5 tickets to go in the draw to win a starting slot in the race. 14 winners are drawn, with each winner earning the right to nominate a horse in the race.

With over 200,000 tickets sold each year, *The Kosciuszko* has quickly become a race for all of NSW as any member of the public can win a share of the \$1.3 million of prizemoney.

Over 300 of the connections of the sweepstakes winners and horse owners are invited on Everest Day to cheer on their horse on the biggest stage.

In its inaugural running *The Iron Jack Golden Eagle* established itself as a major event for Western Sydney and new focal point of the racing season, being a grand final for four-year-old horses.

Of the \$7.5 million of prizemoney for *the Golden Eagle* 10% totalling \$750,000 is donated to charity. The owners of each starter in the race nominate a partner charity who receive a share of the prizemoney, with \$410,000 going to The National Jockeys Trust as partner charity for Kolding who was the inaugural winner.

Awareness was strongly established through a local and national marketing campaign that yielded a crowd of over 20,000 on-course and strong wagering and TV rating results.

The Hunter and The Gong

November 2019 saw the inaugural running of the \$1 million *The Hunter* at Newcastle and the \$1 million *The Gong* at Kembla Grange, with both races successfully drawing crowds of over 6,000 from their local communities.

The Hunter, named after the surrounding region of Newcastle and *The Gong*, named after the Wollongong region are both designed to elevate Thoroughbred racing in these cities. Similar to how *The Everest* has captured a new audience for racing in Sydney, *The Hunter* and *Gong* are marketed to appeal to under the under 35 demographic and provide a new major event for these cities.

The Championships

The Championships at Royal Randwick is billed as 'the Grand Finals of Australian Racing' across the first two Saturdays in April each year, with over \$20 million in prizemoney on offer.

In 2019/20 *The Championships* were unfortunately severely impacted by COVID-19, along with the rest of the Sydney Autumn Carnival, resulting in no on-course attendances.

Through the hard work of industry participants in adhering to strict biosecurity protocols, however, *The Championships* still went ahead and provided an exceptional racing spectacle for TV audiences.

In partnership with the Australian Turf Club, Racing NSW promoted these events to home audiences and undertook social media promotions to win hospitality packages to recreate raceday dining at home.

2019/20 was the first year of a naming rights partnership for *The Star Championships*, furthering The Star's involvement in NSW Thoroughbred racing.

Equine Welfare

Racing NSW's Equine Welfare Program provides a safety net for all NSW Thoroughbreds at all stages of their lives through a direct retraining and rehoming program and exhaustive regulatory regime.

This program has a customer facing brand of Team Thoroughbred NSW and operates under the motto 'for the love of the horse'.

Racing NSW actively promotes *Team Thoroughbred NSW* to raise public and industry awareness of the Equine Welfare Program.

Racing NSW also promotes the Thoroughbred breed of horse to ensure that there continues to be a strong appetite for these horses after they finish their racing careers.

This promotion includes:

- Social media activity with regular content to promote successful *Team Thoroughbred NSW* graduates and horses for sale;
- Editorial stories online and in the Racing NSW magazine;
- Mainstream media integration through television and print, in particular using *Team Thoroughbred NSW* as part of promotions for *The Everest* and *The Golden Eagle*, and
- Sponsorship of Thoroughbred only classes at equestrian events

Outside Broadcast and Punter's Intelligence

Racing NSW owns and operates a fleet of Outside Broadcast vehicles to record and broadcast all NSW Thoroughbred races.

This service provides the live High Definition vision for Sky Racing and Channel Seven, as well as recorded vision for Racing NSW Stewards and for the Racing NSW website.

In addition to access to High Definition footage, Racing NSW stewards are also provided with HawkEye replay servers to review multiple camera angles simultaneously post-race. This system allows stewards to zoom in on specific incidents to ensure that they have the best possible footage upon which to make any decisions.

As part of the Outside Broadcast team, Racing NSW also operates the Punter's Intelligence tracking system at 20 leading NSW racecourses.

This system uses radio frequency transmitters to record the movement of all runners at a rate of 50 times per second.

These movements are collated to provide race times, sectional times, top speeds and distances travelled for all runners in every race at these venues, providing invaluable information for punters and connections.

The co-ordinates of each runner are also provided live to Sky Racing to incorporate into the racing broadcast via onscreen sectional times and 'chicklets' which are a graphic showing the position of each horse relative to each other in an overhead view as illustrated below.

In addition to the live broadcast, the Punter's Intelligence data can be viewed after each race via the dedicated app.

This app provides a graphical representation of the race replay, with integrated data as well as a post-race report illustrating race times, sectional times, distances travelled and top speed for all runners.

Runner	Sectional Times	Top Speed	Distance
1. [Horse Name]	0:11.20	32.5 km/h	1000m
2. [Horse Name]	0:11.30	32.0 km/h	1000m
3. [Horse Name]	0:11.40	31.5 km/h	1000m
4. [Horse Name]	0:11.50	31.0 km/h	1000m
5. [Horse Name]	0:12.00	30.5 km/h	1000m
6. [Horse Name]	0:12.10	30.0 km/h	1000m
7. [Horse Name]	0:12.20	29.5 km/h	1000m
8. [Horse Name]	0:12.30	29.0 km/h	1000m
9. [Horse Name]	0:12.40	28.5 km/h	1000m
10. [Horse Name]	0:12.50	28.0 km/h	1000m



Young Professionals in Racing

Racing NSW continues to support *Young Professionals in Racing*, which is a not for profit member-based organisation focused on engaging 18-35 year-olds in Thoroughbred racing.

Throughout 2019/20 *Young Professionals in Racing* conducted raceday events and other functions to provide a racing experience to this new audience.

At each of these events, leading industry participants generously offer their time to speak and answer questions to provide first hand insight into the industry.

Events included trackwork breakfasts, networking nights, Canterbury Friday night race meeting and raceday functions at Royal Randwick.

Young Professionals in Racing also maintains an extensive database and social media following to continue to engage with past and present members and keep them updated on NSW Thoroughbred racing events and information.

Jockey Safety Officer – Role

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

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

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

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

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

RIDING SKILLS PANEL HEARINGS

	16/17	17/18	18/19	19/20
August	2	0	0	0
September	0	0	0	0
October	0	0	0	2
November	0	0	0	0
December	1	1	0	0
January	0	2	1	0
February	0	0	0	1
March	0	0	0	0
April	1	0	2	0
May	0	0	0	0
June	0	0	0	0
July	0	0	1	0
Total	4	3	4	3

JOCKEY SAFETY OFFICER INCIDENT REPORTS

	16/17	17/18	18/19	19/20
August	13	13	11	10
September	7	14	11	9
October	7	14	7	15
November	4	26	12	17
December	12	18	16	13
January	15	17	10	18
February	13	10	11	12
March	11	11	17	15
April	6	23	16	13
May	10	12	6	15
June	5	16	12	13
July	9	19	10	12
Total	112	167	139	162

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 that may be referred by Stewards for issues with their riding, which may include issues of safety.

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

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

Racing Mates

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

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

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

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

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

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

This year several Racing Mates Morning Teas were held at racecourses during various crisis's such as drought and bushfires, including Scone (October), Orange (February) and Moruya (March).

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

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

– Pat Webster, Racing NSW Mentor

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

Executive for Appeal Panel

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

Avenue of Appeal

At the first level of Appeal, any person aggrieved by a decision of a Racing Authority has the choice of appealing

to either one, but not both, of the following Appeal Bodies:

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

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

Appeal Panel

The Sydney-based Appeal Panel sat on 28 occasions during 2019/20, the Panel was chaired on those occasions as follows:

Chaired By	Number of Occasions
Richard Beasley SC (Principal Member)	17
Tim Hale SC	11

Within those 28 sittings there were 46 charges Appealed. The Appeal on a further 8 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	11	35	30	8	16	54
Racing Association	-	2	2	-	-	2

SUMMARY OF CHARGES APPLICABLE TO APPEAL CASES LODGED

RULE	DESCRIPTION	AMOUNT
AR48	Prohibition on secret commissions in connection with the sale of a horse: (1) This rule applies to: (a) any person bound by these Australian Rules ("person"); and (b) any named horse or unnamed horse (for the purposes of this rule, "relevant horse"). (2) Any person who is in any way party to or involved in the sale of a relevant horse, must not, directly or indirectly: (a) seek or solicit from any person for himself or herself or for any other person any benefit; (b) receive for himself or herself or for any other person any benefit, unless the person has first: (i) fully disclosed, in writing, to the registered owner(s) of the relevant horse that the person: (A) will be seeking or soliciting for himself or herself or for any other person a benefit; (B) will receive for himself or herself or for any other person a benefit; and (ii) obtained the written consent of more than 75% of the registered ownership to seek or solicit, and/or to receive, the benefit. (3) Any person who is in any way party to or involved in the purchase of a relevant horse, must not, directly or indirectly: (a) seek or solicit from any person for himself or herself or for any other person any benefit; (b) receive for himself or herself or for any other person any benefit; (c) offer to provide, or provide, to any vendor of the relevant horse, or to any other person (including a person acting, or purporting to act, on behalf of the vendor), any benefit in connection with the sale of the horse; unless the person has first: (i) fully disclosed, in writing, to the prospective purchaser(s) of the relevant horse that the person will: (A) be seeking or soliciting for himself or herself or for any other person a benefit; (B) receive for himself or herself or for any other person a benefit; (C) be offering to provide to any vendor of the relevant horse, or to any other person (including a person acting, or purporting to act, on behalf of the vendor), a benefit in connection with the sale of the horse; and (ii) obtained the written consent of more than 75% of the prospective purchasers to seek or solicit, to receive and/or to provide, the benefit. (4) Where, in the course of one transaction, a person acts, or purports to act, on behalf of both: (a) a registered owner/s of a relevant horse in connection with the sale of a relevant horse; and (b) a purchaser/s of a relevant horse in connection with the purchase of the same relevant horse, that	1

AR48 continued	person must comply with the provisions of both subrules (2) and (3). (5) For the purposes of the consent required by subrule (2)(ii) and (3)(ii), consent shall be deemed to have been given by a person where that person fails to provide reasonable notice of dissent in writing within 72 hours of receiving the written disclosure under subrule (2)(i) or (3)(i). (6) For the purposes of this rule: (a) "benefit" includes any valuable consideration, rebate, commission, gratuity, profit, fee, benefit or payment of any kind, whether direct or indirect, and to be provided at any time; (b) a reference to the sale and/or purchase of a relevant horse includes the sale or purchase of a share or beneficial interest in that horse. (7) The purchase price of a relevant horse must be disclosed on the relevant Transfer of Ownership form lodged with the relevant PRA, with such disclosure being made on the Transfer of Ownership form prior to any of the outgoing or incoming owners signing that form. (8) The PRA (or in the case of Tasracing, the Stewards) may, at any time, require any person who is party to or involved, directly or indirectly, in the sale or purchase of a relevant horse to provide full details as they may require of such sale including, without limitation, the purchase price and any benefits.	1
AR115(1)(a)	Jockey and apprentice jockey misconduct: (1) A jockey or apprentice jockey must not engage in misconduct.	1
AR129(2)	Running and handling: (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.	2
AR131(a)	Riding offences: A rider must not, in the opinion of the Stewards engage in careless, reckless, improper, incompetent or foul riding.	12
AR131(b)	Riding offences: A rider must not, in the opinion of the Stewards fail to ride his or her horse out to the end of the race and/or approaching the end of the race.	3
AR139(1)(a)	Offences where riders use banned substances: (1) A rider breaches these Australian Rules if a banned substance under AR 136(1) is detected in a sample taken from the rider.	1
AR140(1)(b)	Offences where horse handlers use banned substances: (1) A horse handler breaches these Australian Rules if the horse handler refuses or fails to deliver a sample as directed by the Stewards, tampers with, adulterates, alters, substitutes, or in any way hinders the collection of, a sample or attempts to do any of those things.	1
AR209(1)	Consequence of a horse carrying less weight than it should: (1) A rider must ensure that his or her horse does not carry less weight than what it is required to carry in a race.	1
AR218(4)(a)(b)(c)	No transmission of certain information in certain areas at racecourses: (4) Without the permission of the Stewards, a person (including but not limited to a jockey) must not bring into the jockeys' room; have in that person's possession in the jockeys' room; use in the jockeys' room, any mobile telephone, tablet, radio transmitter, radio transceiver or any other appliance, apparatus, instrument or equipment capable of receiving or transmitting information.	1
AR227(b)	Breaches of the Rules: 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.	5
AR228(b)	Conduct detrimental to the interests of racing: A person must not engage in misconduct, improper conduct or unseemly behaviour.	2
AR228(c)	Conduct detrimental to the interests of racing: 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.	1
AR229(1)(a)	Corruption, dishonesty and misleading behaviour: (1) A person must not engage in any dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing.	2
AR231(1)(b)(iii)	Care and welfare of horses: (1) A person must not if the person is in charge of a horse – fail at any time to provide veterinary treatment to the horse where such treatment is necessary for the horse.	3
AR231(1)(b)(iv)	Care and welfare of horses: (1) A person must not if the person is in charge of a horse – fail at any time to provide proper and sufficient nutrition for the horse.	1
AR232(b)	Failure to observe processes and directions of PRAs or Stewards: A person must not fail or refuse to comply with an order, direction or requirement of the Stewards or an official.	2

AR232(h)	Failure to observe processes and directions of PRAs or Stewards: 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
AR232(i)	Failure to observe processes and directions of PRAs or Stewards: A person must not give any evidence at an interview, investigation, inquiry, hearing and/or appeal which is false or misleading.	3
AR240(2)	Prohibited substance in sample taken from horse at race meeting: 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)	Administration of prohibited substance in sample taken from horse before/after running in race (1) 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.	2
AR249(1)(b)	Administration of medication on race day: (1) Notwithstanding the provisions set out in Schedule 1, Part 2, Division 2, a person must not, without the permission of the Stewards cause to be administered, any medication to a horse at any time on race day prior to the commencement of a race in which the horse is engaged to race.	3
AR252(1)	Possession of medication/substance/preparation in breach of legislation (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
LR114(4)	(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
TOTAL		54

REPRESENTATION TABLE

	Dismissed	Upheld
Represented by Solicitor/Master	28	9
Represented Self	7	2
Totals	35	11

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 6 Appeals determined by the Racing Appeals Tribunal during 2019/20 which comprised 8 charges:

Presided Over By	Dismissed	Upheld	Withdrawn
Mr D Armati	3	-	2
Mr A Lo Surdo SC	2	1	-
Total	5	1	2



Ariel Paez
General Manager
Information
Technology (IT)

Racing NSW Information Technology (Racing NSW IT)

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

- Provide support to internal and external Racing NSW end users;
 - Oversee the integrity and security of the Racing NSW information systems;
 - System Development and Maintenance, and
 - Project co-ordination and implementation.
- Objectives achieved include: -
- Network security upgrades;
 - Data protection;
 - Single National System enhancements for Stablehand portal, and
 - Website enhancements.

Network Security

Implementing the latest designs to protect the integrity, access and confidentiality of Racing NSW networks and data. Constantly reviewing new hardware and software technologies to stay up-to-date.

Data Protection

Recent upgrades utilising the latest industry standards and utilising latest hardware and cloud-based backups. Site-to-site live replication of core systems data and servers. This allows continuous access should one site fail.

Single National System Enhancements for Stablehand portal

The Stablehand portal has been redesigned and merged into the Single National System which adds enhanced functionalities for participants.

Website Enhancements

Most of the enhancements have been around live stream delivery to allow better picture quality during heavy loads.

RICG REPORT

(RACING INDUSTRY CONSULTATION GROUP)

The Racing Industry Consultation Group ("RICG") was established by the Thoroughbred Racing Act 1996 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 following associations/organisations: -

- NSW Racehorse Owners Association – *Tom O'Callaghan (Chairman)*
- Australian Turf Club – *Steve McMahon (Vice Chairman)*
- Australian Turf Club – *Jamie Barkley*
- Provincial Racing Association – *Matt Benson*
- Racing NSW Country – *Bob Pavitt*
- NSW Jockeys Association – *Kerrin McEvoy*
- NSW Trainers Association – *Richard Pegum*
- Thoroughbred Breeders NSW – *Hamish Esplin*
- Unions NSW – *Jeff Buhler*

During 2019/2020 RICG discussions were held on a number of topics, including -

- Racing NSW Strategic Plan;
- Horse Welfare;
- Racing and training infrastructure;
- Industry training and skills;

- Changes to Rules of Racing, national and local;
- Bushfire relief measures;
- Pandemic-related responses by the industry, including prize money reductions;
- Crown Lands Act review;
- Insurance matters.

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

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

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, I wish to thank Steve McMahon for his counsel and support, and our previous Chairman, Trevor Lobb, for his leadership and very significant contribution.

- *Tom O'Callaghan (RICG Chairman)*

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 18th year and gets stronger each season, having paid out 1248 BOBS Silver bonuses during the 2019/20 racing season for a total of nearly \$12.5 million including bonuses and double up vouchers.

These figures show how successful the BOBS scheme is, but even more impressive when paired with BOBS Extra where last season an extra \$521,250 was distributed to owners of BOBS Extra horses.

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

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

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

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

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

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

Some quick facts on BOBS: -

- In 2019/20 there were 1248 BOBS Silver bonuses paid;
- Racing NSW has paid out more than \$153 million in bonus prizemoney since BOBS began 18 years ago;
- Of the BOBS Silver bonuses won, two-year-old horses won 180 (14%) and three-year-old horses accounted for 1068 (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 \$47 million has been put back into the NSW Breeding Industry through this scheme, benefiting not just breeders, but also owners and trainers.

BOBS SILVER BONUSES WON BY NUMBER PER MONTH

	2016/17	2017/18	2018/19	2019/20
August	52	54	66	50
September	63	81	69	73
October	89	88	70	83
November	86	91	97	79
December	92	92	100	81
January	106	106	94	98
February	103	100	112	92
March	99	121	123	121
April	147	133	117	125
May	147	150	155	153
June	155	134	162	151
July	162	157	159	142
TOTAL	1301	1307	1324	1248

BOBS EXTRA BONUSES WON BY NUMBER PER MONTH

	2016/17	2017/18	2018/19	2019/20
August	11	11	8	13
September	12	7	12	3
October	19	13	7	8
November	14	11	12	4
December	10	18	9	9
January	15	13	6	5
February	10	7	6	5
March	3	8	3	6
April	6	9	8	2
May	4	10	7	4
June	6	7	5	5
July	11	8	5	4
TOTAL	121	122	88	68

SEASON 2019/20 – BOBS SILVER BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
Snitzel	Arrowfield Stud	\$725,625	85
I Am Invincible	Yarraman Park Stud	\$517,500	59
Deep Field	Newgate Farm	\$427,500	54
Exceed and Excel	Godolphin	\$388,125	45
Fastnet Rock	Coolmore Stud	\$309,375	32
Sebring	Widden Stud	\$292,500	36
Lonhro	Godolphin	\$270,000	35
Rubick	Coolmore Stud	\$213,750	35
Smart Missile	Arrowfield Stud	\$209,531.25	28
So You Think (NZ)	Coolmore Stud	\$208,125	23
Star Witness	Widden Stud	\$196,875	25
Uncle Mo (USA)	Coolmore Stud	\$187,031.25	28
Smart Missile	Arrowfield Stud	\$220,781	32

SEASON 2019/20 – BOBS EXTRA BONUS WINNERS SIRES BY VALUE

Stallion	Standing at	Total Bonuses	Wins
So You Think (NZ)	Widden Stud	\$70,000	6
Animal Kingdom (UA)	Arrowfield Stud	\$45,000	7
Lope De Vega (IRE)	Patinack Farm	\$40,000	5
Camelot (GB)	Coolmore Stud	\$30,000	3
Street Cry (IRE)	Godolphin	\$30,000	5
Lonhro	Godolphin	\$30,000	2
Dundeel (NZ)	Arrowfield Stud	\$25,000	5
High Chaparral (IRE)	Coolmore Stud	\$25,000	4

SEASON 2019/20 – BOBS SILVER BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
Fituese	Deep Field	John Thompson	\$73,125	5
Edison	Fastnet Rock	Bjorn Baker	\$73,125	4
Blazing Miss	Sizzling	Mark Newnham	\$67,500	4
Lewis	Fastnet Rock	Chris Waller	\$56,250	4
Spaceboy	Deep Field	Gary Portelli	\$56,250	4
Varda	Lonhro	James Cummings	\$56,250	3
Macroura	Snitzel	Ciaron Maher & David Eustace	\$50,625	3
Peltzer	So You Think (NZ)	Gerald Ryan	\$50,625	3
Bound to Win	Sebring	Peter & Paul Snowden	\$45,000	4
Aquitaine	Exceed and Excel	James Cummings	\$45,000	3
Dancing Gidget	Al Maher	Chris Waller	\$45,000	3
Electric Girl	Declaration of War (USA)	Gwenda Markwell	\$45,000	3
Pandemic	Sepoy	James Cummings	\$45,000	2
True Detective	Shamus Award	Chris Waller	\$45,000	2
Splintex	Snitzel	Mark Newnham	\$45,000	2

SEASON 2019/20 – BOBS EXTRA BONUS WINNING HORSES BY VALUE

Horse	Sire	Trainer	Bonuses	Wins
Hogmanay	Lonhro	Chris Waller	\$30,000	2
Jungle Book	Animal Kingdom (USA)	Trevor Sutherland	\$20,000	4
Lady Highly	High Chaparral (IRE)	Clare Cunningham	\$20,000	3
Decroux	Lope De Vega (IRE)	Jason Deamer	\$20,000	2
Guisse	So You Think (NZ)	Chris Waller	\$20,000	1
Mrs Madrid	Fastnet Rock	Anthony Cummings	\$20,000	1
Think It Over	So You Think (NZ)	Kerry Parker	\$20,000	1
Toryjoy	Street Cry (IRE)	Chris Waller	\$20,000	1
Welsh Legend	Camelot (GB)	Chris Waller	\$20,000	1

SEASON 2019/20 – LEADING BOBS SILVER WINNING TRAINER

Trainer	Location	Bonuses	Wins
James Cummings	Royal Randwick	\$787,500	90
Peter & Paul Snowden	Royal Randwick	\$686,250	75
Chris Waller	Rosehill Gardens	\$652,500	61
Kris Lees	Newcastle	\$534,375	80
Gai Waterhouse & Adrian Bott	Royal Randwick	\$511,875	55
Gerald Ryan	Rosehill Gardens	\$461,250	52
Bjorn Baker	Warwick Farm	\$309,375	37
Mark Newnham	Royal Randwick	\$298,125	29
Richard & Michael Freedman	Royal Randwick	\$208,125	28
Ciaron Maher & David Eustace	Warwick Farm	\$168,750	13
John Thompson	Royal Randwick	\$163,125	15

SEASON 2019/20 – LEADING BOBS EXTRA WINNING TRAINER

Trainer	Location	Bonuses	Wins
Chris Waller	Rosehill Gardens	\$110,000	8
Gai Waterhouse & Adrian Bott	Royal Randwick	\$35,000	4
Clare Cunningham	Warwick Farm	\$30,000	4
Kerry Parker	Kembla Grange	\$25,000	2
Richard & Michael Freedman	Royal Randwick	\$20,000	4
Kris Lees	Newcastle	\$20,000	4
Trevor Sutherland	Wagga Wagga	\$20,000	4
Jason Deamer	Newcastle	\$20,000	2
Anthony Cummings	Royal Randwick	\$20,000	1



John Galvin
General Manager
Workers
Compensation

Workers Compensation

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

The Fund also extends workers compensation indemnity to jockeys injured in the Australian Capital Territory. Additionally, Racing NSW administers the run-off of claims under the former self-insurance licence, which covered industry participants prior to 30 June 1998.

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

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

2019/20 Performance

During 2019/20 the Racing NSW Workers Compensation Fund received 555 new claims which represented an increase of 5.5% on the 526 claims that were received during 2018/19.

The Fund experienced a claims revenue to claims costs surplus of \$1.39 million during 2019/20 due primarily to a further reduction in the average claims cost and a lower than estimated incurred cost of claims across most claim years.

The actuarial valuation of the possible future liability of the Fund at 30 June 2020 was assessed at \$44.1 million which was a deterioration of \$0.34 million on the valuation at 30 June 2018 of \$43.8 million. Although the valuation of the possible future claims liability increased it fell \$2 million below the assessed future liability of \$46.1 million which had been forecast in the 2019 actuarial assessment.

The Fund achieved an overall profit of \$1.05 million for the 2019/20 financial year.

The Fund's sound performance during 2019/20 is

reflective of the following positive factors:

- Year on year improvement in claims finalisation;
- Lower than expected incurred costs of claims (across most claim years);
- Reduction in the average claims cost;
- Improved return to work rates during the second half of the financial year; and
- Avoidance of any material impact due to the potential financial effects of the COVID-19 pandemic.

The Board of Racing New South Wales has set a strategic target of maintaining a reserve of \$5 million. It is pleasing to note that the profit for 2019/20 means that the target, first achieved in 2018/19 has been maintained with reserves now totaling \$6.1 million.

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

2019/20 Actuarial Assessment

The 2019/20 actuarial assessment was conducted by Finity Consulting Pty Ltd ("Finity").

The actuarial central estimate of Racing NSW's outstanding workers compensation claims liability as at 30 June 2020 is \$36.4 million (net of reinsurance recoveries and including an allowance for claims handling expenses).

The estimate of the outstanding claims liability includes an allowance for future inflation of claims payments at 1.5% per annum (reduced from 1.75% in 2019) and is discounted at 1% per annum (a worsening of 0.5% from 2019) to allow for future investment income earned between the valuation date and expected payment date.

The decrease in the discount rate implies reduced investment earnings and has impacted adversely on the assessed future liability.

At 30 June 2020 the net provision for outstanding claims liability (inclusive of a 20% prudential margin) is \$44.1 million. This represents a decrease of \$2 million on the projection of \$44.1 million made in the 2019 valuation.

The current valuation of \$44.1 million represents an increase of \$0.3 million on the Fund's assessed liability of \$43.8 million as at 30 June 2019.

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

SUMMARY OF ACTUARIAL ESTIMATE OF OUTSTANDING CLAIMS LIABILITIES

	Estimate of Liability as at 30 June 2020 (\$m)	Projected Estimate of Liability to 30 June 2020 (2019 Valuation) (\$m)	Estimate of Liability as at 30 June 2019 (\$m)	Projected Estimate of Liability to 30 June 2021 (2020 Valuation) (\$m)
Net Central Estimate ¹	36.5	37.2	35.2	38.4
Risk Margin	7.3	7.4	7	7.7
Outstanding Claims Provision ²	43.8	44.6	42.2	46.1

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

size assumptions.

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

Claims Incidence

There were 555 workers compensation claims received during 2019/20 which was 5.5% higher than the 2018/19 new claims incidence of 526 claims.

The new claims incidence during 2019/20 was 1.3% higher than the average claims incidence of 548 claims across the previous five claim years. There were 258 open claims at 30 June 2020.

Claim Profiles

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

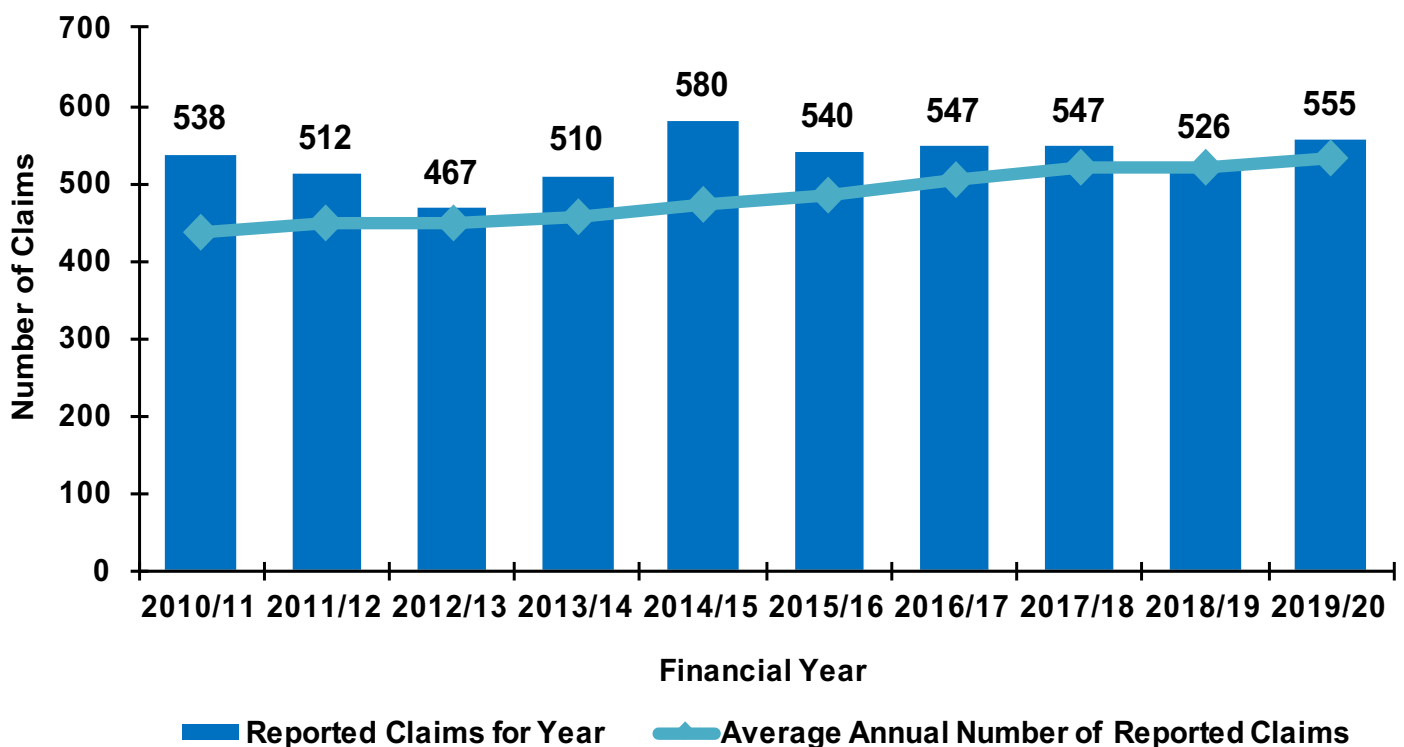
Analysis of claims data by injury type, claimant characteristics and body part are crucial to Racing NSW's ongoing development of risk mitigation strategies and industry safety standards.

The following tables provide an insight into the nature of workers compensation claims lodged during 2019/20

The profile of the 2019/20 claims portfolio is similar to that of previous years insofar as:

- the highest incidence of injuries arises out of trackwork riding (36.5% of injuries);

INCURRED CLAIMS BY FINANCIAL YEAR



- the most common mechanisms of injury arise from being struck in some manner by a horse (38% of injuries) and falling from a horse (33.8%), and
- injuries most commonly sustained are sprains, strains and soft tissue injuries (26.8% of all injuries), general fractures (16.8%) and trauma to joints and ligaments (17.4%).

2019/20 CLAIMS BY INJURY TYPE

Sprain, Strain or Soft Tissue Injury	164	29.55%
General Fractures	89	16.04%
Trauma to joints and ligaments	88	15.86%
Contusion, bruising and superficial crushing	47	8.47%
Laceration or open wound	33	5.95%
Trauma to muscles and tendons	28	5.05%
Superficial injury	28	5.05%
Concussion	20	3.60%
Fractured skull and facial bones (including teeth)	16	2.88%
Multiple injuries	12	2.16%
Dislocation	12	2.16%
Fractured vertebrae	7	1.26%
Internal injury of chest, abdomen or pelvis	5	0.90%
Psychological injury	4	0.72%
Foreign body in eye	2	0.36%
TOTAL	555	100.00%

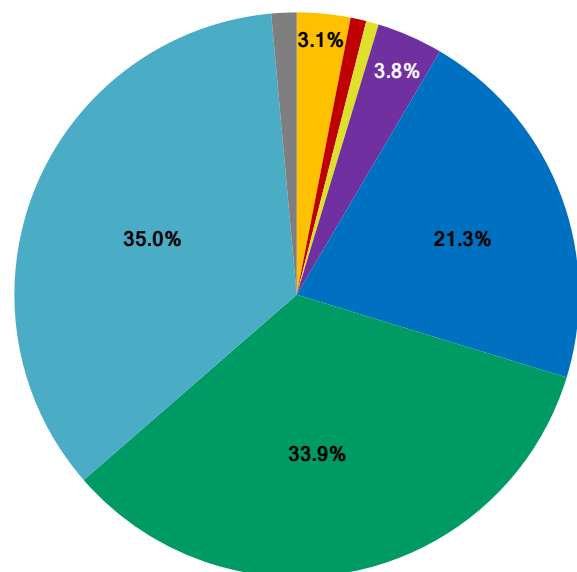
2019/20 CLAIMS BY MECHANISM OF INJURY

Being struck by a horse	204	36.76%
Falls from a horse (or other height)	194	34.95%
Muscular stress while lifting, carrying or handling	70	12.61%
Being trapped between stationary and moving objects	31	5.59%
Falls on the same level (slips and falls)	18	3.24%
Contact with machinery or moving objects	8	1.44%
Being hit by falling objects	8	1.44%
Hitting stationary objects	7	1.26%
Being bitten by a horse	5	0.90%
Workplace conflict	4	0.72%
Repetitive Movement	3	0.54%
Unspecified	2	0.36%
Infection/insect bites	1	0.18%
TOTAL	555	100.00%

2019/20 CLAIMS BY BODY PART

Back	58	10.45%
Shoulder	56	10.09%
Leg	54	9.73%
Hand/Fingers	51	9.19%
Knee	51	9.19%
Foot/Toes	39	7.03%
Specified multiple locations	26	4.68%
Face/Nose	24	4.32%
Neck	23	4.14%
Ankle	22	3.96%
Head with concussion	20	3.60%
Wrist	18	3.24%
Head (simple frank injury)	18	3.24%
Mouth/Tooth	15	2.70%
Elbow	14	2.52%
Ribs	13	2.34%
Arm	12	2.16%
Abdomen	6	1.08%
Hip	6	1.08%
Chest/Trunk	6	1.08%
Pelvic Bones, Muscles and Tendons	6	1.08%
Internal organs	5	0.90%
Unspecified	5	0.90%
Psychological	4	0.72%
Eye	2	0.36%
Ear	1	0.18%
TOTAL	555	100.00%

2019/20 CLAIMS BY OCCUPATION OF INJURED WORKER



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

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

Bob Ingham AO

Mr Bob Ingham AO, one of the country's most passionate racehorse owners, passed away aged 88.

"Bob Ingham, along with his brother Jack, created one of the largest thoroughbred racing and breeding empires ever seen in Australia," said Mr Peter V'landys AM, Racing NSW's CEO.

"I'm personally very saddened by the passing of Bob – when I first entered the industry, he was of great assistance to me and provided much learning and information.

"Bob was a very kind man who had presence and a great personality; the industry is so much the poorer for the loss of one of our legends.

"Bob was also well-known for his philanthropy, with his daughter Debbie Kepitis carrying on the racing tradition as a part-owner of the great Winx.

"Bob's son John served as Vice-Chairman on the committee of the Australian Turf Club.

The Ingham's distinct cerise colours were regularly seen on racetracks around the country being worn by jockeys on such champions as Lonhro and Octagonal. Both horses went on to become highly successful stallions at the Ingham's Woodlands Stud.

Bob's philanthropy included his vision for an independent specialist centre for health and medical research facility in Liverpool – this was realised in 2012 when the Ingham Institute for Applied Medical Research was opened.

'Darby' McCarthy

Mr Darby McCarthy passed away aged 76. Born and raised at Cunnamulla in western Queensland, Darby went on to become one of Australia's best jockeys in the 1950s, 60s and 70s, achieving outstanding success riding champion horses against the best jockeys of his era.

Riding many Group 1 winners in Australia, his most memorable day in NSW was the Group 1 double at Randwick in 1969 when riding Divide and Rule to win the AJC Derby followed later that day by success in

the Epsom Handicap on Broker's Tip.

"Darby McCarthy was not only a champion jockey but an outstanding person. He was respected by all and always willing to help with mentoring and encouraging young entrants to the racing industry," said Racing NSW's Chief Executive, Mr Peter V'landys AM.

Darby accepted an invitation from Racing NSW to lead a recruitment and training program for aspiring indigenous horsemen and women. Mr McCarthy became a mentor and role model to young indigenous people and was fondly known as 'Uncle' Darby.

In 2009 Racing NSW launched the Darby McCarthy Indigenous Employment and Training Program.

"Racing NSW is forever indebted to Darby for his unwavering support and enthusiasm for the upskilling of young indigenous entrants to the racing industry, as well as his tremendous contribution to our industry throughout the many years he served as a jockey," Mr V'landys added.

Gowan Williams

One of the legends of horse racing in NSW, Mr Gowan Williams died at 79.

"Gowan Williams was a person who worked hard behind the scenes and was a real quiet achiever," said Mr Peter V'landys AM, Racing NSW's Chief Executive.

"He represented what's great in our industry as he was a person that put his heart and soul into racing and never sought any reward or acknowledgement.

Gowan Williams pioneered the development and maintenance of computerised form and comprehensive details for race meetings conducted around the state in the 1970s, when horse racing form was a combination of written records and cards.

He was widely respected and admired by all with his dedication, accuracy to detail and willingness to assist anyone for the betterment of the sport.

Caryl Williamson

Popular AAP journalist Caryl Williamson passed away aged 67.

"Caryl was a knowledgeable,

meticulous and devoted racing journalist who was highly regarded right around the country," said Racing NSW Chief Executive, Peter V'landys AM.

"She was enthusiastic, had a strong work ethic, possessed a dry wit and was extremely popular.

"On a personal note I'm very saddened as Caryl was not just an outstanding journalist always balanced and professional, but a true character of the racecourse that makes our industry full of personality and vibrance."

Born in NZ, Caryl joined Australian Associated Press (AAP) in 1984 as a copy taker before promoted to AAP Turf Editor-in-Chief, a position she held with distinction for 24 years.

She was also regarded a mentor to the many young reporters that would stream through the racing press room and often spent time teaching them the ropes.

Caryl showed her tipping prowess by capturing the 2018 TAB Champion Tipsters Challenge over the two days of The Championships at Randwick, beating a throng of journalists and celebrities.

She gave the winner's \$5000 cheque to St Vincent de Paul Society.

Other notable passings: -

- **Pat Berry (Steward)**
- **Eduardo Cojuangco Jnr (Owner)**
- **Ron Fitzsimmons (Trainer)**
- **John Frater (Owner)**
- **Professor David Hutchins (Vet)**
- **Ray 'Spike' Jones (Jockey)**
- **Neale Lavis (Trainer)**
- **Joanne Lee (Trainer's Wife)**
- **Peter Lynch (Trainer)**
- **Joan Peever (Trainer)**
- **Peter 'Whacky' Pennell (Trainer)**
- **Glenn Pickwick (Jockey)**
- **Bill Ridge (Dubbo owner)**
- **Johnnie Roberts (Trainer)**
- **Alan Ryan (Trainer)**
- **Fred Sarina (Bloodstock Agent)**
- **Vince Stein (Trainer)**
- **Trevor 'Lucky' Stuckey (Owner)**
- **Bill Waterhouse (Bookmaker)**
- **Paul Whelan (Owner)**
- **Bob Whyburn (Jockeys Association)**
- **Les Young (Breeding Expert)**

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
1	WINX STAKES	1400	500,000	SAMADDOUBT	BJORN BAKER
1	GEORGE MAIN STAKES	1600	500,000	AVILIUS (GB)	JAMES CUMMINGS
1	GOLDEN ROSE STAKES	1400	1,000,000	BIVOUCAC	JAMES CUMMINGS
1	EPSOM HCP	1600	1,000,000	KOLDING (NZ)	CHRIS WALLER
1	THE METROPOLITAN	2400	750,000	COME PLAY WITH ME	CHRIS WALLER
1	FLIGHT STAKES	1600	500,000	FUNSTAR	CHRIS WALLER
1	SPRING CHAMPION STAKES	2000	500,000	SHADOW HERO	MARK NEWNHAM
1	CHIPPING NORTON STAKES	1600	600,000	TE AKAU SHARK (NZ)	JAMIE RICHARDS
1	SURROUND STAKES	1400	500,000	PROBABEEL (NZ)	JAMIE RICHARDS
1	RANDWICK GUINEAS	1600	1,000,000	SHADOW HERO	MARK NEWNHAM
1	CANTERBURY STAKES	1300	500,000	THE BOSTONIAN (NZ)	TONY PIKE
1	COOLMORE CLASSIC	1500	600,000	CON TE PARTIRO (USA)	G WATERHOUSE & A BOTT
1	GOLDEN SLIPPER STAKES	1200	3,500,000	FARNAN	G WATERHOUSE & A BOTT
1	GEORGE RYDER STAKES	1500	1,000,000	DREAMFORCE	JOHN THOMPSON
1	RANVET STAKES	2000	700,000	ADDEYBB (IRE)	WILLIAM HAGGAS
1	ROSEHILL GUINEAS	2000	600,000	CASTLEVECCHIO	RICHARD LITT
1	THE GALAXY	1100	700,000	I AM EXCITED	DAVID PFFIEFER
1	THE BMW	2400	1,500,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
1	VINERY STUD STAKES	2000	500,000	SHOUT THE BAR	G WATERHOUSE & A BOTT
1	DONCASTER HANDICAP	1600	1,500,000	NETTOYER	WENDY ROCHE
1	T J SMITH STAKES	1200	1,250,000	NATURE STRIP	CHRIS WALLER
1	ATC AUSTRALIAN DERBY	2400	1,000,000	QUICK THINKER	MURRAY BAKER & A FORSMAN
1	ATC SIRES PRODUCE STAKES	1400	500,000	KING'S LEGACY	PETER & PAUL SNOWDEN
1	QUEEN ELIZABETH STAKES	2000	2,000,000	ADDEYBB (IRE)	WILLIAM HAGGAS
1	ATC OAKS	2400	500,000	COLETTE	JAMES CUMMINGS
1	SYDNEY CUP	3200	1,000,000	ETAH JAMES (NZ)	C MAHER & D EUSTACE
1	COOLMORE LEGACY	1600	500,000	CON TE PARTIRO (USA)	G WATERHOUSE & A BOTT
1	ALL AGED STAKES	1400	480,000	TOFANE (NZ)	MICHAEL MORONEY
1	CHAMPAGNE STAKES	1600	400,000	KING'S LEGACY	PETER & PAUL SNOWDEN
2	MISSILE STAKES	1200	200,000	ALIZEE	JAMES CUMMINGS
2	SILVER SHADOW STAKES	1200	200,000	LIBERTINI	ANTHONY CUMMINGS
2	CHELMSFORD STAKES	1600	250,000	SAMADDOUBT	BJORN BAKER
2	FURIOUS STAKES	1200	200,000	LIBERTINI	ANTHONY CUMMINGS
2	TRAMWAY HCP	1400	200,000	DREAMFORCE	JOHN THOMPSON
2	THE RUN TO THE ROSE	1200	200,000	BIVOUCAC	JAMES CUMMINGS
2	THEO MARKS STAKES	1300	200,000	ARCADIA QUEEN	CHRIS WALLER
2	SHERACO STAKES	1200	200,000	MIZZY	ANTHONY CUMMINGS
2	THE SHORTS	1100	200,000	PIERATA	GREGORY HICKMAN
2	TEA ROSE STAKES	1400	200,000	FUNSTAR	CHRIS WALLER
2	SHANNON STAKES	1500	200,000	MISTER SEA WOLF (IRE)	CHRIS WALLER
2	GOLDEN PENDANT	1400	400,000	MIZZY	ANTHONY CUMMINGS
2	HILL STAKES	2000	500,000	VERRY ELLEEGANT (NZ)	CHRIS WALLER
2	PREMIERE STAKES	1200	500,000	BRUTAL (NZ)	M,W & J HAWKES
2	STAN FOX STAKES	1500	200,000	COLADA	GERALD RYAN
2	ROMAN CONSUL STAKES	1200	300,000	COSMIC FORCE	PETER & PAUL SNOWDEN
2	HOT DANISH STAKES	1400	500,000	REELEM IN RUBY	PETER & PAUL SNOWDEN
2	VILLIERS STAKES	1600	250,000	QUACKERJACK	MARK NEWNHAM
2	EXPRESSWAY STAKES	1200	200,000	STANDOUT	GERALD RYAN
2	APOLLO STAKES	1400	250,000	ALIZEE	JAMES CUMMINGS
2	LIGHT FINGERS STAKES	1200	200,000	FLIT	JAMES CUMMINGS
2	SILVER SLIPPER STAKES	1100	250,000	FARNAN	G WATERHOUSE & A BOTT
2	HOBARTVILLE STAKES	1400	400,000	BRANDENBURG (NZ)	JOHN SARGENT
2	MILLIE FOX STAKES	1300	200,000	SAVATIANO	JAMES CUMMINGS
2	SKYLINE STAKES	1200	200,000	MAMARAGAN	JOHN THOMPSON
2	SWEET EMBRACE STAKES	1200	200,000	HUNGRY HEART	CHRIS WALLER
2	GUY WALTER STAKES	1400	200,000	DAWN DAWN	M,W & J HAWKES
2	CHALLENGE STAKES	1000	500,000	NATURE STRIP	CHRIS WALLER
2	REISLING STAKES	1200	300,000	DAME GISELLE	PETER & PAUL SNOWDEN
2	TODMAN STAKES	1200	300,000	FARNAN	G WATERHOUSE & A BOTT
2	PHAR LAP STAKES	1500	200,000	FUNSTAR	CHRIS WALLER
2	AJAX STAKES	1500	200,000	IMAGING (GB)	CHRIS WALLER
2	TULLOCH STAKES	2000	200,000	QUICK THINKER	MURRAY BAKER & A FORSMAN
2	EMANCIPATION STAKES	1500	200,000	POSITIVE PEACE	BJORN BAKER
2	CHAIRMAN'S HANDICAP	2600	300,000	RAHEEN HOUSE (IRE)	KRIS LEES

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
2	ARROWFIELD 3YO SPRINT	1200	500,000	SPLINTEX	MARK NEWNHAM
2	PERCY SYKES STAKES	1200	500,000	AWAY GAME	C MAHER & D EUSTACE
2	SAPPHIRE STAKES	1200	300,000	WHITE MOSS	JASON COYLE
3	UP AND COMING STAKES	1300	160,000	TRUE DETECTIVE	CHRIS WALLER
3	SHOW COUNTY QUALITY	1200	160,000	DEPRIVE	JAMES CUMMINGS
3	TOY SHOW F-&-M QLTY	1300	160,000	MIZZY	ANTHONY CUMMINGS
3	SAN DOMENICO STAKES	1100	160,000	EXCEEDANCE	M,W & J HAWKES
3	PREMIER'S CUP	1900	160,000	WU GOK	CHRIS WALLER
3	MING DYNASTY QUALITY HCP	1400	160,000	QUICK THINKER	M BAKER & A FORSMAN
3	CONCORDE STAKES	1000	160,000	REDZEL	PETER & PAUL SNOWDEN
3	CAMERON HCP	1500	160,000	ROCK	M,W & J HAWKES
3	NEWCASTLE CUP	2300	200,000	HUSH WRITER (JPN)	G WATERHOUSE & A BOTT
3	TIBBIE STAKES	1400	160,000	SWEET DEAL	JOHN THOMPSON
3	KINGSTON TOWN STAKES	2000	150,000	FINCHE (GB)	CHRIS WALLER
3	BILL RITCHIE HANDICAP	1400	150,000	KOLDING (NZ)	CHRIS WALLER
3	GLOAMING STAKES	1800	200,000	SHADOW HERO	G WATERHOUSE & A BOTT
3	COLIN STEPHEN QUALITY	2400	160,000	STAMPEDE	G WATERHOUSE & A BOTT
3	BREEDERS' PLATE	1000	160,000	EVERY ROSE	MARK NEWNHAM
3	GIMCRACK STAKES	1000	160,000	GLOBAL QUEST	CHRIS WALLER
3	ANGST STAKES	1600	160,000	NETTOYER	WENDY ROCHE
3	CRAVEN PLATE	2000	500,000	HAPPY CLAPPER	PAT WEBSTER
3	THE NIVISON	1200	200,000	MADAM ROUGE	CHRIS WALLER
3	SPRING STAKES	1600	160,000	ASIAGO	JAMES CUMMINGS
3	FESTIVAL STAKES	1500	160,000	RANIER	JAMES CUMMINGS
3	SUMMER CUP	2000	160,000	LUVALUVA (NZ)	JOHN SARGENT
3	BELLE OF THE TURF STAKES	1600	150,000	TINKERMOSA (NZ)	JOHN SARGENT
3	WIDDEN STAKES	1100	160,000	AWAY GAME	CIARON MAHER & D EUSTACE
3	CANONBURY STAKES	1100	160,000	PRAGUE	CIARON MAHER & D EUSTACE
3	ESKIMO PRINCE STAKES	1200	150,000	NOT RUN	
3	SOUTHERN CROSS STAKES	1200	160,000	SPECIAL REWARD	KRIS LEES
3	TRISCAY STAKES	1200	160,000	SWEET DEAL	JOHN THOMPSON
3	LIVERPOOL CITY CUP	1300	160,000	QUACKERJACK	MARK NEWNHAM
3	NEWCASTLE NEWMARKET HCP	1400	160,000	SPECIAL REWARD	KRIS LEES
3	ASPIRATION QUALITY	1600	160,000	NETTOYER	WENDY ROCHE
3	WENONA GIRL QUALITY	1200	160,000	FASIKA	JOSEPH PRIDE
3	BLACK OPAL STAKES	1200	300,000	BARBARIC	PETER & PAUL SNOWDEN
3	KEITH F NOLAN CLASSIC	1600	200,000	ASIAGO	JAMES CUMMINGS
3	MAGIC NIGHT STAKES	1200	175,000	THERMOSPHERE	JAMES CUMMINGS
3	PAGO PAGO STAKES	1200	175,000	PRAGUE	CIARON MAHER & D EUSTACE
3	SKY HIGH STAKES	2000	350,000	MASTER OF WINE (GER)	M,W & J HAWKES
3	MAURICE McCARTEN STAKES	1100	160,000	STAR OF THE SEAS (NZ)	CHRIS WALLER
3	BIRTHDAY CARD STAKES	1200	160,000	MISS EXFACTOR	JOSEPH PRIDE
3	EONA STAKES	1900	160,000	MISSYBEEL (NZ)	BJORN BAKER
3	N E MANION QUALITY CUP	2400	160,000	YOUNG RASCAL (FR)	WILLIAM HAGGAS
3	STAR KINGDOM STAKES	1200	160,000	VEGADAZE	ANTHONY CUMMINGS
3	T L BAILLIEU HANDICAP	1400	160,000	HOLYFIELD	C MAHER & D EUSTACE
3	NEVILLE SELLWOOD STAKES	2000	160,000	NIGHTS WATCH (NZ)	CHRIS WALLER
3	DONCASTER PRELUDE	1500	160,000	CASCADIAN (GB)	JAMES CUMMINGS
3	ADRIAN KNOX QLTY STAKES	2000	200,000	COLETTE	JAMES CUMMINGS
3	CARBINE CLUB STAKES	1600	200,000	ENTENTE	G WATERHOUSE & A BOTT
3	KINDERGARTEN STAKES	1100	200,000	DOUBTLAND	M,W & J HAWKES
3	P J BELL STAKES	1200	200,000	RUBISAKI	PATRICK PAYNE
3	JAPAN RACING ASSOC PLATE	2000	140,000	LIFE LESS ORDINARY (IRE)	CHRIS WALLER
3	FRANK PACKER PLATE	2000	140,000	KINANE (NZ)	CHRIS WALLER
3	JAMES H B CARR STAKES	1400	140,000	RUBISAKI	PATRICK PAYNE
3	HALL MARK STAKES	1200	140,000	GREYWORM	M,W & J HAWKES
3	HAWKESBURY GOLD CUP	1600	160,000	AMANGIRI	M,W & J HAWKES
3	HAWKESBURY CROWN	1300	140,000	SWEET SCANDAL	CHRIS WALLER
3	HAWKESBURY GUINEAS	1400	160,000	DAWN PASSAGE	G WATERHOUSE & A BOTT
3	DARK JEWEL CLASSIC	1400	160,000	IRITHEA	BJORN BAKER
LR	THE ROSEBUD	1100	140,000	DAWN PASSAGE	G WATERHOUSE & A BOTT
LR	ROWLEY MILE	1100	150,000	GAULOIS	JAMES CUMMINGS
LR	WYONG GOLD CUP	2100	160,000	WU GOK	CHRIS WALLER
LR	MONA LISA STAKES	1350	125,000	FOXY HOUSEWIFE	JOSEPH PRIDE

GR	FEATURE RACE	DIST	PRIZE \$	WINNER	TRAINER
LR	DULCIFY 3YO QUALITY	1600	140,000	JUST THINKIN'	G WATERHOUSE & A BOTT
LR	HERITAGE STAKES	1100	140,000	STANDOUT	GERALD RYAN
LR	REGINALD ALLEN QLTY	1400	140,000	AKARI	BRAD WIDDUP
LR	SYDNEY STAKES	1100	500,000	DEPRIVE	JAMES CUMMINGS
LR	BRIAN CROWLEY STAKES	1200	150,000	DIAMOND THUNDER	MARK NEWNHAM
LR	CITY TATT'S CLUB CUP	2400	140,000	MASTER OF WINE (GER)	M,W & J HAWKES
LR	SKIN FITNESS CUP	1400	150,000	CELLARMAN	CHRIS WALLER
LR	STARLIGHT STAKES	1100	140,000	SPENDING TO WIN	PETER & PAUL SNOWDEN
LR	ATC CUP	2000	140,000	ALWARD (IRE)	CHRIS WALLER
LR	RAZOR SHARP HCP	1200	140,000	SIGNORE FOX	PETER & PAUL SNOWDEN
LR	CHRISTMAS CUP	2400	140,000	MORTON'S FORK	RICHARD LITT
LR	GOSFORD GUINEAS	1200	150,000	HIGHTAIL	PETER & PAUL SNOWDEN
LR	CHRISTMAS CLASSIC	1200	150,000	MADAM ROUGE	CHRIS WALLER
LR	TATTERSALLS CLUB CUP	2400	150,000	MASTER OF WINE (GER)	M,W & J HAWKES
LR	CARRINGTON STAKES	1400	150,000	CRADLE MOUNTAIN	CLARE CUNNGHAM
LR	AUSTRALIA DAY CUP	2400	150,000	TAIKOMOCHI	G WATERHOUSE & A BOTT
LR	INGLIS 3YO SPRINT	1100	1,000,000	RUBISAKI	PATRICK PAYNE
LR	INGLIS MILLENNIUM	1200	2,000,000	PRIME STAR	RICHARD & MICHAEL FREEDMAN
LR	LONHRO PLATE	1000	150,000	SUPREME IDEA	ANTHONY FREEDMAN
LR	PARRAMATTA CUP	1900	140,000	MUSTAJEER (GB)	KRIS LEES
LR	FIREBALL STAKES	1100	140,000	VILLAMI	GERALD RYAN
LR	RANDWICK CITY STAKES	2000	140,000	SHARED AMBITION (IRE)	CHRIS WALLER
LR	NATIONAL SPRINT	1400	130,000	CUBA	JOHN THOMPSON
LR	CANBERRA CUP	2000	200,000	MUGATOO (IRE)	KRIS LEES
LR	CANBERRA GUINEAS	1400	130,000	PROMOTIONS	JAMES CUMMINGS
LR	ALBURY CUP	2000	200,000	SPUNLAGO	TODD SMART
LR	DARBY MUNRO STAKES	1200	140,000	CALIFORNIA ZIMBOL	PETER & PAUL SNOWDEN
LR	SOUTH PACIFIC CLASSIC	1400	150,000	INDY CAR	ANTHONY CUMMINGS
LR	FERNHILL HANDICAP	1600	150,000	UNTAMED	PETER & PAUL SNOWDEN
LR	HAWKESBURY RUSH	1100	112,000	TACTICAL ADVANTAGE	KRIS LEES
LR	WAGGA WAGGA GOLD CUP	2000	160,000	MAURUS (GB)	JOHN THOMPSON
LR	TAKEOVER TARGET STAKES	1200	120,000	SNITZ	MATTHEW DUNN
LR	GOSFORD GOLD CUP	2100	200,000	ANOTHER DOLLAR	CHRIS WALLER
LR	SCONE CUP	1600	160,000	DR DRILL (GB)	C MAHER & D EUSTACE
LR	LUSKIN STAR STAKES	1300	112,000	RANIER	JAMES CUMMINGS
LR	WOODLANDS STAKES	1100	112,000	MACROURA	C MAHER & D EUSTACE
LR	DENISE'S JOY STAKES	1100	112,000	FITUESE	JOHN THOMPSON
LR	ORTENSIA STAKES	1100	112,000	DIRTY WORK	M,W & J HAWKES
LR	LORD MAYOR'S CUP	2000	150,000	WU GOK	CHRIS WALLER
LR	BOB CHARLEY AO STAKES	1100	150,000	CLASSIQUE LEGEND	LES BRIDGE
LR	WINTER CUP	2400	150,000	WU GOK	CHRIS WALLER
LR	W J MCKELL CUP	2400	150,000	FRANKELY AWESOME	KRIS LEES
LR	CIVIC STAKES	1350	150,000	TRUMBULL (NZ)	KIM WAUGH
LR	RAMORNIE HANDICAP	1200	160,000	SIGNORE FOX	PETER & PAUL SNOWDEN
LR	GRAFTON CUP	2350	160,000	SIXTIES GROOVE (IRE)	KRIS LEES
LR	WINTER STAKES	1400	150,000	NOBLE BOY	CLARE CUNNGHAM
LR	WINTER CHALLENGE	1500	150,000	MUGATOO (IRE)	KRIS LEES
RL	MAGIC MILLIONS WYONG 2YO CLASSIC	1100	200,000	FARNAN	G WATERHOUSE & A BOTT
RL	INGLIS 3YO GUINEAS	1600	200,000	DAWN PASSAGE	G WATERHOUSE & A BOTT
	SILVER EAGLE	1300	500,000	THE INEVITABLE	SCOTT BRUNTON
	THE EVEREST	1200	12,000,000	YES YES YES	CHRIS WALLER
	THE KOSCIUSZKO	1200	1,300,000	HANDLE THE TRUTH	KEITH DRYDEN
	ST LEGER	2600	500,000	HUSH WRITER (JPN)	G WATERHOUSE & A BOTT
	BONDI STAKES	1600	1,000,000	KUBRICK	CHRIS WALLER
	GOLDEN EAGLE	1500	7,500,000	KOLDING (NZ)	CHRIS WALLER
	REDZEL STAKES	1300	1,000,000	PIERATA	GREGORY HICKMAN
	ROSEHILL GOLD CUP	2000	500,000	TALLY	CHRIS WALLER
	GOLDEN GIFT	1100	1,000,000	DAME GISELLE	PETER & PAUL SNOWDEN
	THE HUNTER	1300	1,000,000	SAVATIANO	JAMES CUMMINGS
	THE GONG	1600	1,000,000	MISTER SEA WOLF (IRE)	CHRIS WALLER



FINANCIAL STATEMENTS

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GENERAL ACTIVITIES

REVENUE AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED 30 JUNE 2020

RACING NSW ABN 86 281 604 417

	Note	2020 \$	2019 \$
REVENUE			
Revenue from Operating Activities			
Sale of Goods – Publications	4(i)	331,124	347,182
Sale of Services	4(ii)	6,214,680	6,968,089
		6,545,804	7,315,271
Revenue from Non Operating Activities			
Interest - General	4(vi)	1,751,061	1,862,024
		1,751,061	1,862,024
First Charge	4(iv)	10,698,838	10,178,760
REVENUE		18,995,703	19,356,055
EXPENSES			
Board	4(x)	693,193	681,916
Analytical	4(xi)	170,152	219,690
Finance	4(xii)	831,781	811,270
Administration and Executive	4(xiii)	5,039,979	4,425,884
Legal	4(xiv)	700,328	541,715
Licensing	4(xv)	281,758	288,463
Collection Race Fields receipts	4(xvii)	177,824	164,580
Race Results	4(xviii)	15,972	15,607
Cost of Goods Sold - Publications	4(xix)	354,061	325,351
Laboratory	4(xx)	3,301,594	3,199,336
Handicapping	4(xxi)	575,270	526,751
Stewards & Integrity	4(xxii)	5,358,912	5,078,690
Veterinary	4(xxiii)	881,160	1,002,376
Syndicates	4(xxiv)	194,976	173,319
Stakes Payments	4(xxv)	274,146	268,042
Information Technology	4(xxvi)	1,255,564	1,254,393
Racing Office	4(xxvii)	177,553	122,980
Marketing and media	4(xxviii)	1,442,965	1,398,479
Financing Costs	4(xxx)	31,967	29,795
Loss / (Gain) on Disposal of Assets	4(vii)	(21,764)	7,277
EXPENSES		21,737,391	20,535,914

FOR THE YEAR ENDED 30 JUNE 2020

RACING NSW ABN 86 281 604 417

	Note	2020 \$	2019 \$
Revenue			
Revenue from Operating Activities			
Workers Compensation Premiums & Revenue	4(iii)	14,569,597	13,792,449
		14,569,597	13,792,449
Revenue from Non Operating Activities			
Interest received Workers Compensation	4(ix)	796,228	1,147,375
		796,228	1,147,375
REVENUE		15,365,825	14,939,824
EXPENSES			
Workers Compensation Payments	4(xxix)	11,912,731	10,891,702
Workers Compensation, Administrative, Regulatory & Reinsurance	4(xxix)	1,975,047	1,944,848
Financing Costs	4(xxx)	85,542	91,059
EXPENSES		13,973,320	12,927,609
Funds surplus before allocation of additional provision for possible future liabilities		1,392,505	2,012,215
Addition in provision for possible future liabilities		336,597	1,516,371
Funds Transferred to Reserves		1,055,908	495,844

FOR THE YEAR ENDED 30 JUNE 2020

RACING NSW ABN 86 281 604 417

	Note	2020 \$	2019 \$
REVENUE FROM CONTINUING OPERATIONS			
Sale of Goods - Publications	4(i)	331,124	347,182
Sale of Services	4(ii)	14,566,962	15,197,550
Workers Compensation Fund Premiums & Other Revenue	4(iii)	14,569,597	13,792,449
First Charge	4(iv)	10,698,838	10,178,760
Wagering Revenue	4(v)	234,564,481	205,011,648
Interest other parties	4(vi)	2,547,289	3,009,399
Outside Broadcast	4(xxxi)	4,433,697	5,749,805
Horse Welfare (1% of prizemoney)	4(xxxii)	3,394,686	2,531,641
Other Income	4(xxxiii)	4,688,999	-
TOTAL REVENUE AND OTHER INCOME		289,795,674	255,818,435
EXPENSES			
Management of Capital Expenditure	4(viii)	742,281	396,431
Board	4(x)	693,193	681,916
Analytical	4(xi)	170,152	219,690
Finance	4(xii)	831,781	811,270
Administration and Executive	4(xiii)	5,039,979	4,425,884
Legal	4(xiv)	700,328	541,715
Licensing	4(xv)	281,758	288,463
Payments made to sustain minimum prizemoney, promotions and other commitments	4(xvi)	213,331,166	190,748,596
Collection of Race Fields receipts	4(xvii)	177,824	164,580
Race Results	4(xviii)	15,972	15,607
Cost of Goods Sold - Publications	4(xix)	354,061	325,351
Laboratory	4(xx)	3,301,594	3,199,336
Handicapping	4(xxi)	575,270	526,751
Stewards & Integrity	4(xxii)	5,358,912	5,078,690
Veterinary	4(xxiii)	881,160	1,002,376
Syndicates	4(xxiv)	194,976	173,319
Stakes Payments	4(xxv)	274,146	268,042
Information Technology	4(xxvi)	1,255,564	1,254,393
Racing Office	4(xxvii)	177,553	122,980
Marketing and Media	4(xxviii)	1,442,965	1,398,479
Outside Broadcast	4(xxxi)	6,821,346	7,119,626
Workers Compensation Fund Expenses	4(xxix)	13,929,779	12,836,551
Financing Costs	4(xxx)	118,927	157,451
Horse Welfare	4(xxxii)	3,448,646	2,673,582
Gain / (Loss) on Disposal of Assets	4(vii)	(21,764)	7,277
Drawdown on Race Fields provision	17(b)	(5,834,270)	(3,073,923)
Capital Expenditure Provision	17(c)	30,291,172	10,000,000
Clubs Sustainment Provision & Additional provision for possible future Workers' Compensation liabilities	17 (d) & 18	4,336,597	1,516,371
TOTAL EXPENSES		288,891,068	242,880,804
Share of profit of associate (Racing Australia "RA")	10	1,130,991	1,485,680
PROFIT BEFORE INCOME TAX		2,035,597	14,423,311
INCOME TAX EXPENSE		-	-
PROFIT AFTER INCOME TAX		2,035,597	14,423,311
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		2,035,597	14,423,311

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

FOR THE YEAR ENDED 30 JUNE 2020

RACING NSW ABN 86 281 604 417

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	74,763,563	55,124,909
Trade and Other Receivables	7	37,270,089	30,958,542
Other Current Assets	8	170,685	216,166
Other Financial Assets	9	75,420,154	126,775,559
TOTAL CURRENT ASSETS		187,624,491	213,075,176
NON-CURRENT ASSETS			
Other Financial Assets	9	52,117,806	-
Investment Accounted for Using the Equity Method	10	12,755,214	11,624,223
Other Non-Current Receivables	14	6,607,487	6,549,712
Property, Plant and Equipment - Land & Buildings	11	39,965,551	30,558,364
Property, Plant and Equipment - Other	12	15,708,764	17,227,995
Investment Property	13	1,331,265	1,386,485
TOTAL NON-CURRENT ASSETS		128,486,087	67,346,779
TOTAL ASSETS		316,110,578	280,421,955
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	62,343,166	55,258,827
Breeder Owner Bonus Scheme	16	22,782,737	20,558,257
Employee Provisions	17(a)	1,895,082	1,710,412
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 & Workers Compensation Provisions	17(d) & 18	15,313,550	9,202,571
Other Liabilities	19	12,298,484	8,769,853
TOTAL CURRENT LIABILITIES		129,133,019	109,999,920
NON-CURRENT LIABILITIES			
Breeder Owner Bonus Scheme	16	2,825,338	5,121,451
Employee Provisions	17(a)	598,063	573,325
Race Fields Provisions	17(b)	20,630,675	26,464,945
Capital Expenditure Provision	17(c)	46,865,958	23,000,000
Workers Compensation Provisions	18	41,196,311	42,516,017
Other Liabilities	19	135,134	55,814
TOTAL NON-CURRENT LIABILITIES		112,251,479	97,731,552
TOTAL LIABILITIES		241,384,498	207,731,472
NET ASSETS		74,726,080	72,690,483
EQUITY			
Reserves	20	74,726,080	72,690,483
Accumulated Surplus	21	-	-
TOTAL EQUITY		74,726,080	72,690,483

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

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	Notes	Reserves	Accumulated Surplus \$	Total \$
Balance at 30 June 2018		58,267,172	-	58,267,172
Profit for the year		-	14,423,311	14,423,311
Total Comprehensive Income for the Year	20	14,423,311	(14,423,311)	-
Balance at 30 June 2019		72,690,483	-	72,690,483
Profit for the year		-	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

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

STATEMENT OF CASH FLOWS

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		332,796,816	285,414,524
Payments to suppliers and employees		(313,866,625)	(265,269,394)
Interest received		2,363,076	2,744,494
Finance costs		(118,927)	(157,451)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5(b)	21,174,340	22,732,173
CASH FLOW FROM INVESTING ACTIVITIES			
Short term Investment		(762,401)	(1,841,014)
Payments for property, plant and equipment		(8,633,024)	(18,975,064)
Proceeds from sale of plant and equipment		412,984	137,273
NET CASH USED IN INVESTING ACTIVITIES		(8,982,441)	(20,678,805)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans from / (to) related parties		7,446,755	(337,194)
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES		7,446,755	(337,194)
NET INCREASE IN CASH		19,638,654	1,716,174
Cash at beginning of the year		55,124,909	53,408,735
CASH AT THE END OF THE YEAR	5(a)	74,763,563	55,124,909

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

NOTES

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

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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%
Buildings	2.00%

Leases

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

(d) Financial Assets**Classification**

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

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

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

(ii) Loans and Receivables

(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. 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

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

(m) Finance Costs

Finance costs are expensed when incurred.

(n) Workers Compensation Insurance

Premiums received are recognised from the attachment date and are measured over the period of insurance in a pattern in accordance with the incidence of risk. Liabilities for outstanding claims are recognised for direct and inwards reinsurance business and measured as the central estimate of the present value of the expected future payments for claims incurred with an additional risk margin to allow for the inherent uncertainty in the central estimate. The expected future payments include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and costs, including claims handling costs, which the insurer expects to incur in settling these

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incurred claims. The outstanding claims liability is discounted for the time value of money using risk-free discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations.

(o) Goods and Services Tax (GST)

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

(p) Government Grants

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

(q) Provisions

Provisions for Race Fields Infrastructure, Provision for Capital Expenditure, legal claims, service warranties and make good obligations are recognised when Racing NSW has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(r) Critical Accounting Estimates and Judgements

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

- (i) Estimation of Insurance Liabilities (Refer Note 30)
- (ii) Control of Workers' Compensation Fund: Management have determined that Racing NSW ultimately has the underwriting risk of the workers compensation fund and therefore has control of the fund. Refer to note 18.
- (iii) Race Fields provision (Refer Note 17(b))
- (iv) Capital Expenditure Provision (Refer Note 17(c))
- (v) Club sustainment provision (Refer Note 17 (d))

(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. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New standards adopted as at 1 July 2019

Racing NSW has applied the following standards, interpretations and amendments for the first time for their annual reporting period commencing 1 July 2019:

- AASB 15 Revenue from contracts with customers

Racing NSW had to change its accounting policies as a result of adopting these standards. The impact of this has been disclosed below.

AASB 15 Revenue from Contracts with Customers**AASB 15 Revenue from Contracts with Customers**

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 Fields fees and interest, tax parity revenue, point of consumption tax revenue, odds and evens revenue and prizemoney subsidies.

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

Interest from Cash at Bank	1,751,061	1,858,958
Interest from Loans to Clubs	-	3,066
Interest from Cash on Deposit	796,228	1,147,375
	2,547,289	3,009,399

(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 costs include staff, consultants and promotional costs.

(XXIX) Workers Compensation Insurance Fund. This Fund is designed to provide workers compensation insurance cover for employees of NSW Racing Clubs, Associations, owners and trainers of racehorses against liability relating to injury, loss or damage either sustained or caused by jockeys, apprentices, stable hands, workers, servants, employees or agents in their employment or acting on their behalf pursuant to NSW Work Cover legislation. Effective from 1 July 2006 the fund has been managed in-house by Racing NSW. (Refer to Note 30).

(XXX) Financing costs include interest expense, bank charges and bank guarantee fees.

(XXXI) Outside broadcast revenue includes revenue from clubs for providing broadcasting services, revenue from Sky Racing television network and revenue from providing broadcasting services and equipment for hire. Outside broadcast expense includes staffing, travel costs associated with the Broadcasting facilities.

(XXXII) Horse Welfare includes income from 1% of prizemoney and income from sale of retrained Thoroughbred horses. Horse Welfare income is allocated to staff costs, office costs, horse feed, veterinary, and other horse welfare costs associated with retraining and sale of thoroughbred horses.

(xxxiii) Other income includes fair value adjustment 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 (\$289,795,674).

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NOTE 4: STATEMENT OF COMPREHENSIVE INCOME (CONT.)

The profit has been determined after:

	2020 \$	2019 \$
Finance Costs		
Bank Charges	39,830	72,724
Bank Guarantee	79,097	84,727
Total Finance Costs	118,927	157,451
Depreciation and impairment expense of non-current assets		
- Land and Building Depreciation Expense	203,879	203,879
- Plant and Equipment Depreciation Expense	3,352,969	3,220,568
- Investment Property Depreciation Expense	55,220	55,220
Total Depreciation and Impairment Expense	3,612,068	3,479,667
Rental Expense on Operating Lease	48,898	57,557
Bad and Doubtful Debts		
- Trade Debtors written off	30,795	18,474
Total Bad and Doubtful Debts	30,795	18,474
Total Loss/ (Gain) on disposal of non-current assets:		
- Property, Plant and Equipment	(21,764)	7,277
Total Gain/(Loss) on disposal of non-current assets	(21,764)	7,277
Remuneration of Auditor		
- Audit Services	106,000	102,485
Total Remuneration of Auditor	106,000	102,485
Employee Benefits Expense (excluding Superannuation)	17,317,398	17,293,272
Defined Contribution Superannuation Expense	1,345,396	1,452,168
Defined Benefit Superannuation Expense	140,495	116,252
Insurance Claim Liability Expenses (Refer Note 18):		
Gross Increase in Provision relating to Insurance Claims Liability as recommended by the Actuary	791,273	2,989,056
Less Gross (Decrease) in Reinsurance Recoveries relating to Insurance Claims Liability as recommended by the Actuary	(454,676)	(1,472,685)
Net Increase in Provision relating to Insurance Claims Liability as recommended by the Actuary	336,597	1,516,371

NOTE 5: CASH FLOW INFORMATION**a) Reconciliation of Cash**

Cash and Cash Equivalents

74,763,563	55,124,909
74,763,563	55,124,909

As at 30 June 2020, Racing NSW had no credit facilities in place.

b) Reconciliation of Cash Flow from Operating Activities

Profit after Income Tax	2,035,597	14,423,311
Profit/ Loss on Sale of Assets	(21,764)	7,277
Depreciation	3,612,068	3,479,667
Share of (profit) in associate (RA)	(1,130,991)	(1,485,680)
Increase in value of Asset through fair value	(3,202,999)	-
	1,291,911	16,424,575
Increase/ (Decrease) in Trade Debtors	(13,751,489)	(7,438,125)
Increase/ (Decrease) in Prepayments	45,481	21,148
Increase/ (Decrease) in Other Non-Current Receivables	(57,775)	(1,154,410)
Increase/ (Decrease) in Trade Creditors and Other Creditors	7,077,525	4,176,299
Increase/ (Decrease) in Breeder Owner Bonus Scheme	(71,633)	(51,927)
Increase/ (Decrease) in Race Fields Provision	(5,834,270)	(3,073,924)
Increase/ (Decrease) in Capital Expenditure Provision	23,865,958	10,000,000
Increase/ (Decrease) in Workers Compensation Provision	791,273	2,989,056
Increase/ (Decrease) in Other Liabilities	3,607,951	354,959
Increase/ (Decrease) in Other Provisions	4,209,408	484,522
	19,882,429	6,307,598
Cash Flows from operating activities	21,174,340	22,732,173

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NOTE 6: CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at Bank	56,352,430	24,886,448
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)	18,393,391	30,220,719
Total Cash and Cash Equivalents	74,763,563	55,124,909

The Cash at Bank bears floating interest rates between 0.1% and 2.69% (2019: 0.40% and 2.80%). Cash at bank - Redevelopment Grant (Restricted) bears interest rates of between 0% and 1.20% (2019: 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	12,199,030	11,880,059
Provision for expected credit losses	(459,423)	(428,789)
Sundry Debtors	25,360,855	10,936,665
Amounts receivable from associated entities:		
- Racing NSW Country Limited	(1,864,956)	5,574,986
Reinsurance Recoveries Receivable	1,814,583	1,417,682
Amounts receivable - Loans to Clubs	220,000	220,000
Stakes Payment Debtors	-	1,357,939
Total Receivables	37,270,089	30,958,542

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	76,570	108,836
	76,570	108,836
Total cost of purchase of Inventory	146,831	146,831
Total Costs of Goods Sold	(52,716)	(39,501)
Total value of stock available for sale	94,115	107,330
Total Other Current Assets	170,685	216,166

NOTE 9: OTHER FINANCIAL ASSETS

Current	75,420,154	126,775,559
Non Current	52,117,806	-
Total Financial Assets	127,537,960	126,775,559
Cash on Deposit - Workers' Compensation Insurance (maturity of greater than 90 days at time of investment)	44,565,910	43,833,200
Cash on Deposit - (maturity of greater than 90 days at time of investment)	82,972,050	82,942,359
	127,537,960	126,775,559

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.

NOTE 10: INVESTMENT IN RACING AUSTRALIA PTY LIMITED ("RA")

Investment in RA	12,755,214	11,624,223
	12,755,214	11,624,223

Racing NSW has one material joint venture

Name of 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)	10,050,997	7,111,293
Non-current assets	31,471,876	30,284,694
Total assets	41,522,873	37,395,987
Current liabilities (b)	4,316,308	4,073,254
Non-current liabilities (c)	851,700	110,667
Total liabilities	5,168,008	4,183,921

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NOTE 10: INVESTMENT IN RACING AUSTRALIA PTY LIMITED ("RA") (CONT.)

	2020 \$	2019 \$
Revenue	15,471,251	15,766,508
Profit for the year	3,231,403	4,289,363
Depreciation and amortisation	2,028,165	1,523,473
Interest income	4,973	20,130
Movement in carrying amounts:		
At the beginning of the financial year	11,624,223	10,138,543
Share of RA profit current year	1,130,991	1,485,680
At the end of the year	<u>12,755,214</u>	<u>11,624,223</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT - BUILDINGS

Buildings - at cost	10,184,085	10,184,085
Less accumulated depreciation	(2,154,027)	(1,950,148)
Total Buildings	<u>8,030,058</u>	<u>8,223,937</u>
Movement in carrying amounts of Operational Land and Buildings:		
Balance at beginning of year	8,233,937	8,437,816
Additions	-	-
Transfers from investment to owner-occupied property	-	-
Depreciation expense	(203,879)	(203,879)
Carrying Amount at the end of the year	<u>8,030,058</u>	<u>8,233,937</u>
Level 6, 51 Druitt St Sydney NSW 2000 - at cost	575,361	575,361
Less accumulated depreciation	(86,603)	(75,096)
	<u>488,758</u>	<u>500,265</u>
Level 6, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	500,265	511,772
Depreciation expense	(11,507)	(11,507)
Carrying Amount at the end of the year	<u>488,758</u>	<u>500,265</u>
Level 11, 51 Druitt St Sydney NSW 2000 - at cost	4,829,404	4,829,404
Less accumulated depreciation	(750,740)	(654,152)
	<u>4,078,664</u>	<u>4,175,252</u>
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	4,175,252	4,271,840
Depreciation expense	(96,588)	(96,588)
Carrying Amount at the end of the year	<u>4,078,664</u>	<u>4,175,252</u>
Level 7, 51 Druitt St Sydney NSW 2000 - at cost	4,779,320	4,779,320
Less accumulated depreciation	(1,316,684)	(1,220,900)
	<u>3,462,636</u>	<u>3,558,420</u>
Level 7, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	3,558,420	3,654,204
Depreciation expense	(95,784)	(95,784)
Carrying Amount at the end of the year	<u>3,462,636</u>	<u>3,558,420</u>
Equine Welfare property includes the following:		
Capertee property at cost	7,524,861	6,392,056
Princess Farm property at cost	14,001,451	14,001,451
Oxley Island property at cost	1,684,094	1,679,819
Less accumulated depreciation	(62,372)	(23,899)
Total Equine Welfare property - at cost	<u>23,148,034</u>	<u>22,049,427</u>
Princess Farm Property - at cost	14,001,451	14,001,451
Less accumulated depreciation	(62,372)	(23,899)
	<u>13,939,079</u>	<u>13,977,552</u>
Princess Farm property - at cost		
Balance at beginning of year	13,977,552	-
Additions	-	14,001,451
Depreciation expense	(38,473)	(23,899)
Carrying Amount at the end of the year	<u>13,939,079</u>	<u>13,977,552</u>

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NOTE 11: PROPERTY, PLANT AND EQUIPMENT - BUILDINGS (CONT.)**Club property includes the following:**

Scone Ramsey Property	1,059,425	-
Moruya Racecourse	163,572	-
HVERC property	3,367,389	-
Scone property at cost	2,428,929	115,000
Murray Property	1,698,144	160,000
Phar Lap Ave (Kembla)	70,000	-
Total Club property - at cost	8,787,459	275,000

Total Equine Welfare property and club property**31,935,493 22,324,427**

Movement in carrying amounts:

Balance at beginning of year	22,324,427	5,394,785
Additions	9,649,539	16,953,541
Depreciation expense	(38,473)	(23,899)
Carrying Amount at the end of the year	31,935,493	22,324,427

Total Property, Plant and Equipment - Land & Building**39,965,551 30,558,364****NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER****Plant and Equipment - at cost**

Plant and Equipment - at cost	33,790,741	32,339,718
Less accumulated depreciation	(18,081,977)	(15,111,723)
Total Plant and Equipment - other	15,708,764	17,227,995

Movement in Carrying Amounts

Balance at Beginning of Year	17,227,995	18,655,020
Additions	1,743,948	1,913,436
Disposals	(391,218)	(144,550)
Depreciation Expense	(3,314,496)	(3,196,669)
Transfer from WIP	(5,381,373)	628,775
Movement in WIP	5,823,908	(628,017)
Carrying Amount at the end of the year	15,708,764	17,227,995

Plant and equipment above is comprised of the following categories:**Laboratory Equipment - at cost**

Laboratory Equipment - at cost	6,281,019	5,676,478
Less accumulated depreciation	(5,034,019)	(4,821,050)
Total Laboratory Equipment	1,247,000	855,428

Movement in carrying amounts

Balance at beginning of year	855,428	1,023,174
Additions	604,541	7,787
Disposals	-	-
Depreciation expense	(212,969)	(175,533)
Carrying Amount at the end of the year	1,247,000	855,428

Building Fit-out, Furniture and Fittings - at cost

Building Fit-out, Furniture and Fittings - at cost	3,824,835	3,829,634
Less accumulated depreciation	(2,378,708)	(2,084,599)
Total Building Fit-out, Furniture and Fittings	1,446,127	1,745,035

Movement in carrying amounts

Balance at beginning of year	1,745,035	2,033,305
Additions	-	5,650
Disposals	(4,800)	-
Depreciation expense	(294,108)	(293,920)
Carrying Amount at the end of the year	1,446,127	1,745,035

Office and Other Equipment - at cost

Office and Other Equipment - at cost	4,221,057	4,147,441
Less accumulated depreciation	(2,931,434)	(2,496,039)
Total Office and Other Equipment	1,289,623	1,651,402

Movement in carrying amounts

Balance at beginning of year	1,651,402	874,438
Additions	76,359	1,224,832
Disposals	(457)	-

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NOTE 12: PROPERTY, PLANT AND EQUIPMENT - OTHER (CONT.)

	2020 \$	2019 \$
Depreciation expense	(437,681)	(447,868)
Carrying Amount at the end of the year	<u>1,289,623</u>	<u>1,651,402</u>
Outside broadcast Equipment - at cost	16,520,784	16,446,129
Less accumulated depreciation	(6,671,933)	(4,795,662)
Total Outside Broadcast Equipment	<u>9,848,851</u>	<u>11,650,467</u>
Movement in carrying amounts		
Balance at beginning of year	11,650,467	12,640,874
Additions	74,658	859,705
Disposals	-	-
Depreciation expense	(1,876,274)	(1,850,112)
Carrying Amount at the end of the year	<u>9,848,851</u>	<u>11,650,467</u>
Motor Vehicles - at cost	2,500,514	2,240,036
Less accumulated depreciation	(1,065,883)	(914,373)
Total motor vehicles	<u>1,434,631</u>	<u>1,325,663</u>
Movement in carrying amounts		
Balance at beginning of year	1,325,663	1,455,212
Additions	988,391	444,238
Disposals	(385,961)	(144,550)
Depreciation expense	(493,462)	(429,237)
Carrying Amount at the end of the year	<u>1,434,631</u>	<u>1,325,663</u>
Capital Works in Progress - at cost	5,823,908	628,774
Less Transfer from WIP	(5,381,372)	(628,774)
Total WIP	<u>442,536</u>	-
Movement in carrying amounts		
Balance at beginning of year	-	628,017
Additions	5,823,908	757
Disposals	-	-
Transfer from WIP	(5,381,372)	(628,774)
Carrying Amount at the end of the year	<u>442,536</u>	-

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	(352,274)	(297,054)
Total Investment Property - at cost	<u>1,331,265</u>	<u>1,386,485</u>
Level 11, 51 Druitt St Sydney NSW 2000 - at cost		
Balance at beginning of year	1,386,485	1,441,705
Depreciation expense	(55,220)	(55,220)
Carrying Amount at the end of the year	<u>1,331,265</u>	<u>1,386,485</u>

Level 11 was originally purchased with the intent of leasing out to external parties, however due to a change in circumstances, the Australian Racing Forensic Laboratory was relocated from Royal Randwick to Level 11. Accordingly, in 2015 level 11 was reclassified from solely being an investment property to 77% of floor being classified as PPE for operational purposes. The remaining 23% of Level 11, is leased to Racing Australia on arm's length terms and classified as an investment property.

Level 11 was purchased on 21 September 2012 for \$6,243,843.

NOTE 14: OTHER NON CURRENT RECEIVABLES

Non Current Reinsurance Recoveries Receivable	6,607,487	6,549,712
Total Other Non-Current Receivables	<u>6,607,487</u>	<u>6,549,712</u>

NOTE 15: TRADE AND OTHER PAYABLES

Trade Creditors	1,150,533	1,367,143
Other Creditors and Accruals	31,070,225	27,991,219
Amounts payable to associated entities:		
- Racingcorp Pty Limited	11,147	(5,666)
- Jockey's Benefit Scheme Trust	80,000	90,000
Employee Leave	1,819,592	1,737,258
Jockeys Welfare Fund	5,337,547	4,530,447

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NOTE 15: TRADE AND OTHER PAYABLES (CONT.)

	2020 \$	2019 \$
Equine Welfare Fund	684,536	1,384,376
Stakes Payment Creditors	17,302,372	12,639,838
Stable Hand Fund	3,949,363	4,644,149
Rosehill Redevelopment Fund	17,742	17,742
Benevolent Fund	920,109	862,321
Total Creditors and Accruals	62,343,166	55,258,827

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	4,530,447
Contributions from prizemoney and BOBS extra prizemoney	2,491,990
Less Jockeys welfare (including superannuation) payments made in 2020 Financial Year	(1,684,890)
Closing balance	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	1,384,376
1% of the total prizemoney paid in 2020 Financial Year in NSW and ACT	2,493,125
Less Equine payments made in 2020 Financial Year	(3,192,965)
Closing balance	684,536

The Stable Hands Fund represents 1.5% of total prizemoney. The stable hands are paid their portion of this prizemoney on a quarterly basis. In instances where a trainer does not have any stable hand employed, the money is used to fund welfare claims from trainers and stable hands in the industry such as the current drought assistance program.

Opening balance	4,618,741
1.5% of the prizemoney paid in 2020 Financial Year in NSW	3,604,958
Less payments made to Stable Hands & Welfare Payments	(4,229,883)
Closing balance	3,993,816

Redevelopment Fund represents amounts received in relation to redevelopment Rosehill race courses, less progress payments made to 30 June 2020.

	Rosehill \$
Redevelopment funds received to 30 June 2014	24,000,000
Less: Progress payments made to 30 June 2020	(23,982,258)
Balance of Redevelopment liability	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	22,782,737	20,558,257
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Non-Current

Breeder Owner Bonus Scheme	2,825,338	5,121,451
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25,608,075	25,679,708
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BOBS current liabilities are those amounts expected to be settled within the next 12 months or within Racing NSW's normal operating cycle. BOBS is funded by stallion owners who pay a fee to nominate their stallion to participate in BOBS and owners of eligible progeny of participating stallions who also pay nomination fees in respect of each eligible progeny which participates in the scheme. Racing NSW supplements the scheme funds with a First Charge from the TAB distributions. (Refer Note 1(l)).

NOTE 17(a): EMPLOYEE PROVISIONS**Current**

Employee Benefits	1,895,082	1,710,412
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Non-Current

Employee Benefits	598,063	573,325
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Total Employee Provisions	2,493,145	2,283,737
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NOTE 17(a): EMPLOYEE PROVISIONS (CONT.)**Superannuation Fund**

One employee of Racing NSW is entitled to benefits on retirement, disability or death from the Racing NSW Superannuation Plan. The fund provides target lump sum benefits based on years of service and final average salary.

Present value of employees accrued benefits	763,614	723,225
Net market value of assets held by the fund to meet future benefit payments	(623,119)	(606,973)
Excess of the present value of employees accrued benefits over assets held to meet future benefit payments. (included within employee benefits provision)	140,495	116,252

NOTE 17(b): RACE FIELDS PROVISIONS**Current**

Race Fields provision	7,500,000	7,500,000
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Non-Current

Race Fields provision	20,630,675	26,464,945
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Total Race Fields Provisions

	28,130,675	33,964,945
Balance at beginning of the year	33,964,945	37,038,869
Provisions made during the year	-	-
Provisions used during the year	(5,834,270)	(3,073,924)
Provisions reversed during the year	-	-
Balance at end year	28,130,675	33,964,945

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 \$53,865,958 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	-
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Non-Current

Capital Expenditure provision	46,865,958	30,000,000
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Total Capital Expenditure Provisions

	53,865,958	30,000,000
Balance at beginning of the year	30,000,000	20,000,000
Provisions made during the year	30,291,172	10,000,000
Provisions used during the year	(6,425,214)	-
Provisions reversed during the year	-	-
Balance at end year	53,865,958	30,000,000

NOTE 17(d): CLUB SUSTAINMENT PROVISIONS

Clubs sustainment provision will be used to support NSW Thoroughbred race clubs affected by Covid-19.

Current

Clubs Sustainment provision	4,000,000	-
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Total Club Sustainment Provision

	4,000,000	
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NOTE 18: WORKERS COMPENSATION PROVISION**Current**

	2020 \$	2019 \$
Provision for Insurance Outstanding Claims	11,313,550	9,202,571

Non-Current

Provision for Insurance Outstanding Claims	41,196,311	42,516,017
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Total Provisions for Workers Compensation

52,509,861	51,718,588
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Workers Compensation Provisions

Opening Balance of Workers Compensation Provisions	51,718,588	48,729,532
Gross Movement in Workers Compensation Provisions	791,273	2,989,056
Closing Balance of Workers Compensation Provisions	52,509,861	51,718,588

The movement in the Workers Compensation Provision is shown at a Gross of any Reinsurance Recoveries.

Gross Movement in Workers Compensation Provisions	791,273	2,989,056
Less Decrease/ (Increase) in Reinsurance Recoveries	(454,676)	(1,472,685)
Net Movement in Workers Compensation Provision	336,597	1,516,371

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 2020 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% (2019: 20%) in respect of the net central estimate of liabilities relating to the specialised insurer's license and a prudential margin of 20% (2019: 20%) in respect of the net central estimate of liabilities relating to the self insurer's license.

The increase in provisions for outstanding claims has been predominantly due to decreasing interest rates.

The directors have determined that these prudential risk margins are appropriate to increase the likelihood that the provision will be adequate to meet the cost of claims. Due to the small amount of claim data and the difficulties in determining a mathematical distribution appropriate to Racing NSW, the probability of adequately corresponding to the margin cannot be reliably estimated.

The movement in Workers Compensation Provision is recognised as either income or an expense of the period.

NOTE 19: OTHER LIABILITIES**Current**

Contract liabilities	9,238,484	8,769,853
Other Liabilities	3,060,000	-

Non-Current

Contract liabilities	135,134	55,814
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Total Other Current Liabilities

12,433,618	8,825,667
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Monies received by Racing NSW at the end of the reporting period for products or services to be provided in more than 12 months time are classified as non current 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.

Reserves

General Reserve	69,363,706	60,904,393
Industry Distribution Reserve	(927,619)	6,552,005
Workers Compensation Reserve	6,289,993	5,234,085

Total Reserves

74,726,080	72,690,483
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Movement in Reserves**General Reserve**

Balance at the beginning of the year	60,904,393	42,625,999
Transfers to accumulated surplus	8,459,313	18,278,394
Transfers from accumulated surplus	-	-
Balance reserve at the end of the year	69,363,706	60,904,393

Industry Distribution Reserve

Balance at the beginning of the year	6,552,005	10,902,932
Payments to Industry Participants	(7,479,624)	(4,350,927)
Transfers to accumulated surplus	-	-

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NOTE 20: RESERVES (CONT.)

Balance reserve at the end of the year

2020 \$	2019 \$
(927,619)	6,552,005

Workers Compensation Reserve

Balance at the beginning of the year

Transfers (from)/to accumulated surplus

Balance reserve at the end of the year

5,234,085	4,738,241
1,055,908	495,844
6,289,993	5,234,085

Total Reserves

74,726,080	72,690,483
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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

Transfer (to)/from General Reserve

Transfer from/(to) Industry Distribution Reserve

Transfer (to)/from Workers Compensation Reserve

Accumulated surplus at end of the financial year

-	-
2,035,597	14,423,311
(8,459,313)	(18,278,394)
7,479,624	4,350,927
(1,055,908)	(495,844)
-	-

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Operating lease Commitments

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

Payable not later than 1 year

Payable later than 1 year and not later than 5 years

-	-
49,876	58,708
-	-
49,876	58,708

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 2020 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 \$300,000 subsequent to year end. Unused facilities at the end of the reporting period amount to \$365,910 (2019: \$33,200). Racing NSW has pledged to CBA to maintain a minimum balance of 100% cash cover security for the WorkCover NSW bank guarantee (2020: \$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	Deputy 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 - Investigation and Surveillance Unit
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

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NOTE 24: KEY MANAGEMENT PERSONNEL (CONT.)**b) Key Management Personnel Compensation**

	2020 \$	2019 \$
Salary, Bonuses and Fees	4,298,712	3,841,938
Non-Cash Benefits	175,238	166,967
Other Long Term Benefits	83,696	73,446
Superannuation	303,562	270,976
Total	4,861,207	4,353,327

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 Druiitt Street, Sydney, NSW, 2000.

NOTE 26: SEGMENT REPORTING

	2020			2019		
	Racing NSW	Insurance	Total	Racing NSW	Insurance	Total
Primary Reporting - Business Segments						
Revenue						
External Sales	272,678,788	14,569,597	287,248,385	239,016,587	13,792,449	252,809,036
Other Revenue	1,751,061	796,228	2,547,289	1,862,024	1,147,375	3,009,399
Share of profit of associate (Racing Australia "RA")	1,130,991	-	1,130,991	1,485,680	-	1,485,680
Total Segment Revenue	275,560,840	15,365,825	290,926,665	242,364,291	14,939,824	257,304,115
Expenditure	270,969,083	14,309,917	285,279,000	224,957,157	14,443,980	239,401,137
Depreciation	3,612,068	-	3,612,068	3,479,667	-	3,479,667
Total Segment Expenditure	274,581,151	14,309,917	288,891,068	228,436,824	14,443,980	242,880,804
Segment Result	979,689	1,055,908	2,035,597	13,927,467	495,844	14,423,311
Assets						
Segment Assets	244,432,877	58,922,487	303,355,364	211,736,056	57,034,676	268,797,732
Investments in Assets Accounted for using the Equity Method	12,755,214	-	12,755,214	11,624,223	-	11,624,223
Total Assets	257,188,091	58,922,487	316,110,578	223,387,279	57,034,676	280,421,955
Liabilities						
Segment Liabilities	188,738,637	52,645,861	241,384,498	155,870,684	51,860,788	207,731,472
Total Liabilities	188,738,637	52,645,861	241,384,498	155,870,684	51,860,788	207,731,472
Net Assets/(Liabilities)	68,449,454	6,276,626	74,726,080	67,516,595	5,173,888	72,690,483
Purchase of Non-Current Assets	11,836,023	-	11,836,023	18,867,734	-	18,867,734
Significant Non Cash Expenses other than Depreciation	-	791,273	791,273	-	2,989,056	2,989,056

The primary business activity of Racing NSW is provision of racing services to the industry. The secondary activity is the Workers Compensation Fund. All income and expenditure is incurred within the thoroughbred racing industry within the state of New South Wales, Australia. Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. The entity operates in one geographical segment, being NSW Australia.

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NOTE 27: RELATED PARTIES**Key Management Personnel**

The key management personnel of the entity are disclosed in note 24(a).

The names of the key management personnel who were members of the Board at any time during the year were as follows:

R. Balding AO	A. Hodgson AM
Dr S. Cooke	P.N. V'landys AM
S. Tuxen	M. Crismale
G. 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:

	2020 \$	2020 \$
	Expenses Paid on behalf of entity	Receipts taken on behalf of entity
- Racing NSW Country Limited	98,392,650	91,688,477
- Racing Australia	-	-
- Racingcorp Pty Limited	103,010	127,125
- NSW TRB Training Limited	751,713	751,713
- The Jockeys Benefit Scheme Trust	18,346	214
- Thoroughbred Horse Rehabilitation Trust	-	27,886

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.

Trade Debtors	11,739,607	11,451,270
Other Receivables	32,137,969	24,699,045
Other Financial Assets	75,420,154	126,775,559
Stakes Payment Debtors	-	1,357,939
Cash at Bank	74,763,563	55,124,909
	194,061,293	219,408,722

Whilst Racing NSW has a material credit risk exposure to Other Receivables through Amounts Receivable from NSW Country Racing Council Limited, the Board is of the view that this risk is negligible due to control over the funding stream through the Racing Distribution Agreement, Inter-Code Agreement and Intra-Code Agreements.

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
Policies require that Cash at Bank and Cash on Deposit be placed with major banks approved by the Board.	No changes to investments are made without Board approval. Deposits and term investments are placed with major banks with rating AA or above.	The holdings and performance of Cash at Bank and Cash on Deposit are reported to the Board on a monthly basis.
Debtors are assessed as to likely recovery prior to advancing credit. Stakes Payment Debtors and Trade Debtors are reviewed and treated separately.	Debtors are reviewed on an ongoing basis depending on type of debt. Collectability is assessed on a regular basis.	Aged Debtors Balances are reviewed on a regular basis.
Policies require that all Investments be placed with major institutions approved by the Board.	No changes to investments are made without Board approval.	The holdings and performance of Investments are reported to the Board on a monthly basis.

Concentration of Debtors

Racing NSW determines the credit risk from the type of debtor and type of debt. Stakes Payment debtors are recoverable as Racing NSW has significant control over industry funding and acts as the facilitator between industry participants for the distribution of these funds.

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.

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NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (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 - Stakes Payment Debtors	-	-	-	-	-
Maximum Exposure - Other Receivables	32,137,969	32,137,969	-	-	-
Maximum Exposure - Other Financial Assets	127,537,960	127,537,960	-	-	-
	171,874,959	171,151,307	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	459,423	-	-	-	459,423
	1,183,075	-	457,075	22,071	703,929
Impairment provision	(459,423)	-	-	-	(459,423)
2019 Trade and Other Receivables ageing are as follows:					
Maximum Exposure - Trade Debtors	11,880,059	11,486,070	221,789	13,941	158,259
Maximum Exposure - Stakes Payment Debtors	1,357,939	1,357,939	-	-	-
Maximum Exposure - Other Receivables	24,699,045	24,699,045	-	-	-
Maximum Exposure - Other Financial Assets	126,775,559	126,775,559	-	-	-
	164,712,602	164,318,613	221,789	13,941	158,259
Amount past due but not considered Impaired	393,989	-	221,789	13,941	158,259
Amount past due considered Impaired	428,789	-	-	-	428,789
	822,778	-	221,789	13,941	587,048
Impairment provision	(428,789)	-	-	-	(428,789)

b) Credit risk (cont.)

Trade debtor amounts are unsecured. Stakes Payment debtor and Other Receivable amounts are primarily Racing Clubs and are indirectly secured through industry agreements.

Trade debtors are primarily Race Fields fees receivable and are subject to 'Information Use' agreements. The Board does not believe there is any material credit risk on the debtor balances that are past due but not considered impaired due to the mutually beneficial ongoing business associations in place.

Allowances for Impairment Loss

Trade Receivables and stakes debtors are non-interest bearing and are generally required to be settled with 30 days. BOBS receivables may be deferred for 12 months. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Movements in the provision for impairment loss were as follows.

Opening Balance	428,789	423,129
Bad Debts written off during year	(161)	(12,814)
Provision for Doubtful Receivables	62,774	42,445
Add back money recovered	(31,979)	(23,971)
Closing Balance	459,423	428,789

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)	116,873,993	101,186,604
National Australia Bank (A-1+ rated by S&P)	85,427,530	80,713,576
Total	202,301,523	181,900,180

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.

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NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)

Objectives and Policies	Process for Managing the Risk	Methods used to Measure the Risk
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 - 2020

	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-4 years \$
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 Scheme	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

Maturity Analysis for Financial Liabilities - 2019

	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months \$	6-12 Months \$	1-4 years \$
Trade and Other Payables	37,957,098	37,957,098	37,957,098	-	-
Stakes Payment Creditors	17,283,987	17,283,987	17,283,987	-	-
Breeder Owner Bonus Scheme	25,679,708	25,679,708	12,637,386	7,920,871	5,121,451
Redevelopment Funds	17,742	17,742	17,742	-	-
Total	80,938,535	80,938,535	67,896,213	7,920,871	5,121,451

Economic Dependency

Racing NSW received 4.11% (2019: 3.88%) 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 \$
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
2019					
Financial Assets:					
Cash at Bank	1.40%	55,124,909	-	-	55,124,909
Other Financial Assets	2.50%	-	126,775,559	-	126,775,559
Receivables	2.00%	-	-	37,508,254	37,508,254
Total Financial Assets		55,124,909	126,775,559	37,508,254	219,408,722

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NOTE 28: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT.)**Financial Liabilities:**

Breeder Owner Bonus Scheme	-	-	-	(25,679,708)	(25,679,708)
Trade and Other Payables	-	-	-	(55,258,827)	(55,258,827)
Total Financial Liabilities measured at amortised cost				(80,938,535)	(80,938,535)

Net financial assets/(liabilities)

55,124,909	126,775,559	(43,430,281)	138,470,187
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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 2020, 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 \$
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)
2019				
Cash at Bank	1.40%	55,124,909	551,249	(551,249)
Other Financial Assets	2.50%	126,775,559	1,267,756	(1,267,756)
Total		181,900,468	1,819,005	(1,819,005)

d) Market Risk (cont.)

The method used in determining the sensitivity was to evaluate the interest revenue based on the timing of the interest repricing on the deposits for the next 12 months. The following assumptions were applied:

- the rate at the beginning of the 12 month period would apply for the whole period.
- the cash on deposit would all reprice to the new interest rate at the same time.
- the base rate is the weighted average across the cash on deposit.

Insurance Risk

Pursuant to section 13(1)(d) of the Thoroughbred Racing Act 1996 (NSW), Racing NSW's functions include "insuring of participants in the 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 2020: 7.08% (2019: 8.46%)
- payments are made evenly throughout the period.
- BOBS has been discounted over 2 years (2019: 2 years) due to the nature of the BOBS agreement.

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NOTE 29: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

	Fair Value	2020 Carrying Value	Variance	Fair Value	2019 Carrying Value	Variance
Financial Assets:						
Cash at Bank	74,763,563	74,763,563	-	55,124,909	55,124,909	-
Receivables - term deposits	127,537,960	127,537,960	-	126,775,559	126,775,559	-
Other Receivables	43,877,576	43,877,576	-	37,508,254	37,508,254	-
Total Financial Assets	246,179,099	246,179,099	-	219,408,722	219,408,722	-
Financial Liabilities:						
Breeder Owner Bonus Scheme	(25,506,503)	(25,608,075)	101,572	(25,454,508)	(25,679,708)	225,200
Trade and Other Payables	(62,343,166)	(62,343,166)	-	(55,258,827)	(55,258,827)	-
Total Financial Liabilities measured at amortised cost	(87,849,669)	(87,951,241)	101,572	(80,713,335)	(80,938,535)	225,200

NOTE 30: INSURANCE ACTIVITIES

	2020 \$	2019 \$
Premium revenue	13,688,666	13,399,193
Reinsurance recoveries and other recoveries revenue	692,081	219,406
Other Income	188,850	173,850
	14,569,597	13,792,449
Interest Income	796,228	1,147,375
	796,228	1,147,375
Underwriting expenses	1,680,589	1,655,909
Direct claims expense	11,912,731	10,891,702
Outwards reinsurance premium expense	380,000	380,000
	13,973,320	12,927,611
Underwriting result for the financial year excluding investments revenue and expense	596,277	864,838
	-	-
Assets		
Bank	50,500,417	49,067,282
Reinsurance recoveries	8,422,070	7,967,394
	58,922,487	57,034,676
Liabilities		
Outstanding claims	52,509,861	51,718,588
Unearned Premium	136,000	142,200
	52,645,861	51,860,788
Refer to Note 18 for bank guarantee and other information relating to Workers Compensation Provision		
a) Outstanding Claims		
Gross undiscounted claim liability	48,725,233	50,733,869
Discount to present value	(3,627,637)	(6,307,148)
Third party recoveries	(1,950,631)	(2,565,467)
Reinsurance recoveries	(6,407,139)	(5,401,926)
	36,739,826	36,459,328
Central estimate of the expected present value of future payments for claims incurred	36,739,826	36,459,328
Prudential margin	7,347,965	7,291,866
	44,087,791	43,751,194
Current	9,498,967	7,784,889
Non-current	34,588,824	35,966,305
	44,087,791	43,751,194

The average weighted term to settlement of the outstanding liabilities is 6.4 years (2019: 8.2 years).

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NOTE 30: INSURANCE ACTIVITIES (CONT.)

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

	2020		2019	
	Next Year	Thereafter	Next Year	Thereafter
Inflation rate	2.10%	2.10%	2.88%	2.88%
Discount Rate	1.50%	1.50%	1.00%	1.00%

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

	Current Year Incurred \$	Reassess Prior Years \$	Current Year Incurred \$	Reassess Prior Years \$
Gross undiscounted incurred claims	15,017,524	(4,224,850)	15,088,854	(4,256,232)
Undiscounted reinsurance & other recoveries	(461,047)	(453,292)	(455,988)	(772,121)
Net undiscounted incurred claims	14,556,477	(4,678,142)	14,632,866	(5,028,353)
Discounting of incurred claims	(671,952)	3,744,626	(1,143,619)	5,754,341
Discounting recoveries	44,944	(467,267)	69,298	(784,866)
	(627,007)	3,277,359	(1,074,321)	4,969,475
Gross discounted incurred claims	14,345,572	(480,224)	13,945,235	1,498,109
Discounted reinsurance & other recoveries	(416,103)	(920,558)	(386,690)	(1,556,987)
Net discounted incurred claims	13,929,470	(1,400,782)	13,558,545	(58,878)

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.

a) the interest rate used for discounting is the published CBA Reference Rate as at 30 June each year 2020: 7.08% (2019: 8.46%)**b) payments are made evenly throughout the period.****c) Claim Development**

Claims cost estimate	Prior \$	Accident Year										Total
		2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	
At the end of accident year	n/a	14,058	12,900	11,168	11,499	11,661	11,693	12,561	12,968	12,813	11,672	
One year later	n/a	13,382	10,839	10,719	9,786	11,123	11,078	12,473	12,781	12,516		
Two years later	n/a	12,415	9,567	8,198	8,987	10,913	10,484	9,877	12,127			
Three years later	n/a	10,588	8,602	7,261	8,742	10,157	9,910	9,393				
Four years later	n/a	10,343	8,192	7,128	8,063	7,387	8,976					
Five years later	n/a	10,161	7,696	7,669	8,061	6,909						
Six years later	n/a	9,863	7,542	6,943	8,367							
Seven years later	n/a	9,250	9,066	6,651								
Eight years later	n/a	6,808	8,796									
Nine years later	n/a	6,787										
Current estimate of claims cost		6,787	8,796	6,651	8,367	6,909	8,976	9,393	12,127	12,516	11,672	92,194
Cumulative payments		(5,893)	(7,768)	(5,430)	(6,702)	(4,658)	(6,211)	(6,080)	(7,670)	(8,495)	(4,106)	(63,014)
Undiscounted central estimate	6,508	894	1,028	1,221	1,665	2,250	2,764	3,313	4,456	4,021	7,566	35,687
Effect of discounting	(320)	(56)	(64)	(88)	(104)	(142)	(195)	(208)	(254)	(195)	(354)	(1,981)
Discounted central estimate	6,188	837	964	1,133	1,561	2,108	2,569	3,104	4,203	3,827	7,212	33,706
Claims handling expense	557	75	87	102	140	190	231	279	378	344	649	3,034
Risk margin	1,349	183	210	247	340	460	560	677	916	834	1,572	7,348
Present value recognised in the statement of financial position	8,094	1,095	1,261	1,482	2,042	2,757	3,361	4,061	5,497	5,005	9,433	44,088

d) Maturity Analysis for Outstanding Claims

	2020					2019				
	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	35,687,387	7,297,774	4,999,206	8,144,885	15,245,521	37,519,454	5,996,222	4,043,824	7,520,924	19,958,484
Claim Payments - Undiscounted										

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.

FOR THE YEAR ENDED 30 JUNE 2020

RACING NSW ABN 86 281 604 417

NOTE 31: RACE FIELDS DEVELOPMENT PROGRAM

As result of Race Fields High Court case decision of 30 March, 2012 the Board of Racing NSW commenced a capital development program for the State's racecourses over a sustained period. The focus of the program is improvements to racing surfaces and training facilities at major provincial and country racecourses throughout the State. In the year ended 30 June 2020, the following clubs benefited from the program in the current financial year and since the High Court case as follows:

	2020	Cumulative Total	RNSW Board approved project balance remaining \$
	\$	\$	
- Albury Turf Club	110,000	1,236,517	13,483
- Australian Turf Club (Kensington Track)	-	1,701,539	-
- Quarantine facility	-	1,003,208	6,996,792
- Ballina Jockey Club	-	284,907	1,885,093
- Bathurst Thoroughbred Racing	-	577,843	172,157
- Coffs Harbour Jockey Club	-	1,175,434	2,566
- Dubbo Turf Club	-3,973	1,504,428	45,573
- Goulburn & District Racing Club	11,335	1,574,346	1,375,654
- 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	4,048,544	5,040,245	6,459,755
- 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	765,943	4,434,189	31,754
- Scone Race Club	467,414	761,709	718,292
- Tuncurry Forster Jockey Club	-	871,582	28,418
- Manning Valley Race Club	-	94,201	1,105,799
- Tamworth Jockey Club	-	2,117,724	792,276
- 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	-	106,613	253,387
- Treadmills - Narromine Turf Club/Albury Turf Club	-	58,470	110,530
- Clarence River Jockey Club	-	106,891	-
	5,399,262	50,824,303	22,249,687
Total Accumulated Race Fields Funds as at June 2012		98,004,216	
Total written back in the 2015 Financial Year to spend on Laboratory equipment and Outside Broadcast equipment (Refer to Note 17(b))		(13,250,000)	
Total written back in the 2016 Financial Year to spend on Tracking/ Timing system project (Refer to Note 17(b))		(6,067,000)	
Total written back in the 2017 Financial Year to purchase horse welfare land (Refer to Note 17(b))		(5,394,785)	
Less future fund		(10,000,000)	
Net Accumulated Racefields funds		63,292,431	
Less:			
- Actual Capital Expenditure incurred above		(50,824,303)	
- Expenditure commitments approved by Racing NSW Board		(22,249,687)	
- Cost of capital projects maintenance		(3,346,416)	
Total Race Fields capital expenditure and commitment		(76,420,406)	
Total Race Fields funds available for spending		(13,127,975)	

The Racefields 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 2019 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.

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.

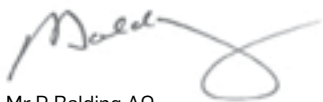
NOTE 33: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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:
 - ii. give a true and fair view of the financial position of Racing NSW as at 30 June 2020 and its performance for the year ended on that date.
 - iii. are in accordance with the Thoroughbred Racing Act 1996 (NSW) and comply with Accounting Standards.
1. 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 16 October, 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING NSW BOARD

Report on the audit of the financial report Opinion

We have audited pages 56 to 79 of the accompanying financial report of Racing NSW (the Company), which comprises the statement of financial position as at 30 June 2020, 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 the Members of the Board.

In our opinion, the accompanying financial report of the Racing NSW:

- a) presents fairly, in all material respects, the Company's financial position as at 30 June 2020 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 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 2020, 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 or 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

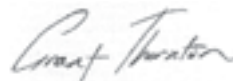
Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Thoroughbred Racing Act 1996. This responsibility also includes such internal control as management determines is

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, 16 October, 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594

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Bonnie grey mare Gracie Belle (Kerrin McEvoy) gets up along the fence to claim the 2020 Newhaven Park Country Championships Final at Royal Randwick



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