

2019/20 **ANNUAL REPORT**



**RACING
QUEENSLAND**

Contents

2019/20 Annual Report

Section	Title	Page
1.	Chairman's Letter	1
2.	Annual Report Requirements	2
3.	Chairman's Report	3
4.	CEO's Report	5
5.	COVID-19 overview	7
6.	About Racing Queensland	8
7.	Our Performance	9
8.	Code Overview (Financial)	14
9.	Code Update - Thoroughbred	15
10.	Code Update - Country Racing	17
11.	Code Update - Greyhound	18
12.	Code Update - Harness	20
13.	Marketing and Events	22
14.	Development and Construction	23
15.	RQ strategy	25
16.	Advancing Queensland's priorities	27
17.	RQ structure	29
18.	Board members	30
19.	Key management personnel	32
20.	Our people	34
21.	Committees	35
22.	Other Reporting requirements	37
23.	Compliance check list	40
24.	Financials	42
	Statement of Comprehensive Income	43
	Statement of Financial Position	44
	Statement of Changes in Equity	45
	Statement of Cash Flows	47
	Notes to and forming part of the Financial Statements	48
	Certificate of Racing Queensland Board	79
	Independent Auditor's Report	80

Chairman's Letter

23 September 2020

The Hon Stirling Hinchliffe MP
Minister for Local Government
Minister for Racing and
Minister for Multicultural Affairs

PO Box 15009
CITY EAST QLD 4002

Dear Minister,

2019/20 ANNUAL REPORT FOR THE RACING QUEENSLAND BOARD TRADING AS RACING QUEENSLAND

I am pleased to submit for presentation to the Parliament the 2019/20 Annual Report and financial statements for the Racing Queensland Board trading as Racing Queensland.

I certify that this Annual Report complies with:

- the prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019, and
- the detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page 40 of this Annual Report.

Yours sincerely,



Steve Wilson AM
Racing Queensland Chairman

Annual Report Requirements

Annual Report 2019/20 for the Racing Queensland Board trading as Racing Queensland

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Information on consultancies and overseas travel can be accessed through the Queensland Government Open Data website (www.qld.gov.au/data).

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Content from this annual report should be attributed as: 2019/20 Racing Queensland Annual Report.

This document has been prepared with all due diligence and care, based on the best available information at the time of publication. Racing Queensland holds no responsibility for any errors or omissions within this document. Any decisions made by other parties based on this document are solely the responsibility of those parties.

While the financial statements reflect a true and fair view of the financial position of Racing Queensland and its consolidated entities in accordance with the applicable accounting standards, RQ believes that more relevant financial comparisons are made using normalised results for the financial year ended June 30, 2020.

These normalised figures remove material non-recurring transactions (outlined on page 13) from the FY20 financial statements, providing the user a more realistic performance of RQ.

Any reference to normalised results within the annual report incorporate the adjustments above.

INTERPRETER SERVICES

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the RQ Annual Report, you can contact us on telephone (07) 3869 9777 and we will arrange an interpreter to effectively communicate the report to you.



FURTHER INFORMATION

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YOUR FEEDBACK

Racing Queensland values comments and welcomes feedback from readers.

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This publication can be accessed and downloaded from our website:
www.racingqueensland.com.au/Corporate/Our-Plan

Alternatively, hard copies of this publication can be obtained by emailing:
info@racingqueensland.com.au

Chairman's Report

The resilience of the Queensland racing industry came to the fore in 2019/20.

As I present my fifth Annual Report – reflecting upon a year quite like no other – I am grateful for the manner in which the industry's 40,000 participants have galvanised together to continue to race amidst a global pandemic which has changed our very way of life.

Building upon earlier hard work, Racing Queensland has transformed a consolidated loss of \$1.5 million last year to a normalised consolidated profit of \$4.3 million in FY20.

While the numbers represent a significant improvement, they only paint part of the picture this year, with COVID-19 playing a significant role in FY20.

Working closely with the Queensland Government and its health agencies, RQ was able to implement strict biosecurity measures, including patron-free meetings, to ensure the continuation of racing during this challenging period.

This ensured the Queensland racing industry's 11,500 full-time employees were able to continue to draw a wage, while our race clubs did an excellent job keeping their doors open without patrons.

To assist our clubs during this time, RQ provided financial support totalling \$7.5 million through club funding enhancements, carnival compensation payments and club hardship payments.

Club funding incentives payments were also paid in full in recognition of the significant environmental factors that had impacted the final quarter of FY20.

While RQ supported our clubs strongly in the wake of COVID-19, the recognition of their overall importance in the Queensland racing industry's eco structure was acknowledged well before the pandemic.

The creation of a new executive portfolio to focus on our club partnerships, along with a range of initiatives including a new asset management framework, a condition assessment for all Tier 1 and Tier 2 clubs across Queensland, and new funding agreements are part of our focus on clubs.

During FY20, RQ increased our payments to participants to a record high of \$223 million

– a 8.7% increase on FY19 – with prize money reaching \$172 million.

To place this figure in perspective, payments to participants were \$175 million in FY18 and continue to track towards our strategic goal of \$250 million.

It is worth noting, however, that RQ introduced a one percent prize money levy for thoroughbred and harness racing from January 1 in order to support our equine care initiatives.

The prize money levy was introduced following the disturbing vision shown on the ABC's 7.30 program in October.

Following the Queensland Government's Martin Inquiry, a raft of recommendations were handed down, with RQ responsible for leading 19 of those which will remain a key focus throughout FY21.

The recent appointment of an Animal Care Manager reinforces our commitment to animal safety, along with the creation of an Off The Track Program, which will be established and governed by an independent Board.

From a wagering standpoint, a record \$4.8 billion turnover on Queensland product was achieved – an 11.4% increase on FY19.

This included new benchmarks across all codes consisting of:

- Thoroughbreds - \$3.3 billion (+9.5%);
- Greyhounds - \$1.0 billion (+18.7%); and
- Harness - \$0.5 billion (+10.1%).

On the track, the year began brightly with the new-look TAB Queensland Summer Carnival delivering pleasing results, with the introduction of new races including The Wave and The Gateway complementing an enhanced Magic Millions program.

The Star Magic Millions Raceday set a new Queensland turnover record of \$58 million at the time, whilst turnover for The Wave was \$28 million, which was more than 35% up on last year's corresponding meeting.

Having introduced the TAB Golden Greys Summer Carnival, the greyhound code continued to go from strength to strength.

Staged at Albion Park throughout December and January, the Golden Greys included six black-type events across eight weeks with \$1 million in feature prize money and Group racing for sprinters, middle distance types, stayers and age-restricted greyhounds.

In harness, the relocation of the DJA Trotting Championship – and subsequent prize money upgrade – ensured the TAB Queensland Summer Harness Racing Carnival boasted a Group 1 race in its own right.

While COVID-19 impacted our traditional winter racing carnivals, we were determined to programme selected feature races, providing opportunity and reward for our Queensland participants.

It was particularly pleasing to see Rothfire and Tyzone capture our sole thoroughbred Group 1s for 2019/20 with victories in the JJ Atkins and Stradbroke Handicap respectively.

During this period, we were delighted to be able to immortalise one of our state's most iconic racing figures, Pam O'Neill, by naming a new race in her honour. Congratulations Pam.

Having campaigned for more than a decade for the right to ride alongside her male counterparts, Pam was finally granted a licence in 1979 at the age of 34, becoming Australia's first female jockey in the process.

During a stellar riding career, Pam piloted upwards of 400 winners and has served for many more years as a representative with the Queensland Jockeys' Association.

The inaugural Pam O'Neill Stakes was run at Doomben in May, with the appropriately named Vanna Girl charging home to beat Celestial Falls by a half-length.

Demonstrating our further support for all matters Queensland, RQ's breeding incentive schemes enjoyed a record year with \$13.7 million paid through QTIS and QBRED during FY20.

Having introduced a range of enhancements over the past year, including QTISx and QBRED For Life, RQ set new benchmarks across the thoroughbred and harness codes. They include:

- QTIS - \$11.1 million in FY20 compared to \$8.7 million in FY19 (+23.7%); and

- QBRED - \$2.7m in FY20 compared to \$1.7m in FY19 (+59.4%).

For a successive year, Spirit of Boom was Queensland's champion stallion with 96 winners, 144 wins and more than \$6 million in earnings.

Spill The Beans, who tragically passed away in November, was the leading first season stallion with 13 winners, 22 wins and more than \$1 million in earnings.

Under QBRED For Life, the age restrictions on the first and second win bonuses were lifted in FY20, launching an exciting new chapter for standardbreds.

Having taken the Board on the road again this year, including Townsville and the Sunshine Coast, we look forward to normalcy returning during FY21 and being able to directly engage with our industry participants.

Whilst my comments here are about the year in review, it is the future about which we care more.

In this regard, this report states our big five goals to help racing achieve our purpose.

As we seek to become Queensland's number one sporting industry, many people don't appreciate the sheer size and scale of the many people and communities uplifted by the love of our racing horses and sight hounds.

I am confident that the next four years will be profoundly better than the last four.

Finally, I would like to thank the Honourable Stirling Hinchliffe, MP, for his passion and commitment over the past year, providing a strong and steady hand for the Queensland racing industry.

I would also like to thank the RQ Board, along with our management and employees, admirably led by CEO Brendan Parnell, for their tireless commitment throughout FY20.



Steve Wilson AM
Racing Queensland Chairman

CEO Report

The 2019/20 financial year will long be remembered as a year of consolidation, innovation and adaptation.

Confronting a rapidly changing global environment, the stability and continuity of Racing Queensland's leadership team held the organisation in good stead during this time as we navigated several complex and challenging issues whilst making significant inroads on our strategic ambitions.

Building on the foundations of a successful FY19, RQ maintained our commitment to increased transparency by publishing our 'key performance indicators' on a quarterly basis and opening up the lines of communications with our key stakeholders.

To support our endeavours, we committed to a strategic review of our Advisory Panels - including the required skillsets, framework and composition numbers - to ensure that we were optimising their capacity to positively influence the Queensland racing industry.

Moving forward, the Advisory Panels will continue to be chaired by our respective code directors (ex-officio), but have been streamlined to align with modern governance practices and to draw upon the appointed members' strategic expertise.

We thank our outgoing Panel members for their respective contributions.

In November, we held our latest 'Industry Stakeholder Function', sharing with our stakeholders the need for the industry, as a whole, to take collective responsibility for animal welfare.

As part of the Martin Inquiry, RQ advocated for the organisation to play a greater role in the aftercare of our animals - both equine and canine - in collaboration with the Queensland Racing Integrity Commission.

As an industry, we cannot take our social licence to operate lightly and that means committing to change.

While much of 2020 was monopolised by COVID-19 - and rightly so - we remain mindful of the broader issues which continue to confront our industry including the lingering effects of flood, fire and drought across the state.

In the first half of FY20, RQ conducted the "1 for the Bush" fundraising campaign, generating

more than \$50,000 for the QCWA's Public Rural Crisis Fund.

The nation's biggest betting operators - Tabcorp, Ladbrokes, Sportsbet and BetEasy - agreed to match RQ's contribution dollar for dollar, ensuring a \$5000 windfall every time the number one saluted across the state.

Later in the year, the Queensland racing industry rallied behind the Bush Fire Appeal, with more than \$1.1 million raised during the Magic Millions yearling sale and raceday on the Gold Coast.

We remain extremely grateful to the Palaszczuk Government and our Minister Stirling Hinchliffe for their ongoing support including the four-year, \$70.4 million Country Racing Program, which continues to deliver outstanding results in the Sunshine State.

In June, Minister Hinchliffe announced 32 race clubs across the state would share in \$2.6 million in funding to support the delivery of much needed infrastructure repairs and maintenance.

In addition to the CRP, FY20 will long be remembered for the significant progress made across various projects.

At Bundamba, the commercial re-development of the Ipswich Turf Club advanced with the opening of the state-of-the-art 'Events and Entertainment Centre', along with new tie-up stalls and works to the course proper including drainage and irrigation.

Further north, and the Sunshine Coast will soon feature a new synthetic track after the approval of a \$7 million re-development.

The all-weather synthetic track will ensure Corbould Park boasts a surface that will provide enhanced training facilities including improved rider safety, a wet-weather racing option and increased wagering returns for the industry.

At Eagle Farm, we continue to manage the return of the course proper including the juvenile plant.

Having experienced similar issues in Townsville, which uses an identical grass, we treated the disease in autumn ahead of the winter features and will provide an extended renovation early in the new racing season to assist with the profile.

The search for a new home of Queensland harness racing advanced, but that did not stop RQ from completing major track renovations at Albion Park and Redcliffe, with the \$300,000 up-grade on the Peninsula the most significant at the venue this decade.

While the Queensland Government also approved the \$39 million Greater Brisbane Greyhound Centre which is destined to become a gamechanger for the code.

With animal welfare at the core of design and construction, the Greater Brisbane Greyhound Centre will be the only venue in Australia to feature three tracks supported by architecturally designed viewing facilities - that will showcase the Queensland greyhound code to the nation - and the world - whilst providing a new level of animal welfare and safety.

As part of our commitment to operating more commercially, we continued our non-TAB to TAB conversions.

In addition to Birdsville, the concept was expanded in FY20 to include Barcaldine, Dalby, Emerald, Innisfail, Mount Isa, Warwick and Yeppoon, providing our non-TAB clubs with the opportunity to deliver increased prize money for participants, greater wagering returns back to the industry and national and international television exposure.

This extended to Bundaberg and Capalaba in greyhounds.

As part of our broader commitment to reform, new initiatives include:

- An increase in Race Field Fees for wagering service providers;
- A revised race schedule including increased thoroughbred meetings under lights at the Sunshine Coast and Toowoomba; and
- The introduction of a Minimum Bet Limit for the three codes.

The performance of our Queensland wagering partner, TAB, remains one of our biggest challenges, with the 'Minimum Payment Obligation' secured through the Tabcorp/Tatts merger expiring at the end of the 2020 calendar year.

In addition, the closure of TAB's pubs, clubs and retail outlets during COVID-19 has drastically re-shaped the nation's wagering landscape, with the long-term impacts yet to be fully determined.

The recent customer migration, which allows Queensland account holders to now access the combined Tabcorp technology platform, is a step in the right direction, along with enhancements such as Venue Mode.

At the same time, the engagement process in relation to our Race Field Fees with some of our wagering service providers was robust but was ultimately deemed necessary to support critical club funding including repairs and maintenance.

Pleasingly, following a rigorous and competitive tender process, Sky Racing secured a long-term agreement to broadcast Queensland's domestic and international media rights for the next decade.

During the preceding 12 months, RQ had undertaken extensive market testing before securing the new broadcast agreement which includes a significant financial uplift for the state's thoroughbred, greyhound and harness clubs, along with increased distribution and showcasing.

On the track, Vow and Declare's Melbourne Cup firmly placed Queensland racing in the national spotlight, while homegrown heroes such as Alligator Blood, Governor Jujon, Oh Mickey and Rothfire announced themselves as forces to be reckoned with.

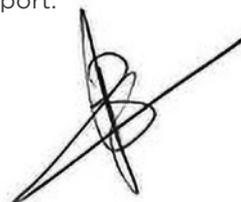
Sadly, we lost not one but two Hall of Fame jockeys following the deaths of Geoff Lane and Darby McCarthy, who were both giants of thoroughbred racing.

We also lost racing identities Darryl Gollan, Bill Dixon, Donnie and Kaye Taylor and many more and we extend our condolences to their respective families.

Finally, I would like to thank Commissioner Ross Barnett and the Queensland Racing Integrity Commission for their efforts throughout FY20 and ensuring we could continue to race throughout COVID-19.

I would also like to thank the RQ Board ably led by Steve Wilson and Sharon Dawson, as well as our great employees for their tireless work during FY20.

Despite the many challenges that we confronted, their remarkable commitment, passion and dedication to the Queensland racing industry never wavered and I remain grateful for their support.



Brendan Parnell
Racing Queensland CEO

COVID-19 overview

The global significance of COVID-19 and its impact on the Queensland racing industry - and the world more broadly - cannot be overstated in 2020.

Following successful Summer Carnivals across all codes, the introduction of strict biosecurity protocols to ensure the continuation of racing needed to be urgently implemented to starve off the industry's biggest challenge since Equine Influenza in 2007.

In conjunction with the Queensland Government and its health officers, Racing Queensland moved swiftly to implement patron-free meetings in mid-March.

As the global health crises continued to escalate, a range of measures were required to be introduced including but not limited to:

- On-course access to licensed racecourses and training venues being restricted to essential licensed personnel;
- A requirement for participants to leave racecourses immediately after their racing commitments (once cleared by stewards);
- The adoption of designated racing regions to limit participants from crossing boundaries;
- A mandatory 14-day self-isolation period for any licensee - Queensland or otherwise - who travelled from inter-state;
- Stringent transportation protocols for intra-state and inter-state animals competing in Queensland;
- Mandatory temperature testing for all on-course personnel attending race meetings; and
- The application and reinforcement of strict physical distancing and personal hygiene requirements including additional spaces for participants.

In late March, RQ announced it would be implementing designated race regions across the state in a bid to further quarantine the industry.

A number of iterations were required over the ensuing months, with thoroughbred racing originally limiting jockeys to riding in one of five designated regions, while trainers and stable staff were further restricted to one of eight zones.

In the greyhound code, RQ allocated a trainer to one of four designated regions, while harness racing meetings continued to be scheduled at Albion Park, Redcliffe and Marburg.

During the initial period, horses or greyhounds were not permitted to be transferred between zones for the purpose of racing, while inter-state racing animals were also excluded.

At the same time, RQ announced it would be abandoning its traditional winter carnival, supporting the Queensland Government's direction to stay local, reduce non-essential travel and to limit the spread of the insidious virus.

With carnivals used as the shop-front to showcase Queensland racing - and to attract on-course patrons - the requirement to create dedicated savings that could be reinvested back into the industry superseded previous announcements.

The savings helped facilitate \$7.5 million in hardship and carnival compensation payments for Queensland racing clubs and kept a number of them from closing their doors.

With strong nomination flow, RQ also programmed an additional 106 thoroughbred races, providing more than \$2 million in further prize money payments.

In early June, the latest iterations of designated racing regions were finally able to end, with up to 20 patrons also being permitted on-course for the first time in months.

Working closely with the Queensland Government's Chief Health Officer, RQ commenced developing an Industry COVIDSafe Plan that would allow the public to return in greater numbers in the new financial year.

Other casualties of COVID-19 included the cancellation of iconic racing events including Birdsville and the Cairns Amateurs.

In FY21, RQ has identified the opportunity for racing to play a key role in Queensland's post-pandemic recovery, with a tourism and events strategy to be developed to support this initiative.

A recent economic report commissioned by RQ found the Magic Millions generated 91,104 total visitor nights and \$49.8 million of total economic impact, with Queensland's richest raceday and the yearling sales in January and May contributing to the tourism windfall.

In addition to the Magic Millions, the iconic Birdsville Races was responsible for 55,872 visitor nights and \$5.4 million to the state's economy.

About Racing Queensland

Racing Queensland's primary function, under the Racing Act 2002, is to be the control body in relation to each of the board codes of racing (thoroughbred, greyhound and harness) and to manage the codes of racing.

RQ must perform this primary function in a way that is in the best interests of the three codes collectively while having regard to the interests of each individual code.

Under the Act, RQ has the following functions:

- Identifying, assessing and developing responses to strategic issues, including challenges relevant to each code and all the board codes of racing;
- Leading and undertaking negotiations with other entities about the strategic issues, and about agreements, that affect each code and all the board codes of racing;
- Identifying priorities for major capital expenditure for each code and all the board codes of racing;

- Developing and implementing plans and strategies for developing, promoting and marketing each code and all the board codes of racing;
- Making recommendations to the Minister as considered appropriate;
- Working collaboratively with the commission (the Queensland Racing Integrity Commission) and others to ensure the integrity of the racing industry in Queensland; and
- Considering a matter referred to the board by the Minister and reporting to the Minister about the matter.

RQ maintains its head office at Racecourse Road in Deagon, Queensland.

Our Performance

Racing Queensland's relentless approach to its commercial operations played a key role in its success during 2019/20.

Having refreshed its Strategic Plan (FY20-23), which outlines RQ's vision to become the number one sporting industry in the Sunshine State, the organisation took significant strides over the past 12 months.

RQ's five goals to achieving its Strategic Plan by 2023 were:

5. Five iconic race events (Only two in FY19);
4. Four new world-class facilities (None in FY19);
3. \$300 million-plus of revenue per annum (\$251 million in FY19);
2. \$250 million-plus of industry payments per annum (\$203 million in FY19); and
1. One million attendees and participants per annum (871,000 in FY19).

Five iconic race events

Having elevated the Brisbane Cup to the world's third richest greyhound race at the start of FY20 – swelling its iconic race events to three – RQ announced the addition of the Group 1 Rising Sun in January.

Slated to headline the new-look TAB Queensland Constellations for harness racing participants in winter, the onset of COVID-19 delayed the race until 2020/21, with the \$250,000 feature set to become the richest harness race in the Southern Hemisphere for three and four-year-old pacers.

As part of the unique event, two wildcards will be offered to Australasia's best three-year-olds.

As an added incentive, any three-year-old that contests the Rising Sun will benefit from a preferential draw, and should they triumph in the race, will receive a \$100,000 bonus to secure the most lucrative pay day ever offered in the Sunshine State.

Four new world-class facilities

The announcement of the Greater Brisbane Greyhound Centre – more details can be found in the 'Development and Construction' section of this Annual Report – will deliver a new world-class greyhound venue which will be home to the nation's most advanced racing tracks.

Once the project is completed, GBGC will boast three modern, state-of-the-art tracks – supported by architecturally designed viewing facilities – that will showcase the Queensland greyhound code to Australia – and the world – whilst providing a new level of animal care and safety.

\$300 million-plus of revenue per annum and \$250 million-plus of industry payments per annum

As outlined in the Chairman's Report, normalised parent total revenue grew by 11.5% to \$282 million, while returns to participants rose by 8.7% to \$223 million.

One million attendees and participants per annum

While COVID-19 impacted attendances with patron-free meetings conducted from late March, the metric was tracking positively prior to the onset of the global pandemic with attendance up 2.2% at the year to date.

Welfare

Following the distressing vision witnessed on the ABC's 7.30 program, RQ enhanced its animal welfare practices, including its no tolerance for the mistreatment of animals.

In total, the Martin Inquiry made 55 recommendations that were supported in full or in principle by the Queensland Government, of which RQ, the Queensland Racing Integrity Commission and the Department of Agriculture and Fisheries are responsible for implementing.

As a result, RQ commenced a range of works, including the recruitment of a dedicated Animal Care Manager, along with the introduction of a one percent prize money levy on thoroughbred and harness racing to support equine care and build better futures for Queensland's retired racehorses.

Additionally, progress has been made on establishing Queensland's Off The Track Program which will be established and governed by an independent Board and Charter.

Strategic challenges

On the horizon, a number of strategic challenges continue to confront the organisation including the imminent cessation of the ‘Minimum Payment Obligation’ which was secured through the Tabcorp/Tatts Group merger.

With the MPO to expire at the end of the 2020 calendar year, the under-performance of QTAB since the merger has yet to be addressed, with customer migration delayed until FY21.

Legal action commenced against Tabcorp Holdings Limited – and its subsidiary UBET Qld Limited – in the Supreme Court of Queensland in FY19, for determination of amounts payable under key contracts following commencement of the new Point of Consumption Tax, but is yet to be resolved.

Of strategic importance, however, was the need for a significantly improved media rights deal.

Following a rigorous and competitive tender process, Sky Racing was announced as the successful bidder for Queensland’s domestic and international media rights, inking a fresh 10-year deal.

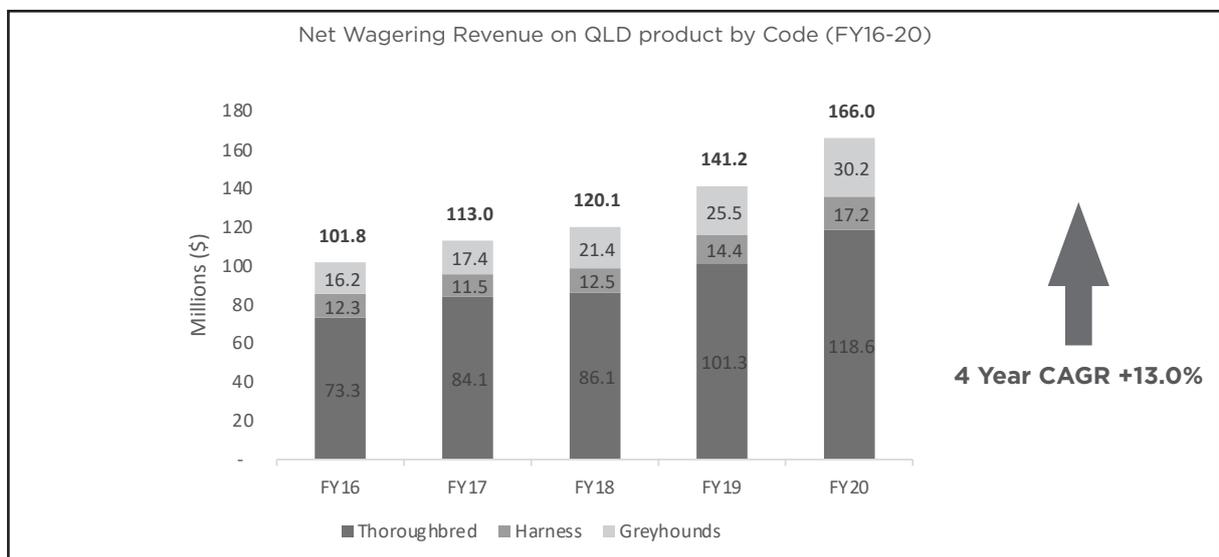
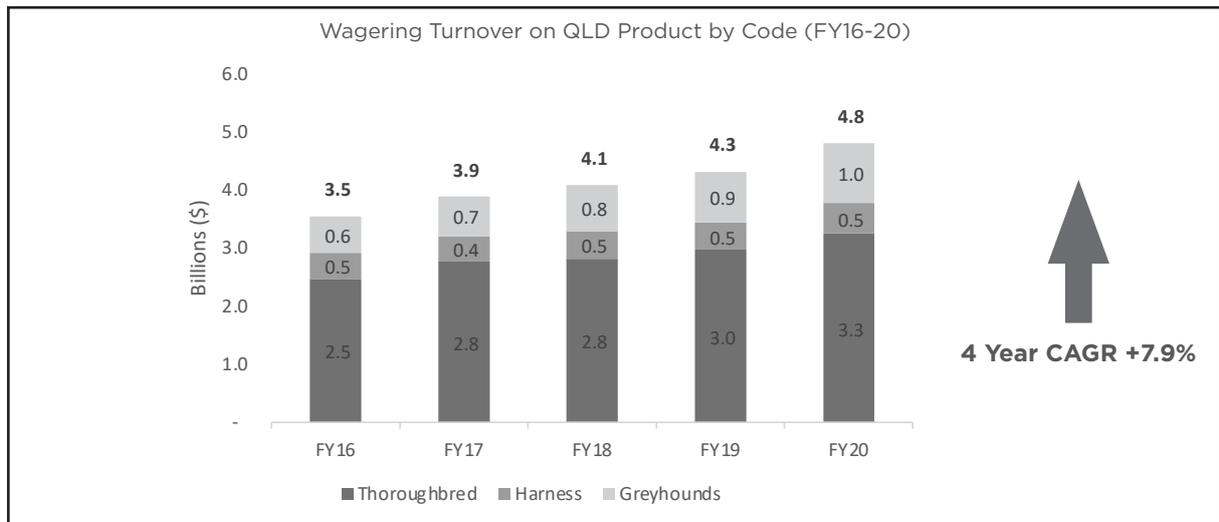
Over the past 12 months, RQ had undertaken extensive market testing before securing the new broadcast agreement which includes a significant financial uplift for the state’s thoroughbred, greyhound and harness clubs.

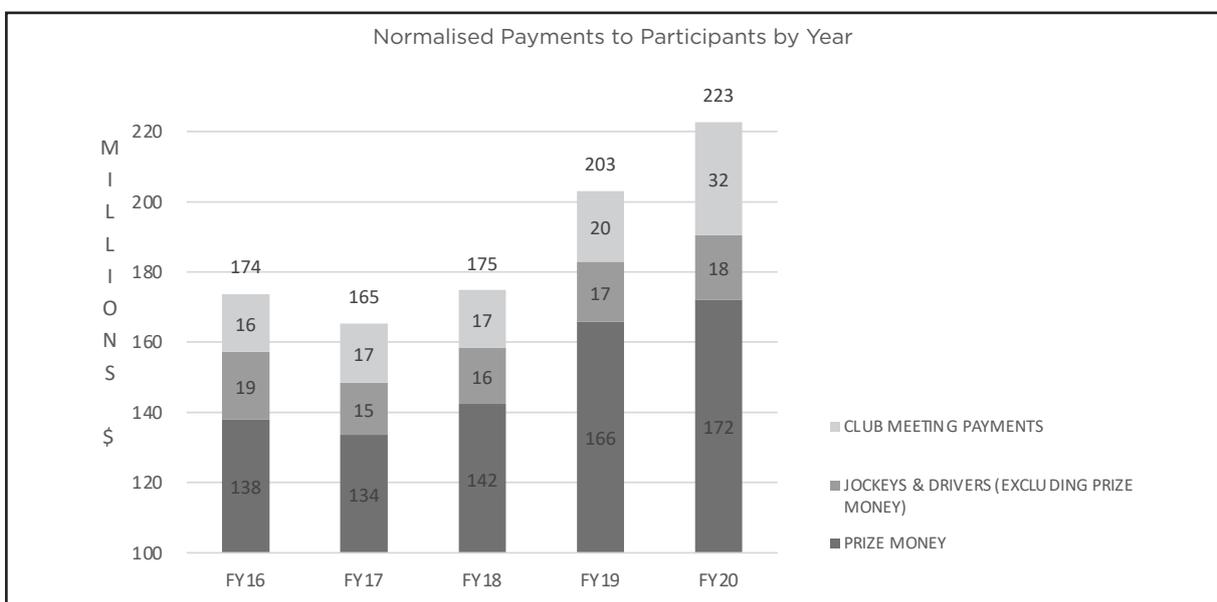
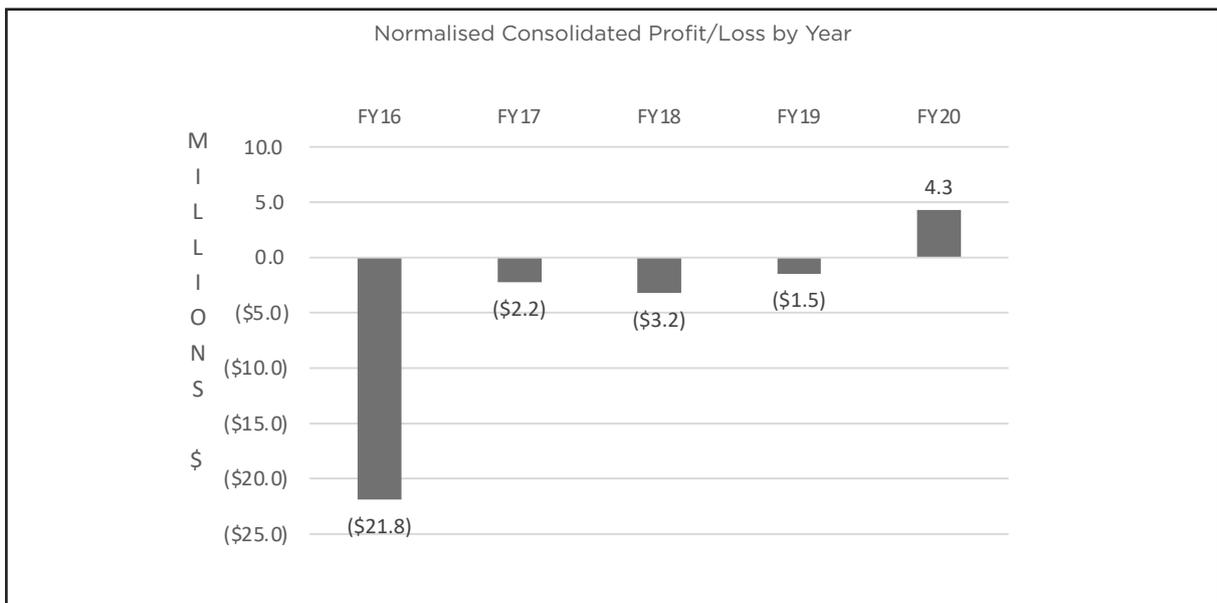
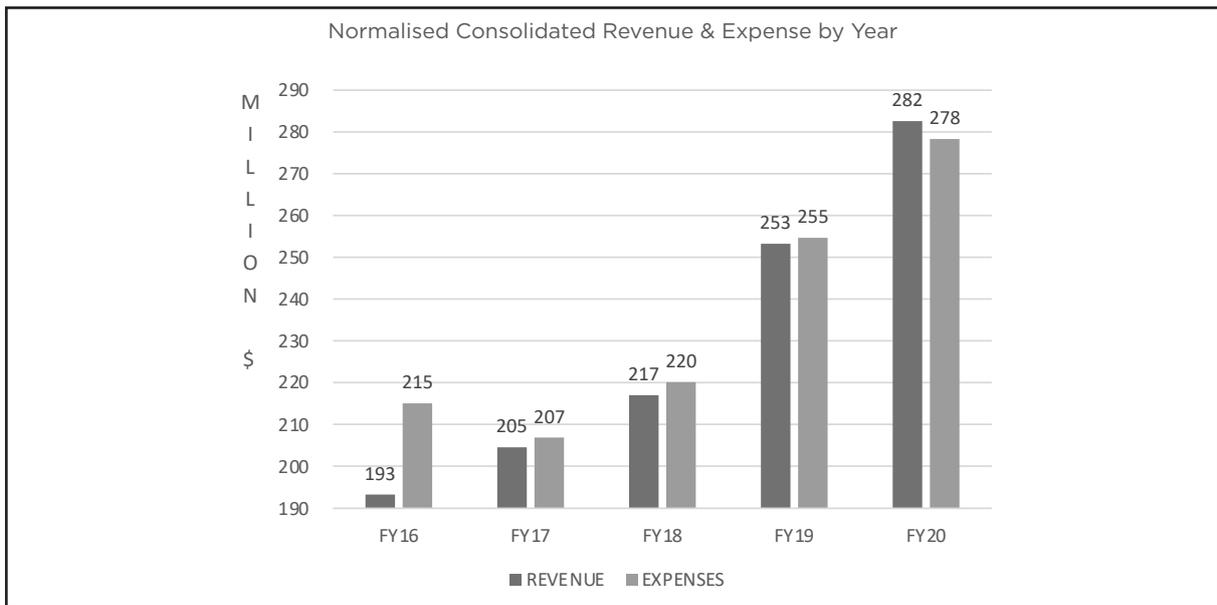
The tri-code deal is believed to be the first of its kind among Australia’s major racing jurisdictions.

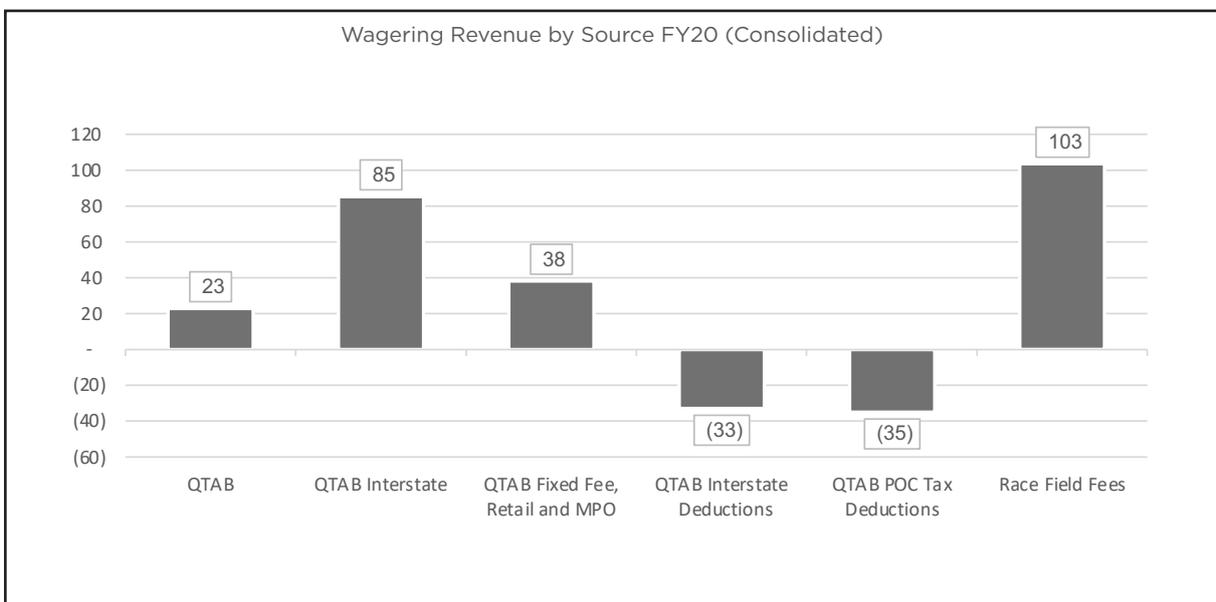
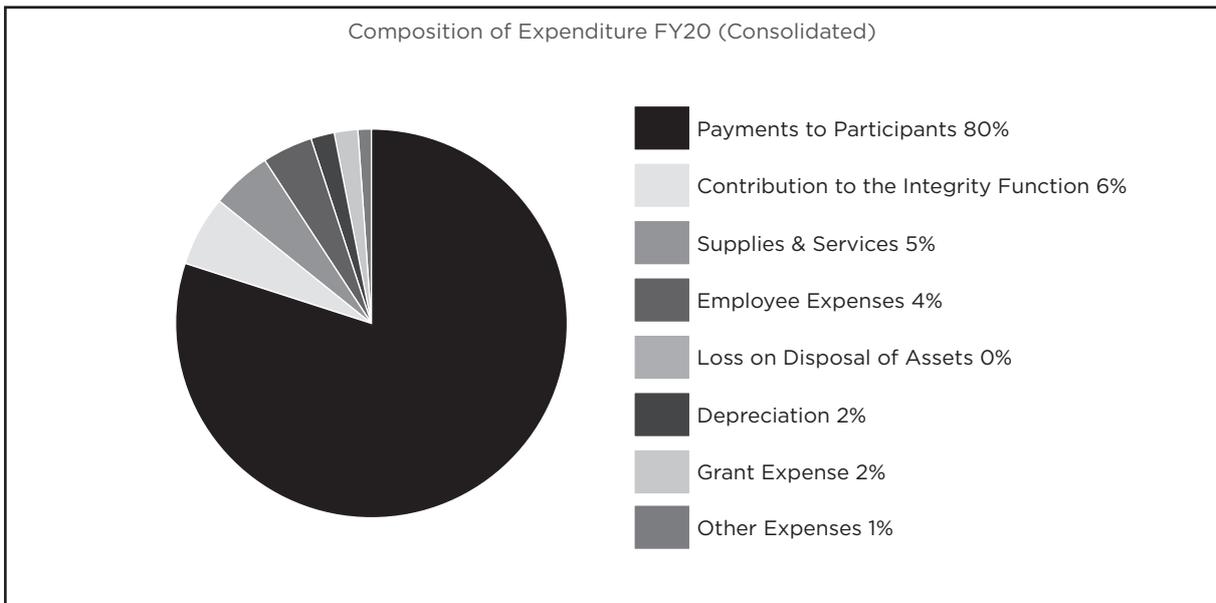
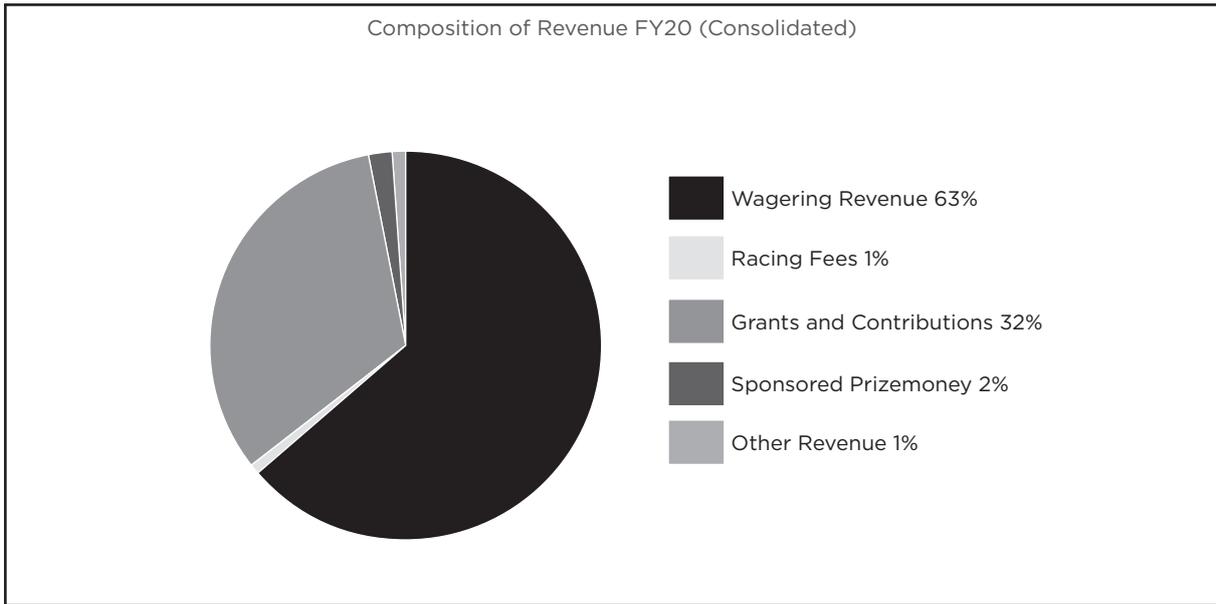
The benefits of the new long-term agreement include enhanced coverage and increased distribution with the potential for bookmakers to broadcast Queensland racing on their digital platforms.

This includes free-to-air coverage for the greyhound and harness codes that was not available under the previous deal.

Finally, with the Country Racing Program’s \$17.6 million per annum scheduled to conclude in FY21, RQ will continue to advocate the social and economic benefits it provides to regional communities right across the state and the industry as a whole.







FY20 Racing Queensland Normalised Result Reconciliation	
Financial Statements Parent Profit	14,172
Greater Brisbane Greyhound Centre Grant Revenue Recognition	-7,169
Normalised Parent Profit	7,003
Financial Statements Consolidated Profit	11,531
Greater Brisbane Greyhound Centre Grant Revenue Recognition*	-7,169
Normalised Consolidated Profit	4,362

Note: This is non-recurring government grant to fund a one off transaction to purchase land for the Greater Brisbane Greyhound Centre.

FY19 Racing Queensland Normalised Result Reconciliation	
Financial Statements Parent Profit	20,314
QLD Treasury Loan Write Off	-17,800
Legal Settlements	-9,500
Historical Expenditure Write Off	1,859
Costs Associated with Transfer of Rockhampton Racing	6,225
Normalised Parent Profit	1,098
Financial Statements Consolidated Profit	12,383
Costs Associated with Transfer of Rockhampton Racing	5,377
Non-Recurring Parent Profit (Items Above)	-19,216
Normalised Consolidated Profit	-1,456

Code Overview (Financial)

Financial performance by code - normalised results

	Total	Thoroughbred	Greyhound	Harness
	\$'000	\$'000	\$'000	\$'000
Total Revenue	281,993	218,189	41,309	22,495
Total Expenditure	271,822	208,758	33,328	29,736
Profit / (Loss) Before Depreciation, Interest & Asset Disposals	10,171	9,431	7,981	(7,241)
Depreciation Expense	(3,519)	(3,032)	(320)	(167)
Interest Revenue	457	353	68	36
Net Gain / (Loss) on Disposal of Assets	(107)	(28)	(79)	-
Parent Profit / (Loss) for the Year	7,002	6,724	7,650	(7,372)

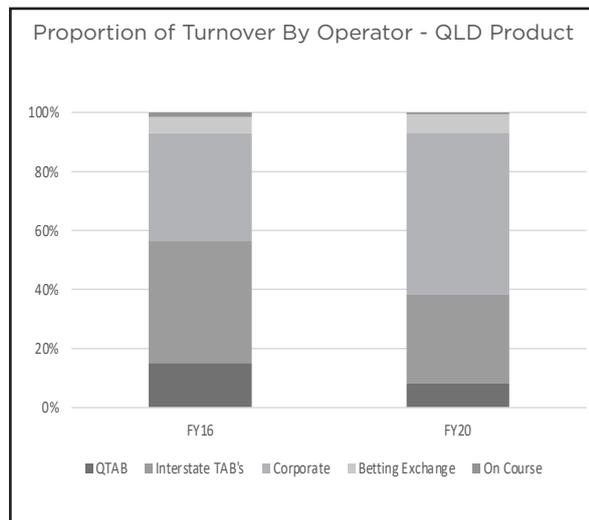
Notes: Due to rounding, numbers presented may not add up precisely to the totals provided. Total revenue and total expenditure include both direct and indirect revenue and costs. Indirect (i.e. revenue and costs that are not code specific such as support salaries and wages) are allocated to each code based on the percentage of total direct revenue.

Total prize money and breeding scheme contributions*

	FY16 (\$M)	FY17 (\$M)	FY18 (\$M)	FY19 (\$M)	FY20 (\$M)
Thoroughbred	107.0	106.6	112.7	129.1	130.0
Greyhound	14.1	12.2	14.0	18.5	21.9
Harness	16.8	14.4	15.8	18.1	20.1
Total	137.9	133.2	142.5	165.7	172.1

* Includes sponsored prize money

Thoroughbred Report



Key Queensland data

	TAB	Non-TAB	TOTAL
Licensed clubs	21	96	117
Race meetings	435	191	626
Races	3,406	1,004	4,410
Race starters	33,082	7,976	41,058
Av. Field Size	9.7	7.9	9.3

Queensland product turnover

- FY20 Turnover \$3.3 billion
- FY20 YOY +9.5%
- 4 Year CAGR +7.2%

Queensland product revenue

- FY20 Revenue \$118.6 million
- FY20 YOY +17.1%
- 4 Year CAGR +12.8%

Over the course of the year, Racing Queensland conducted 435 TAB meetings - a 1.4% increase on 2018/19 - and featured 3,406 races with 33,082 starters.

Wagering turnover continued to trend upwards throughout FY20 to \$3.3 billion - a 9.5% increase - with revenue growing to \$118.6 million which rose from \$101.3 million in FY19.

Racing highlights and premierships

All eyes were on Queensland throughout 2019/20 as the on-course action shone throughout the year.

The record books were re-written when The Harrovian became the first horse to secure a TAB Queensland Northern Crowns Series bonus with victory in the FNQ Amateurs Cup in Cairns.

During the campaign, the Stephen Massingham-trained gelding prevailed in the Townsville Cup and the Cairns Cup before shouldering 59kgs in the fifth and final leg of the series to claim the bonus.

Across the three meetings, The Harrovian banked more than \$460,000 for his connections, and in the process, landed the richest payday in Queensland country racing history.

Later in the year, a new-look TAB Queensland Summer Carnival was introduced with a number of exciting additions including the Grand Prix Stakes, The Gateway and The Wave.

Staged across nine action-packed weeks, more than \$20 million in prize money and bonuses went on the line, headlined by the \$10 million Magic Millions Raceday.

Branded the 'Queensland Summer 5', the programming included three consecutive weeks of racing at Eagle Farm before an expanded Magic Millions Carnival on the Gold Coast which culminated in the Sunshine State's richest raceday.

In Brisbane, The Gateway, a new \$250,000 race exclusively for four-year-olds over 1400m, offered the winner a guaranteed berth in the Stradbroke Handicap, with the Tony Gollan-trained Vega One claiming the inaugural edition.

Gollan struck again at the Gold Coast with A Man To Match flashing home in The Wave, an 1800m race staged under weight-for-age conditions for three and four-year-old horses, and duly secured a wildcard into the \$1 million Magic Millions Trophy.

With two weeks of scintillating racing on the Gold Coast, the Magic Millions lived up to its billing with more than 24,000 patrons streaming through the gates.

At extreme odds, Away Game, trained by Ciaran Maher and David Eustace, blew the crowd away in the Magic Millions 2YO Classic with a convincing win over a red-hot field that included boom youngster, Farnan.

Despite the abandonment of the TAB Winter Racing Carnival, selected features were still able to be programmed at significantly reduced prize money levels including the Group 1 JJ Atkins and Stradbroke Handicap.

On this occasion, the Queenslanders triumphed as the Robert Heathcote-trained Rothfire scorched the field to claim the JJ Atkins, while the 'Tolga Tornado', Tyzone, went one better than his 2019 Stradbroke Handicap placing by securing a maiden Group 1 for Toby and Trent Edmonds.

Further afield, Alligator Blood was the flagbearer for Queensland horses away from home, finishing second in the Group 1 Caulfield Guineas by the barest of margins.

The David Vandyke-trained gelding would not be denied later in his campaign, however, as he captured the Group 3 CS Hayes Stakes before prevailing in the Group 1 Australian Guineas.

In the premierships, Tony Gollan won his seventh consecutive metropolitan trainers' title, while Baylee Nothdurft became the first apprentice to win the metropolitan jockeys' crown since Zac Purton in 2002/03.

Continuing his dominance over the past decade, Gollan set new metropolitan and Queensland records for the most wins in a single season with 108.5 and 157.5 respectively.

2019 TAB Thoroughbred Awards

In September, RQ staged the 2019 TAB Queensland Thoroughbred Awards in Brisbane.

Tony Gollan collected his sixth Queensland Trainer of the Year title, while Michael Cahill was declared the state's best jockey, and Winning Ways the 2019 Queensland Thoroughbred Horse of the Year.

The award winners were:

- Queensland Thoroughbred Horse of the Year: Winning Ways (Garry Newham);
- Queensland Trainer of the Year: Tony Gollan;
- Queensland Jockey of the Year: Michael Cahill;

- Queensland Apprentice of the Year: Baylee Nothdurft;
- 2YO Horse of the Year: The Odyssey (Kelly Schweida);
- 3YO Horse of the Year: Winning Ways (Garry Newham); and
- 4YO and Older Horse of the Year: Tyzone (Toby Edmonds).
- The Hall of Fame inductees were:
 - Bore Head: Horse;
 - Noel Best: Jockey;
 - John Size: Trainer;
 - Sir Albert Sakzewski: Associate; and
 - Pat O'Shea: Associate.

QTIS highlights

The introduction of QTISx paved the way for a record-breaking year for the Queensland Thoroughbred Incentive Scheme.

Widely acknowledged as one of the best in the nation – if not the best – RQ provided \$11.1 million in QTIS bonuses in addition to the QTIS Jewel Raceday.

Through the introduction of QTISx, which provided bonuses on black-type races, connections were given the option of 'doubling up' their winnings for the first time through the redemption of a voucher which could be applied to selected Queensland yearling sales, including the Magic Millions and Capricornia Yearling Sale.

Throughout FY20, QTIS registered horses were eligible for the following QTISx bonuses. They were:

- Group 1 Bonus: A \$50,000 bonus or a \$100,000 sales voucher which could be redeemed on a QTIS eligible horse at four prescribed Queensland sales;
- Black-type Bonus: A \$10,000 bonus or a \$20,000 sales voucher which could be redeemed on a QTIS eligible horse at four prescribed Queensland sales; and
- Features Bonus: A \$10,000 bonus or a \$20,000 sales voucher which could be redeemed on a QTIS eligible horse at four prescribed Queensland sales - across 20 additional feature races nominated by RQ.

To recognise and reward the Queensland breeding industry, RQ also provided breeders' bonuses, with \$10,000 for Group 1 races and \$5,000 for the remaining black-type races and features.

Country Racing Report

Country Racing Program Expenditure

RACING QUEENSLAND Country Racing Program	FY20 (\$000)
State of Queensland Country Racing Program	\$15,000
Prizemoney paid non-UBET thoroughbred meetings	\$7,801
QTIS paid non-UBET thoroughbred meetings	\$483
Jockey Riding Fees, Superannuation and WorkCover for non-TAB meetings	\$3,339
Additional Country Racing Club Costs incurred by RQ*	\$7,152
Total Country Racing Expenditure	\$18,775
Net Over / (Shortfall) in Country Racing Program	\$3,775

*Note: Additional Country Racing Club costs include club meeting payments, marketing and overhead support functions within Racing Queensland and the Contribution to the Integrity Function paid to the Department of Agriculture and Fisheries.

Due to the impacts of COVID-19 and the subsequent move to regionalised racing, only 81% of the originally scheduled country races took place in FY20. Hence the total over spend when compared to funding is not as great as in previous years, where country racing's costs have been circa \$20 million per annum.

As a sport, racing has long understood the power it possesses to unite communities and engender hope across Queensland.

In addition to being one of Queensland's largest employers – providing more than 11,500 full-time jobs – our racing clubs and racecourses serve as important social hubs from Cooktown to Stanthorpe and everywhere in between.

During 2019/20, Racing Queensland conducted 191 non-TAB meetings with 7,976 starters featuring in 1,004 races, making Queensland the most prolific state in Australia.

In total, RQ allocated \$8.2 million in non-TAB prize money and bonuses.

Country Racing Program

The Palaszczuk Government provided \$2.6 million in infrastructure funding for 32 race clubs across Queensland, creating or supporting almost 100 jobs, during FY20.

Funded under the four-year, \$70.4 million Country Racing Program, non-TAB clubs can apply to RQ for projects relating to infrastructure repairs and maintenance, with more than 50 benefiting during the opening round of CRP.

Key projects across the regions include:

- Irrigation upgrades at the Emerald Jockey Club, Atherton Turf Club and Towers Jockey Club;
- Running rail improvements at the Longreach Jockey Club, Yeppoon Turf Club and Jandowae Race Club;

- Enhanced stewards' towers at the Roma Turf Club, Mount Isa Race Club and the Nanango Racing Club; and
- New barrier stalls and a transport trailer at the Chinchilla Race Club for shared use across the Eastern Downs.

A third round of CRP was expected to open before the end of the 2020 calendar year.

TAB Country Cups Challenge

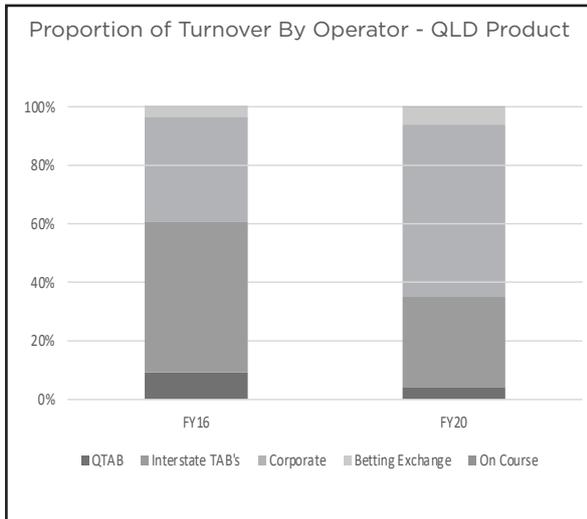
For a successive year, the TAB Country Cups Challenge proved to be one of the highlights on the state's racing calendar, with a fitting finale at Doomben on George Moore Stakes Day.

With prize money rising from \$70,000 to \$105,000, the Damien Finter-trained gelding Deadly Choices ensured the two-and-a-half day trek from Mount Isa to Brisbane was well worthwhile with victory over San Vincenzo and French Hussler.

Established in 2018, the regional series provides a 'Grand Final' for the country cups winners from across Queensland, much like the hugely popular Battle of the Bush.

With COVID-19 preventing the Battle of the Bush from running in FY20, RQ announced it would be staging the 'Country Stampede' next to the Country Cups Challenge in December to provide further opportunity for non-metropolitan thoroughbreds.

Greyhound Report



Queensland product turnover

- FY20 Turnover \$1.0 billion
- FY20 YOY +18.7%
- 4 Year CAGR +13.0%

Key Queensland data

	TAB	Non-TAB	TOTAL
Licensed clubs	6	0	6
Race meetings	574	1	575
Races	5,884	9	5,893
Race starters	43,462	69	43,531
Av. Field Sizes	7.4	7.7	7.4

Queensland product revenue

- FY20 Revenue \$30.2 million
- FY20 YOY +18.6%
- 4 Year CAGR +16.9%

The Queensland greyhound code continued its positive trend throughout 2019/20 with another record-breaking year.

With all but one meeting staged as TAB meetings - Capalaba hosted a non-TAB meeting on Melbourne Cup Day in November - annual turnover for Queensland product surpassed \$1 billion for the first time, which represents an 18.7% increase.

Revenue increased to \$30.2 million off the back of 18.6% growth.

Over the course of the year, Racing Queensland conducted 574 TAB meetings - a 14.6% increase on 2018/19 - and featured 5,884 races.

Racing highlights

Hot on the heels of a new-look TAB Queensland Winter Greyhound Racing Carnival in 2019, including the relocation of the Group 1 Sky Racing Brisbane Cup, RQ continued to innovate with its racing calendar.

For the first time, a 'Summer Carnival' was introduced, providing Group racing opportunities for sprinters, middle distance types, stayers, and age-restricted greyhounds throughout December and January.

Headlined by the new \$235,000 Gold Bullion - Queensland's second richest greyhound race - the 'TAB Golden Greys Summer Carnival' featured six black-type events over eight weeks.

In addition to the Gold Bullion, the Group 3 Golden Ticket was introduced with the concept similar to the inter-state Shootout and Speed Star promotions.

The heats of the Golden Ticket were conducted as four-dog shootouts, with the Final conducted as a two-dog match race.

Having set a new track record at Albion Park whilst claiming the 2019 Brisbane Cup, Victorian superstar Sennachie returned for further glory, clocking a blistering 29.39 in the Final to finish just 0.01 outside of his own mark.

With victory in the Golden Ticket securing Sennachie a direct passage through to the Gold Bullion Final, the Steven White speed machine continued his love affair at Albion Park with victory over Good Odds Harada to win yet another Group 1.

In just nine starts at Albion Park, Sennachie prevailed on seven occasions before being retired to stud.

The TAB Golden Greys Summer Carnival winners were:

- Group 1 Gold Bullion (520m): Sennachie;
- Group 2 Queensland Derby (520m): Simon Told Helen;
- Group 2 Bogie Leigh Futurity (520m): Zipping Cosmo;
- Group 3 Golden Ticket (520m): Sennachie;
- Group 3 Golden Sands (600m): Velocity Bettina; and
- Listed Gold Cup (710m): True Detective.

While COVID-19 saw the Winter Carnival abandoned, a number of Group races were still able to be staged at significantly reduced prize money.

The selected features included the Group 1 Brisbane Cup with Black Opium, the Queen of Australian greyhound racing, going one better than last year's result with victory in the Final.

Having tasted Group success during summer, Velocity Bettina continued her scintillating form with victory in the Super Stayers Final and the Dashing Corsair Final.

The winter feature winners were:

- Group 1 Brisbane Cup (520m): Black Opium;
- Group 1 TAB Queensland Cup Final (710m): Classy Ethics;
- Group 3 Flying Amy Classic Final (525m): Kiss And Spin;
- Group 3 Super Stayers Final (710m): Velocity Bettina;
- Listed Brisbane Young Guns (520m): Oh Mickey;
- Listed Winter Chase Final (600m): Infrared Lad;
- Listed Dashing Corsair Final (710m): Velocity Bettina; and
- Listed TAB Super Sprinters (520m): Shakey Diesel.

2020 Greyhound Awards

In February, RQ announced three finalists were in contention for the 2020 TAB Greyhound of the Year.

Scheduled to be held at Victoria Park in March, COVID-19 forced the postponement of the Awards with a virtual event to be held later in the year.

Bago Bye Bye, Dam Slippery and Wise Misty were shortlisted for the Greyhound of the Year, with a voting panel of nine judges narrowing the field to just three finalists.

The Darren Russell trained Bago Bye Bye stamped himself as one of the leading stayers in the country, securing a maiden Group 1 win in the TAB Gold Cup at Albion Park in June on his way to nine wins from 18 starts in 2019.

Brett Hazelgrove's bitch Dam Slippery finished the year with an incredible 27 placings from 35 starts including 13 wins, the highlights being a second placing in the Group 1 National Futurity at Wentworth Park and a Group 2 win in the Richmond Oaks.

Wise Misty, trained by Craig Hazelgrove, established herself as the benchmark in the Queensland sprinting ranks, recording 13 wins and nine placings from 32 starts in 2019.

The four-year-old bitch was retired in November 2019 after scoring a well-deserved maiden Group 3 victory in the Ipswich Cup.

Animal care

Enormous strides were taken by the Queensland greyhound industry during FY20 with animal care at the forefront of decision making.

The most significant announcement featured the \$39 million Greater Brisbane Greyhound Centre.

With animal welfare at the core of design and construction, the world-class venue will feature three tracks – a straight track, a two-turn track and a much needed one-turn track - which will reduce injuries, improve amenities and demonstrate the vibrancy of the greyhound code.

Further details in relation to GBGC can be found in the 'Development and Construction' section of this report.

Additionally, the adoption of the Race Meeting Injury Scheme ensured further progress was made.

Developed following widespread industry consultation, the RMIS provides financial support to cover veterinary treatment and rehabilitation costs for greyhounds injured during race meetings or official stewards' trials.

Where costs exceed \$1,000 – and RMIS applies – RQ now provides:

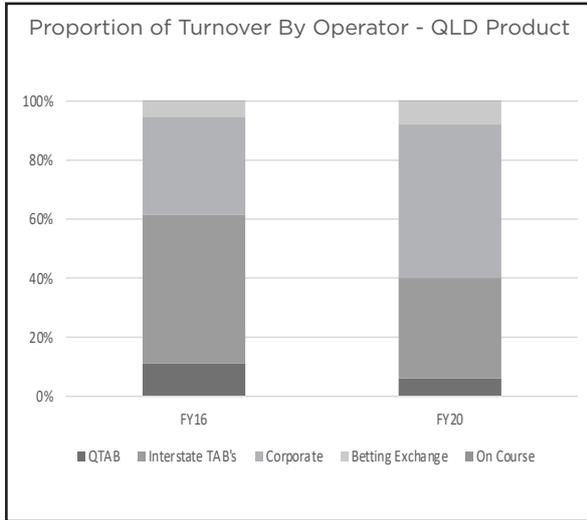
- 100% of the reasonable treatment costs (including the cost of all surgical procedures and associated expenses) for the 'eligible injury' up to a maximum RQ payment of \$5,500; and
- \$50 per week towards the rehabilitation of the greyhound for the duration of the rehabilitation plan prescribed by the veterinarian up to a maximum period of 13 weeks.

Injuries covered under RMIS include bone fractures, tendon and ligament injuries, and any other injury determined to be life threatening by the on-course veterinarian.

Finally, in addition to the RMIS, the Queensland Racing Integrity Commission strengthened its standard operating procedure relating to raceday euthanasia and assessment.

The updated procedure outlines that raceday euthanasia will only be considered by the on-course veterinarian when it would be inhumane not to do so.

Harness Report



Queensland product turnover

- FY20 Turnover \$0.5 billion
- FY20 YOY +10.1%
- 4 Year CAGR +3.6%

Key Queensland data

	TAB	Non-TAB	TOTAL
Licensed clubs	4	1	5
Race meetings	290	1	291
Races	2,467	4	2,471
Race starters	22,114	25	22,139
Av. Field sizes	9.0	6.3	9.0

Queensland product revenue

- FY20 Revenue \$17.2 million
- FY20 YOY +18.9%
- 4 Year CAGR +8.8%

The Queensland harness racing industry surpassed \$500 million in turnover for the first time, representing a 10.1% increase on 2018/19.

Queensland wagering revenue reached a new high of \$17.2 million.

Over the course of the year, Racing Queensland conducted 290 TAB meetings – a 5.8% increase on FY19 – and featured 2,467 races.

These included the introduction of the successful stand-alone grass track meeting at Kilcoy and an emphasis on more Sunday race meetings to provide more racing opportunities particularly to grassroots and part-time participants.

A non-TAB meeting with four races was also conducted at Redcliffe on Melbourne Cup Day in November.

TAB starters grew to 22,114 representing a 2.3% increase on FY19.

Racing highlights and premierships

Grant Dixon's decade of dominance as Queensland's premier trainer continued as he set a new national record for the most wins in a season with 340.

Since taking the reins from his legendary father, Bill, who sadly passed away in December, Grant

has chalked up eight consecutive training premierships and raised the bar yet again by eclipsing Emma Stewart's old mark.

Dixon also claimed the drivers' premiership, while Nathan Dawson was crowned the leading concession driver for a fourth and final occasion.

A record-breaking \$2 million in stakes and bonuses headlined the 2019 TAB Queensland Winter Harness Racing Carnival.

During the two-month campaign, RQ was able to attract some of Australasia's premier standardbreds including a 12% increase in interstate and New Zealand starters.

With 20 black-type races, the Queensland Oaks, Queensland Derby, Sunshine Sprint and the Queensland Trotters Cup were all elevated to Group 1 status.

In total, eight Group 1s were conducted with the \$250,000 TAB Blacks A Fake featuring three of the top-five place getters from the Grand Circuit including Inter Dominion champion, Tiger Tara.

A new Albion Park track record was set by hometown hero, Colt Thirty One, underlining the quality of the Blacks A Fake field, while in

the Queensland Derby, New Zealand raider, Self Assured, maintained his unbeaten start to his career with his first victory at Group 1 level.

A new-look TAB Queensland Summer Harness Racing Carnival included the \$50,000 DJA Trotting Championship, which was elevated to Group 1 status for the first time.

Wee Man Trouble secured the main event, with Albion Park hosting three black-type races worth almost \$500,000 in stakes throughout December.

In the New Year, RQ continued to innovate with the inaugural Trot Rods series proving to be an early hit.

Staged over nine weeks at Redcliffe Paceway, the new initiative provided a \$10,000 cash bonus for the quickest lap throughout the promotion – with fields limited to just five horses – and a raft of broadcast enhancements including driver cam.

In a fitting finale, Paul Diebert drove With The Band to a thrilling victory in the 16th and final heat with RQ enjoying a 10% turnover uplift in comparison to the other races on the cards throughout the series.

While the TAB Constellations, including the newly announced Rising Sun, was unable to proceed due to COVID-19, a number of winter features were still run and won.

In the Redcliffe Yearling Sale Final, Manilla Playboy provided the biggest night of Shane Fraser and Kelli Dawson's racing careers with a scintillating win.

A number of milestones were also brought up throughout the year, with Lola Weidemann becoming just the 11th driver in Australian history – and the second female – to chalk up 3,000 winners.

At the same meeting, third generation horseman Pete McMullen registered his 2,000th victory, and in the process, became the youngest driver in history to do so.

Finally, Angus Garrard announced himself as a star of the future by becoming the youngest driver in history to reach 100 wins.

The Group 1 winners throughout the year were:

- Blacks A Fake: Colt Thirty One;
- QBRED Triad 2YO Fillies: Jiggle And Jive;
- QBRED Triad 2YO Colts & Geldings: Expensive Ego;
- Queensland Oaks: Our Princess Tiffany NZ;
- Queensland Derby: Self Assured NZ;
- Sunshine Sprint: Ohoka Punter NZ;
- Queensland Trotters Cup: Majestic Courtney NZ;
- DJA Trotting Championship: Wee Man Trouble NZ;
- APG Brisbane Yearling Sale Final: Expensive Ego; and
- Redcliffe Yearling Sale Final: Manilla Playboy.

2019 TAB Queensland Harness Awards

In September, RQ staged the 2019 TAB Queensland Harness Awards in Brisbane.

Grant Dixon continued his stranglehold on the Queensland Trainer of the Year, while the stable's star pacer, Colt Thirty One, went back-to-back in the Queensland Harness Horse of the Year.

Having won 13 of 17 starts, Colt Thirty One joined Slipnslide, Blacks A Fake, Majestic Mach and Avonova as a multiple Horse-of-the-Year winner.

The award winners were:

- Queensland Harness Horse of the Year: Colt Thirty One;
- Queensland Trotter of the Year: Our Overanova NZ;
- Queensland Trainer of the Year: Grant Dixon;
- Queensland Driver of the Year: Grant Dixon;
- Queensland Concession Driver of the Year: Matt Elkins;
- Queensland Filly/Mare of the Year: Pelosi;
- Queensland Aged Pacer of the Year: Colt Thirty One;
- Queensland Breeder of the Year: Solid Earth Pty Ltd (Kevin and Kay Seymour); and
- Queensland Owner of the Year: Solid Earth Pty Ltd (Kevin and Kay Seymour).

The Hall of Fame inductee was:

- Warren Cummins.

QBRED highlights

The nation's premier breeding incentive scheme, QBRED, enjoyed another record-breaking year.

Having introduced a range of enhancements over the past year, including QBRED For Life, \$2.65m in QBRED bonuses were paid out in FY20 compared to \$1.67m in FY19, which represents a 59.4% increase.

Under QBRED For Life, the age restrictions on the first and second win bonuses were lifted in FY20, launching an exciting new chapter for standardbreds.

The initiative paved the way for a number of older horses to benefit from the scheme, with the Brittany Graham-trained Glencoe Reign, 10, among the beneficiaries.

At the opposite end of the spectrum, the Mal Charlton-trained Mistakes Were Made created a slice of history when she became the first two-year-old trotter to win a QBRED first win bonus.

Marketing and Events

The promotion and marketing of the Queensland racing industry is one of the organisation's key purposes as outlined in the Racing Act.

With the vision to become the number one sporting industry in the Sunshine State, the marketing and events function plays a core role in facilitating this strategic ambition.

During the course of 2019/20, RQ's marketing department were involved in a range of promotional activities including:

- Standalone marketing campaigns that supported the industry's marquee events including: Summer and Winter racing carnivals; The Star Magic Millions Raceday; Birdsville; Cairns Amateurs;
- Major regional events including: The Weetwood Handicap; Townsville Cup; Mt Isa Races/Rodeo; Rockhampton Cup; Longreach Cup; Roma Cup;
- Umbrella events and carnivals including: The Battle of the Bush Series; Country Cups Challenge; Coral Coast Shield; Origin greyhounds; Origin Jockey Series; and the Northern Crowns Series; and
- Local community events including 62 towns in regional Queensland where racing provides the biggest event in that community for the year.

In many of these campaigns, there is a desire from RQ to elevate the race meeting to be integrated into the broader event program and receive the halo effect of the event marketing and promotion.

Working side-by-side with Queensland's racing clubs, the RQ marketing team launched the 'Race At Your Place' campaign in April as a result of COVID-19 and the impact on raceday attendance.

The campaign leant into the operating environment and highlighted the excitement of racing to a broader audience who might be looking elsewhere for entertainment.

The campaign also maintained engagement levels with raceday attendees by encouraging viewers to wear racewear at home and produce their own content pieces to recreate the experience of being on course.

The 'Race At Your Place' campaign performed strongly and delivered growth in key metrics across social networks.

Overall impressions on RaceQ social platforms were up 370% to more than 21.6 million, with engagement up 232% to almost 250,000.

Shortly after, RQ unveiled its 'At The Heart Of Racing' campaign which focused on recognising industry participants who were instrumental in keeping the Queensland racing industry operating through COVID-19.

The campaign provided rich storytelling delivered through bespoke video content pieces and was supported by print ads, editorial, digital placements as well as paid and organic social media.

Three content videos were shared across Facebook and Twitter and produced 2.3 million impressions and over 20,000 engagements.

The campaign complemented the industry contribution and corporate responsibility pieces developed by RQ's corporate affairs department, which were also delivered under the banner of 'At The Heart Of Racing.'

Finally, ownership remained a primary focus with RQ's trade marketing partnership with miRunners creating plenty of excitement on the track.

Rob Heathcote's chestnut filly Dusty Tycoon took her place in the Magic Millions 2YO Classic in front of 750 vocal connections following two scintillating wins at the Sunshine Coast and Doomben.

Significant media content was generated around Dusty Tycoon's ownership group and her Magic Millions campaign including press coverage in the Courier Mail, The Australian, Sydney Morning Herald, Gold Coast Bulletin and regional mastheads, along with free-to-air coverage on Channel 7.

RQ was also active at the various bloodstock sales throughout the state, leveraging the new 'I Love My Racehorse/Greyhound' branding to engage with prospective owners and to provide information on RQ's breeding incentives, including the exciting new QTISx scheme launched in September.

Development and Construction

Racing Infrastructure Funding Summary

Project \$'000	GRANT DEED FUNDING	ACTUAL PROJECT COSTS FOR THE LIFE OF THE PROJECT TO THE 30/06/2019	FUNDS RECEIVED FROM GOVERNMENT FOR THE LIFE OF THE PROJECT TO 30/06/2019
Bundamba Racecourse, Ipswich	24,800	22,802	17,870
Country & Regional Capital Works Program	6,000	5,398	5,173
Brisbane Racing Club, Brisbane	3,500	3,500	3,500
Feasibility and Planning Work	1,500	146	1,500
TOTAL	24,150	16,050	12,023

At the core of Racing Queensland's activities is to develop and construct new and existing racing facilities.

Throughout 2019/20, significant progress was made on the re-development of the Ipswich Turf Club with completion now in sight.

Over the course of the year, state-of-the-art drainage and irrigation systems were installed at ITC, including the installation of pH sensors and acid injection machines to assist with the salinity of the on-course irrigation water.

Handover of the Ipswich Events and Entertainment Centre was provided in early 2020 before the return to racing in April.

The Centre provides improved amenities for jockeys, stewards and the media, along with one of the region's premier hospitality venues.

The widening works to T.L. Cooney Avenue commenced in June, with the new tie-up stalls completed in time for Ipswich's winter feature day that included the Eye Liner Stakes and the Gai Waterhouse Classic.

The remaining works at Bundamba, including the new car park, will conclude in 2020/21.

In October, the Queensland Government announced the approval of the \$39 million Greater Brisbane Greyhound Centre in Purga.

With animal care at the core of design and construction, the world-class venue will feature three tracks - a straight track, a two-turn track and a much needed one-turn track - which

will reduce injuries, improve amenities and demonstrate the vibrancy of the greyhound code.

Among the amenities to be established at the GBGC include:

- Construction of a large one-turn track, two-turn track and straight track;
- Track safety benefits including radius and surface banking to be designed in a way to reduce excessive limb forces acting on greyhounds while racing;
- World-class racing surfaces;
- Starting box positioning - including roll on boxes were best suited - which reduces racing interference and supports race safety;
- Starting box design incorporating optimum spacing between contestants and grille heights;
- Grandstand and customer facilities ensuring gold standard customer experience and viewing of all three tracks; and
- Air-conditioned, sound-attenuated kennels with best practice pre and post racing support services.

Having acquired the land, RQ recent appointed a principal consultant, town planner and specialist track consultant to advance the project.

In November, the Government announced a \$7 million project to replace the synthetic track at the Sunshine Coast Turf Club.

With \$2.5 million to be accessed via the Racing Infrastructure Fund, the new synthetic track will deliver increased commercial returns to the club and industry through the creation of new and exciting timeslots, improved racing infrastructure and enhanced amenities for stakeholders.

These developments and the Country Racing Program follow a significant period of track and other facility construction (refer to the table below).

At the same time, the proposed re-development of the Gold Coast Turf Club continued to make progress, with additional detailed design and feasibility work being conducted throughout FY20.

At the end of the financial year, progress on the detailed design was at 75%, with the project engineer finalising the design drawing set following stakeholder input.

Once approved, the project will enable the GCTC to become the fourth metropolitan standard thoroughbred track in Queensland and will play a central role in RQ's night racing strategy.

A number of masterplanning projects are also underway including Gold Coast, Deagon and Townsville.

In March, RQ took the next steps to establishing a multi-purpose State Training Centre at Deagon with the appointment of a town planner and architect to assist with the project.

The State Training Centre is viewed as a key solution to the declining residential stabling numbers in South East Queensland - along with providing a training environment for apprentice

jockeys and stable hands - and forms part of a significant reform agenda for RQ designed to support its commercial and strategic objectives.

Having appointed Urbis as its town planner and Cox Architecture, the urban design professionals will assist RQ with its community engagement activities throughout 2020 to ensure the local community - and racing participants - are able to assist the organisation in understanding stakeholder views and to help shape the masterplanning process.

RQ will also liaise with Brisbane City Council in relation to its Sandgate District Neighbourhood Plan.

In North Queensland, a due diligence assessment was conducted at the Townsville Turf Club, with an 'expression of interest' campaign to determine the market appetite for developing Cluden Park.

The existing \$13 million re-development of TTC following last year's flood event continued to take giant strides, with the members' grandstand and jockeys' building being completed.

The heritage grandstand is scheduled to be completed in September.

Progress continued to be made on the Country and Regional Works Program with projects awarded to date totalling \$6.01 million of \$6.54 million.

Contractors have implemented COVID-19 measures to enable works on all projects to proceed with minimal delays being experienced.

Finally, RQ has short-listed prospective sites for a new world-class harness racing facility in South East Queensland.

RQ will look to finalise the purchase of land to facilitate this project in FY21.

PROJECTS OVER THE LAST SEVEN YEARS						Total Cost (excl. GST)
	Club	Track	Year	Project		
1	BRC	Beaudesert	2013	Upgrade and widen course proper		\$3.8 million
2	CJC	Cairns	2013	Course proper renovation including improved cambers and new irrigation		\$1.9 million
3	MTC	Mackay	2013	New course proper and commercial development of patron facilities		\$8.2 million
4	TTC	Toowoomba	2014	New course proper		\$6.9 million
5	BRC	Eagle Farm	2014	Eagle Farm track redevelopment		\$10 million
6	GCTC	Gold Coast	2014	Commercial development of patron facilities		\$15.5 million
6	BRC	Eagle Farm	2015	Infield works and tunnel (RIF loan)		\$12 million
7	BRC	Eagle Farm	2015	Infield stables (BRC funded)		\$25 million
8	TTC	Townsville	2015	New course proper and maintenance facilities		\$6.9 million
9	BRC	Eagle Farm	2017	Eagle Farm track remediation works		\$3.7 million
10	BRC	Eagle Farm/ Doomben	2017	Infrastructure replacement		\$3.5 million
11	ITC	Ipswich	2020	New commercial building, tie-up stalls, track and irrigation upgrade		\$24.8 million
Total						\$122.2 million

RQ strategy

Racing Queensland's Strategic Plan (FY18-21) is a key component of the organisation's performance management framework.

During 2019/20, RQ had a vision to become the number one sporting industry in the Sunshine State, while championing great racing and events which connect Queensland communities.

In order to achieve this ambition, five pillars were developed including key performance indicators to track and measure RQ's progress against the Plan.

These were set against six timeless values consisting of:

- Making a difference;
- Achieving excellence;
- Earning and showing respect;
- Doing what we say;
- Valuing team above self; and
- Demonstrating great leadership.

To increase transparency, a summary of how RQ was tracking against its Key Performance Indicators was published at www.racingqueensland.com.au after each quarter.

Commercial

Manage and drive the commercial performance of the business of racing in Queensland

Key Performance Indicators:

- Grow and diversify revenue;
- Develop and launch iconic events;
- Winter and Summer carnivals enhanced; and
- Partnerships with commercial bodies.

As outlined in the Chairman's Report, RQ continues to make significant progress against its commercial KPIs.

However, the impacts of COVID-19 – and the wagering landscape more broadly – have affected the FY20 results, along with several extraordinary one-off events.

Nonetheless, RQ was able to grow total revenue by 12.1% to \$282.0 million.

At the same time, net wagering revenue increased by 9.2% from FY19 to \$218.4 million.

The re-positioning of the Group 1 Sky Racing Brisbane Cup – establishing it as the world's third richest greyhound race – was one of a number of positive programming announcements, including the launch of the Q22 (thoroughbreds) and the Rising Sun (harness).

The new-look summer thoroughbred and harness racing carnivals were well complimented by the establishment of the TAB Golden Greys Summer Carnival.

Industry Sustainability

Create a sustainable racing industry in Queensland

Key Performance Indicators:

- Grow returns to participants;
- Grow attendance;
- Increase participation; and
- Enhance club funding.

Industry sustainability was again at the forefront of RQ's strategic and operational plans throughout FY20.

For a successive year, record payments to participants were delivered, increasing by 9.6% to \$222.5 million.

On a year-on-year basis, attendances and participation were trending +2.2% before the COVID-19 outbreak, with RQ implementing patron-free racing from mid-March.

To assist our clubs during COVID-19, RQ provided three waves of financial support totalling \$7.5 million through club funding enhancements, carnival compensation payments and club hardship payments.

Club funding incentives payments were also paid in full in recognition of the significant environmental factors that had impacted the final quarter of FY20.

Infrastructure

20 plus year plan to meet operational requirements, customer expectations and leverage industry assets

Key Performance Indicators:

- New greyhound and harness tracks delivered;
- 4 metropolitan standard thoroughbred tracks (Brisbane premium enhancements);
- Development opportunities to extract value and support with club diversification;
- Improve community racing facilities; and
- Partnerships with commercial bodies.

The announcement of the new state-of-the-art Greater Brisbane Greyhound Centre was a fillip for the greyhound industry in FY20.

With animal care at the core of design and construction, the \$39 million project will provide a world-class greyhound facility in the Sunshine State incorporating a one-turn track, two-turn track and a straight track.

The search for a new world-class harness racing facility also advanced in FY20, with a number of prospective locations short-listed.

Whilst Albion Park has been the subject of much media speculation in regards to Brisbane's Olympic bid, the long-term financial future of harness racing – and the racing industry as a whole – is contingent on maximising the commercial value of the site to reinvest in new and up-graded facilities for decades to come.

The state's premier racecourse, Eagle Farm, continued to be closely managed in conjunction with the Brisbane Racing Club, as the course proper continues to solidify.

A remediation programme was implemented ahead of the winter features, which included Group 1 racing at the venue.

Having undergone a once-in-a-lifetime flood event in 2019, the \$13 million re-development of the Townsville Turf Club came to life, with RQ also commencing masterplanning at Cluden Park.

At the start of FY20, RQ announced it would commence concept master planning at Deagon with a view to establishing a multi-purpose State Training Centre.

Throughout the course of the year, RA appointed Urbis as its town planner and Cox Architecture to assist with the project, which is viewed as a key solution to the declining residential stabling numbers in South East Queensland – along with providing a training environment for apprentice jockeys and stable hands.

Organisational

Develop organisational systems and capability to improve performance delivery and efficiencies

Key Performance Indicators:

- Grow engagement;
- Recognition as an employer of choice; and
- Grow digital traffic and engagement.

RQ continues to support its employees through a range of different mechanisms including its annual calendar of events for Employee Health and Wellbeing.

In FY20, these included education sessions for employees and leadership sessions for managers and people leaders.

Education topics included: Thoroughbred, harness and greyhound racing code familiarisations; Deagon barrier trials; procurement and probity; flexible work arrangements; performance management; and everyday sexism in the workplace.

In addition, employees were encouraged to access online resources and webinars on topics such as COVID-19 and mental health; managing fatigue when working from home; practical tips for parents' home schooling children; and mindfulness techniques.

Participation rates in events continued to exceed expectations in FY20 by creating a unique platform for cross-business communication and information sharing with colleagues.

In the latter part of FY20, RQ submitted its proposed Reconciliation Action Plan to Reconciliation Australia.

Over the next 12 months, RQ will use its RAP to formally embark on the journey of reconciliation.

The RAP will provide the foundation for RQ to build trust and strengthen relationships both internally and externally; deepen its understanding and respect for First People's rich history, cultures and achievements; and to promote sustainable partnerships and opportunities with local communities.

Website traffic grew by 17.5% on a year-on-year basis, with engagement rising by 27.7%. Pleasingly, new visitors to the website increased by almost 10% to 33.4% of all traffic.

Community

Racing to be recognised as a significant contributor to the Queensland community

Key Performance Indicators:

- Grow economic and community contribution of racing;
- Grow student enrolments;
- Grow recognition of industry scale and impact; and
- Grow community partnerships.

The Queensland racing industry's annual economic contribution to the state's economy exceeds more than \$1.5 billion, independent analysis revealed.

During FY20, RQ released its latest size and scope report, delivering a state-wide PR campaign in conjunction with its media partners.

This included integrated video news reels, infographics and regional releases to support its activities.

Importantly, the racing industry is responsible for sustaining 11,570 full-time jobs across the state – an increase of 2024 full-time jobs from its 2016/17 report – which provides \$850.4 million in salaries and wages, whilst supporting more than 40,000 participants across the thoroughbred, greyhound and harness codes.

In total, 43% of the \$1.5 billion in value added contribution is realised in regional economies.

Pleasingly, apprentice jockey enrolments enjoyed strong growth during FY20, with a 17.9% uplift.

Two-thirds of enrolments were female apprentices.

Advancing Queensland's priorities

The Queensland Government boasts a clear plan to advance Queensland both now and into the future.

During 2019/20, Racing Queensland was able to contribute to the Queensland Government's community priorities in the following ways. They were:

Creating jobs in a strong economy

The Queensland racing industry plays a significant role in the state's economy.

Independent economic analysis released in FY20 reported the industry was directly responsible for sustaining 5,045 full-time equivalent jobs across the state.

When flow-on employment impacts are considered, the total FTE impact generated by the Queensland racing industry rose to 11,570 jobs.

This total represents the employment sustained within the industry, as well as the employment that is sustained in supply industries who meet the demand created by racing industry activity.

Give all our children a great start

Education and training are vitally important for the continued growth and success of the Queensland racing industry.

Throughout FY20, RQ's Registered Training Organisation offered nationally recognised programmes for a cross-section of roles including apprentice jockeys.

While the RTO was unable to conduct school visits upon the onset of COVID-19, it used the opportunity to launch new social media platforms to support its endeavours and to connect with new audiences.

In addition, RQ threw its support behind the Explorer Cadetship Program.

Staged in conjunction with the Australian Racing and Equine Academy, the 12-month Explorer Cadetship Program offers candidates a range of educational and practical experiences including placements within racing stables and stud farms.

Across the state, approximately one in four race clubs boasts partnerships with primary, secondary, trade and/or tertiary institutions.

Keep Queenslanders healthy

As part of its Corporate Social Responsibility, RQ is directly involved in a number of activities that support the health outcomes of Queenslanders.

Over the course of the year, RQ supported a number of charities including the annual Team Teal campaign, which donates \$200 on every occasion a Queensland reinswoman drives a winner in the Sunshine State.

Staged throughout February, the funds raised support ovarian and other gynaecological cancer research.

Other charitable parties supported throughout FY20 included the Queensland Country Women's Association, Share The Dignity, Young Care, The Smith Family and Cancer Council Queensland.

Keep communities safe

The Queensland racing industry plays a key role in promoting social cohesion across the state.

Independent research has identified that racing clubs have increasingly developed activities and facilities that enable families to enjoy a social day at the races.

Accordingly, many race clubs actively promote services and amenities which are conducive to bringing families together to build stronger relationships.

These include the provision of parents' rooms, baby change tables, kids' clubs, playgrounds and dedicated children's zones.

The data also revealed:

- All clubs have complimentary entry and offer some level of free activities for children;
- Over 93% of clubs offer events for families and children on special racedays; and
- Over 72% of clubs actively involve people from culturally diverse backgrounds.

Protect the Great Barrier Reef

Queensland racing clubs manage major facilities and events involving large numbers of customers.

Many of these events relate to non-raceday functions and events run by other community groups or individuals.

Community and Government expectations of racing clubs, relating to environmentally friendly practices and policies, have led to the adoption of a number of important initiatives that have a positive impact on the Queensland environment.

Racing clubs are actively implementing policies and practices in key areas that impact on the environment.

Approximately 58% of all clubs have policies in place to save water and re-use or recycle water.

Be a responsive government

RQ continues to invest in its people – and technology – to improve the services we provide to participants and stakeholders.

During FY20, RQ unveiled its new IT Strategy, paving the way for employees to work effectively and efficiently away from the organisation's head office.

The major IT trend in recent years has been the mobilisation of workforces around IT systems and software delivered as a 'service'.

This approach has led to improved productivity and efficiency, along with increased employee satisfaction and enhanced organisational flexibility.

At the same time, it has reduced risk of IT failure and security breaches.

For racing stakeholders, a new club inspection app, Formyoula, was chosen in order to integrate RQ's club asset inspections with the Salesforce platform.

Machinery-of-Government Changes

There were no machinery-of-government changes during the reporting period.

Human Rights

RQ undertook a number of activities which further the objects of the Human Rights Act, including taking steps to ensure employee wellbeing and health during COVID-19, progressing a Reconciliation Action Plan, promoting RQ's values including showing respect for others, and regularly reviewing its processes for dealing with complaints.

During the reporting period, RQ did not receive any human rights complaints and reviewed its policies and procedures for consistency with the provisions of the Human Rights Act.

Public Sector Ethics Act 1994

RQ requires the highest standards of ethical behaviour from its employees.

As part of its performance management framework, bi-annual reviews are conducted for all RQ employees, with employee behaviour against the organisation's timeless values equally weighted against operational duties.

Throughout FY20, RQ's code of conduct – and Fraud and Corruption and Control Plan – were updated, while employees received a range of education sessions including everyday sexism in the workplace.

All employees are required to declare any real or perceived conflict of interests in the racing industry.

Board members and Executives are required to notify of changes on a monthly basis and new employees must complete a declaration prior to commencement or as required due to a change in circumstances.

Directions from the Minister

There were no Ministerial directions issued under section 44 of the Racing Act 2002 to Racing Queensland in 2019/20.

RQ Structure

Corporate Governance

The Racing Queensland Board (trading as Racing Queensland) was established under section 6 of the Racing Act 2002 on 1 July 2016.

RQ is a statutory body under the Financial Accountability Act 2009 and Statutory Bodies Financial Arrangements Act 1982 and a unit of public administration under the Crime and Corruption Act 2001.

RQ's governance structure has been established to set direction and oversee performance.

Information about strategic and operational performance is provided by the organisation's analytics, human resource and financial systems.

Strategic and operational direction is communicated and managed through its Strategic Plan, as well as a structured risk management process.

Governance

The RQ Board has seven members, constituted in accordance with the Racing Act 2002, and is the governing body for the organisation.

The Board members for 2019/20 were:

- Mr Steve Wilson AM (Chairman);
- Ms Sharon Dawson (Deputy Chair);
- Mr Max Walters OAM (Member);
- Ms Jane Seawright (Member);
- Mr Dale Cartwright (Member);
- Mr Graham Quirk (Member); and
- Ms Margaret Reynolds (Member).

Each accountable officer and statutory body must ensure a governance framework, appropriate for the accountable officer's department or the statutory body, is established.

Governance, for a statutory body, is the way the statutory body manages the performance of its functions and operations.

RQ's governance incorporates the cultural and operational aspects of the organisation that are influenced by its actions and decisions and includes the concepts of:

- Openness and transparency;
- Integrity and accountability;
- Due care; and
- Public defensibility.

RQ's management and committees oversee all major activities and areas of decision making and ensure the organisation has a clear direction, operates efficiently and fulfils its legislative responsibilities. These groups are:

- Racing Queensland Board;
- Executive Leadership Team;
- Audit and Risk Committee; and
- HR and Remuneration Committee.

RQ Board

Steve Wilson AM

Chairman

Steve Wilson had an extensive career in the investment industry in Australia and the United Kingdom. He led stockbroker Wilsons to become a national leader in emerging companies and established investment management companies Hyperion (1996) and Pinnacle (2006).

He is Chair of the Committee for Brisbane Advisory Council and a Director of Racing Australia.

He previously chaired Wilson Group, Pinnacle Holdings, South Bank Corporation, Hyperion Asset Management, St John's Cathedral Completion Fund and Queensland Rugby Union and was a Director of Telstra, Tourism Queensland and Councillor of QUT.

He was awarded an Order of Australia for services to the finance industry and community and the BDA Gold Medal award for his role in transforming South Bank.

Sharon Dawson

Deputy Chair & Chair of Remuneration & HR Committee

Sharon Dawson is the CEO of the Dawsons Group, a diversified heavy engineering and services company operating nationally from workshops in Cairns, Townsville, Mt Isa and Charters Towers.

A North Queensland local, Sharon is committed to regional economic development and has held previous roles with Ports North, Advance Cairns, Cairns Chamber of Commerce and TAFE North Queensland.

Sharon has a strong knowledge of country and regional racing.

Dale Cartwright

Member

Dale Cartwright is the Managing Director and Principal of the Cartwright Property Group, a highly recognised and accredited member of the Queensland real estate industry he established in 2003.

Dale enjoys all aspects of the three codes of racing, he has a long-standing personal interest in the greyhound industry.

His deep understanding of the greyhound industry and its heritage is valuable in informing his views of the future of the sector.

Dale is a Director of Greyhounds Australasia, and chairs the Greyhound Industry Advisory Panel meetings.

He is also a former President of the Brisbane Greyhound Racing Club.

Graham Quirk

Member

Following 34 years in public life including three years as Deputy Mayor and eight years as Lord Mayor of Brisbane, Graham Quirk handed over the reins of City Hall in 2019 to pursue his passion for breeding racehorses and Auctioneering.

Although retiring from full time public representation, Graham is continuing to coordinate the Council of Mayors (SEQ) efforts to pursue a bid for the 2032 Olympic Games.

Graham grew up at Doomben and fondly recounts how the champion Gunsynd (The Goondiwindi Grey) walked up and down his street every day before heading to Tommy Smith's stables in Sydney.

Although appointed as the Thoroughbred representative, Graham has held an interest in all racing codes and became a licensee in Queensland at 17 years of age.

Margaret Reynolds

Member

Margaret Reynolds boasts more than 50 years involvement in harness racing as a breeder, owner and licensee and was previously the Secretary/Treasurer of the Queensland Breeders Owners Trainers Reinspersons Association.

Margaret is a former Director, and current executive member, of Harness Racing Australia and was also Secretary/Manager of North Queensland Harness Racing Club, Marketing Manager of Albion Park Harness Racing Club, Hospitality Catering Manager of Rocklea Harness Racing Club and served on the Committees of most of the state's clubs.

Margaret was the first female to be appointed to a harness racing committee in Queensland and is very passionate about the sport of racing.

She is the recipient of awards for service to the industry including the national meritorious award and the prestigious Pegasus award.

Margaret has been in the retail industry for 48 years including roles as the overseas and state buyer for well-known brands Myer and David Jones.

Jane Seawright

Member

Jane Seawright has extensive experience as a corporate, commercial and finance lawyer, in private practice and in-house, in the mining research, technology start-up and not-for-profit sectors.

Based in Townsville, Jane runs a successful consultancy business advising in business development and marketing, as well as a legal consultancy.

Formerly Chair of Netball Queensland, Jane is currently a director of Netball Australia, a local director of The Australian Festival of Chamber Music, a non-executive director of QCN Fibre Pty Ltd, company secretary of SmartCap Technologies Pty Ltd and a Member of the National Sports Tribunal. She was also appointed by Cricket Australia as a Conduct Commissioner for its 2019/20 season.

Max Walters OAM

Member & Chair of Audit & Risk Committee

Max Walters was a senior executive with the Seven Network for 26 years and is a lifelong follower of racing across all codes.

Max's initial background is finance and he is a Fellow of the Institute of Chartered Accountants.

During his career, he has been responsible for highly successful marketing, promotional and broadcast agreements between the Seven Network and both the South Australian Jockey Club and the Brisbane Racing Club.

Max was awarded the Order of Australia Medal in 2011 for Services to Cricket, the Community and the Media.

Attendance of Board Meeting and Committees

Position	Name	No. Ordinary Board Meetings attended	No. of Special Board meetings attended	No. of ARC meetings attended	No. of REM & HR meetings attended	Total
Chairman of the Board	Steven Wilson AM	13	2	0	0	15
Deputy Chair / Chair REM & HR	Sharon Dawson	11	2	0	2	15
Board Member	Margaret Reynolds	13	2	0	0	15
Board Member	Dale Cartwright	11	1	0	0	12
Board Member / Member REM & HR (Appointed to REM 27/11/19)	Graham Quirk	13	2	0	1	16
Board Member / Chair ARC / Member REM & HR	Maxwell Walters	13	2	4	2	21
Board Member / Member ARC	Jane Seawright	12	2	4	0	18
ARC Member	Rick Dennis	0	0	4	0	4

In addition to the Board Members identified above as members of the Audit and Risk Committee, Rick Dennis is an independent member of the Racing Queensland Audit and Risk Committee. Mr Dennis is a chartered accountant with 35 years' experience in commerce in Australia, Asia-Pacific and globally. Rick had over 30 years with global professional services firm Ernst & Young. After retiring from EY in 2015, Rick was appointed to a number of boards of Australian companies, including three ASX listed companies. Rick holds degrees in Law and Commerce from the University of Queensland, and is a member of the Australian Institute of Company Directors and Institute of Chartered Accountants. Mr Dennis' remuneration as a member of the Audit and Risk Committee was \$6,600.

Key Management Personnel

Racing Queensland's management oversees the organisation's strategic direction and performance.

The group is assisted by the Audit and Risk Committee and the Remuneration and Human Resources Committee.

Key activities include:

- To lead and facilitate the commercial aspects of racing on behalf of the industry relating to wagering, racing calendar, infrastructure and media rights;
- To engage and support race clubs and venues through licensing, funding assistance and shared services;
- To provide transparent allocation and distribution of returns to participants;
- To promote and market the three codes of racing;
- To develop and construct new and existing racing facilities;
- To partner with the Queensland Racing Integrity Commission to deliver world-class integrity and welfare outcomes; and
- To provide training and career pathways for industry.

The key management personnel during 2019/20 were:

Chief Executive Officer Brendan Parnell

General Manager, Corporate Affairs and Policy and Board Secretary Mary Collier

- Corporate Affairs;
- Government Liaison;
- Corporate Strategy Development; and
- Board Services (from June 1).

General Manager, Development and Construction Steven Grimes (until January 31, 2020)

Samantha Evans (from April 27, 2020)

- Infrastructure Strategy and Development;
- Master Planning and Development; and
- Capital Projects.

General Manager, Club Partnerships and Assets

Melinda Martin

- Club Licensing and Compliance;
- Club Commercial Development;
- Asset Management and Industry Performance; and
- Facilities Management.

General Manager, People and Performance

Michelle McConachy

- Strategic Human Resources Management;
- Workplace Health, Safety and Wellness;
- Jockey and Driver Welfare;
- Information Technology;
- Employee Communications; and
- Interim carriage of Legal Services from April to July 2020.

Chief Commercial Officer

Geoff Quinlan

- Finance;
- Procurement;
- Business Analysis;
- Wagering and Partnerships;
- Marketing and Events; and
- Commercial Development.

Chief Operating Officer

Adam Wallish

- Racing Operations and Strategy;
- Tracks and Racecourse Development;
- Registered Training Organisation;
- Animal Welfare; and
- Interim carriage of Development and Construction from February to April 2020.

General Counsel and Board Secretary

Tara Hastings (until April 17, 2020)

- Legal Services; and
- Board Services.



Our People

Racing Queensland is committed to building a culture of high performance where every employee is instrumental in achieving its strategic objectives and elevating business performance.

In FY20, RQ continued to focus on creating a diverse and inclusive workplace, where every employee feels valued and supported.

RQ management acknowledges that the racing industry and key stakeholders will benefit when our people are engaged, enabled and empowered.

In March, RQ activated crisis management with the formation of a COVID-19 Response Team and critical roles were isolated remotely.

Further, RQ enacted a working from home operational model for all employees from March 24.

During this time, CRT communicated factual, timely and relevant information to ensure business continuity and employee access to the latest information on COVID-19 and relevant support services.

Targeted employee communications were critical to maintaining connection, building trust and engaging employees while navigating the impacts of a global health pandemic.

Monthly employee pulse surveys highlighted an increase in positive employee sentiment.

RQ is committed to maximising job security.

The Strategic Workforce Plan was updated, with scenario planning completed to assist the Board and Management in their decision making. A recruitment freeze of all non-essential roles was effective from April 1 while contractors were also removed where possible.

Pleasingly, during FY20, gender diversity within key management personnel improved to 50% for female employees.

The separation rate at June 30 was 18.4%.

Actual FTE was 84.4 at June 30 comprised of 78.0 full-time, 6.4 part-time and 0 casual.

In FY20 there were:

- Fourteen fixed-term employees engaged; where particular skills or subject matter expertise was required to deliver on specific projects or key elements of the operational plan; and

- Twenty-five flexible work arrangements approved; to support employees in maintaining appropriate work/life balance, enhance employee wellbeing and assist with managing the conflicting demands between work and other responsibilities or commitments.

Flexible work arrangements benefit the organisation by increasing employee retention and achieving greater productivity through increased employee job satisfaction.

RQ's bespoke performance management framework (launched in June 2017) continues to be a 'pay for performance' system directly linked to remuneration and talent strategies.

The RQ Board-approved remuneration strategy is designed to drive cultural change and improve the organisation's ability to effectively manage, measure and reward performance in a fair and consistent manner.

Several structural changes were made during FY20, including the creation of a new executive portfolio.

An internal appointment was made from RQ's talent pool and succession plan to the role of General Manager Club Partnerships and Assets.

The Commercial portfolio was expanded following a functional realignment and is now responsible, among other things, for procurement and, marketing and events.

The People and Performance portfolio was also expanded to include the new Workplace Health and Safety function and a realigned Information Technology team.

The Racing Operations portfolio now includes Animal Welfare as a primary area of focus.

RQ provides industry-specific education as a Registered Training Organisation based at Deagon.

Training is also offered at select venues across the state.

The RTO delivers a range of nationally recognised training programs to support new industry participants, along with managing the RQ Apprentice Jockey Coaching Program.

While the Queensland Racing Integrity Commission is primarily responsible for integrity and welfare standards in Queensland, RQ oversees a range of welfare initiatives including the Jockey Injury Management Program.

This program is managed by the WHS team.

A new WHS Manager was appointed from RQ's talent pool, with a WHS/Injury Management Coordinator appointed to manage WorkCover claims and return to work programs for the racing industry.

The Board and Management also approved RQ's new WHS Strategy and Policy Statement.

In FY20, the focus was on developing leadership capability at all levels, providing role clarity and improved accountability for role modelling values-aligned behaviour.

The RQ Board and Management launched a revised organisational vision, purpose and Timeless Values which includes an updated behavioural framework.

Service milestones celebrated in FY20 were:

5-years	1 employee
10-years	2 employees
15-years	2 employees
20-years	0 employee

Committees

Audit and Risk Committee

The Audit and Risk Committee was established in 2016/17 and operates under a charter which is reviewed annually and approved by the Racing Queensland Board.

The role of the Committee is to provide advice to the Board on risk, control and compliance frameworks, including RQ's external accountability and responsibilities.

The internal audit function is independent of RQ's management - and external auditors - and is outsourced to Protiviti.

The effectiveness of the internal audit function is monitored by the Committee, with the outsourced internal auditor attending quarterly meetings, while presenting the annual audit plan and internal audit reports directly to the Committee and to the external auditors.

As per the plan, audits were completed in FY20 in the following areas:

- Records management;
- Assurance map;
- Compliance with key legislation;
- Club business reviews; and
- CFO assurance.

The Board maintain a risk appetite that guides the decision-making frameworks across the organisation.

RQ's risk management and internal audit activities are cognisant of key legislative requirements, such as the Racing Act 2002 and Financial Accountability Act 2009.

The activities were also undertaken with due regard to the Queensland Treasury Audit Committee Guidelines 2012.

Audit Committee Meeting	QAO Report Delivered	QAO Recommendations Considered
August 15, 2019	Closing Report	<p>Improved documentation regarding corporate card approvals.</p> <p>Ensuring supplier master data is regularly purged of obsolete information.</p> <p>Ensure adequate documentation for all stages of the procurement process.</p> <p>Enhance the review of related party transactions.</p> <p>Improved documentation regarding the gifts and benefits register.</p> <p>Ensure adequate documentation is kept regarding special payments.</p>
December 11, 2019	Briefing Paper	<p>No recommendations provided with the paper.</p> <p>Noted that a new engagement team leader will be appointed to RQ.</p> <p>Provided an update on items carried forward from June 2019 year end audit and their expected resolution prior to year-end June 2020.</p>
February 13, 2020	Briefing Paper	<p>No recommendations provided within the paper.</p> <p>External audit plan was submitted.</p>
May 14, 2020	Briefing Paper	<p>No recommendations provided within the paper.</p> <p>An assessment of RQ's financial reporting maturity was noted as "Established".</p> <p>Updates were provided regarding the potential impacts of new accounting standards.</p> <p>Provided an update on items carried forward from June 2019 year end audit and their expected resolution prior to year-end June 2020.</p>

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee was established in 2016/17 and operates under a charter which is reviewed annually and approved by the Racing Queensland Board.

The role of the Committee is to provide oversight of human resources strategies and the over-arching principles and parameters of remuneration policy across the organisation to foster quality of management practices.

Key agenda items of this Committee include:

- Ensuring effective systems of human resources, performance management and remuneration are established and maintained;
- Setting key performance areas for the CEO and the regular review of the CEO's performance;

- Endorsing employee policies, procedures and guidelines; and
- Monitoring compliance with applicable laws and regulations.

RQ's remuneration and human resources activities are cognisant of key industrial instruments, such as the Industrial Relations Act 2016.

The activities were also undertaken with due regard to the Mercer Job Grade and Remuneration framework implemented at RQ in FY17.

In 2019/20, the Committee approved an updated three-year people strategy; new timeless values and behavioural framework; talent management and succession planning activities; new staff turnover targets; and 12 new and/or revised internal guidelines, which included paid parental leave and volunteering leave.

Other Reporting requirements

Information systems and record keeping

During FY20, Racing Queensland unveiled its new IT Strategy, paving the way for employees to work effectively and efficiently away from the organisation's head office.

As a consequence of COVID-19, RQ brought forward a refresh of its IT hardware.

This involved a phased replacement of all computers, which will continue into FY21 to facilitate flexible working following a COVIDSafe return to Deagon.

Concurrently, the workspaces will be renovated with new desks and IT cabling to improve connectivity and systems performance and to assist with the COVIDSafe environment.

Throughout the year, RQ also commenced a 'Records Management Project' which aligns with Recommendation 2 of the Auditor-General Report No. 3 2019-20 on Managing Cyber Security Risks.

Additionally, RQ's internal audit provider conducts regular audits of general IT controls and cyber security, where all actions from previous internal audits have been completed.

External scrutiny

RQ was not subject to external scrutiny for this reporting period.

Section 12 Racing Act 2002

Section 12 of the Racing Act 2002 requires RQ to expend at least 5.32 per cent of the net product fee generated from QTAB for the financial year on prize money related to non-TAB thoroughbred races conducted by non-TAB thoroughbred clubs.

The table below demonstrates that RQ has fulfilled its obligations under the Act.

RACING QUEENSLAND Section 12 Racing Act 2002	FY20 (\$000)
Product Fee Variable	\$83,060
Product Fee Fixed	\$16,014
QTAB Wagering Revenue	\$99,074
Interstate Race Field Fees deducted by QTAB	(\$23,422)
Overseas Race Field Fees deducted by QTAB	(\$2,355)
QTAB Wagering Deductions	(\$25,777)
Net QTAB Product and Program fee paid to Racing Queensland	\$73,297
5.32% of Net Product Fee as RQ's Prizemoney obligation under section 12 Racing Act 2002	\$3,899
Prizemoney paid non-QTAB (TAB) Thoroughbred meetings	\$7,801
QTIS paid non-QTAB (TAB) Thoroughbred meetings	\$483
Total Non-Tab Thoroughbred Prizemoney Paid	\$8,285
Net Over / (Shortfall) in Racing Act 2002 Obligation Section 12	\$4,385

Glossary of Terms and Acronyms

Glossary of terms which may have been used in this report are contained in the table below:

Term	Definition
Board	The Board of Racing Queensland;
Breeding Incentive Scheme	A scheme that provides an incentive for Queensland-bred race animals to be purchased and raced in Queensland through the provision of bonus prize money;
Code	The type of racing, being one of the following: thoroughbred, harness or greyhound;
Control Body	An organisation that exists for the purpose of controlling racing for a particular code or codes empowered by the Racing Act 2002;
Country Racing	Areas outside of Metropolitan and Provincial. For thoroughbred racing this can also refer to non-TAB races;
Group 1, 2, 3 and Listed	A level of quality in terms of performance and prize money ascribed to a particular race as set by the Australian Pattern Committee. Group 1 is the highest level. May also be referred to as 'black-type races;'
Integrity	The standards and required behaviours applied to the conduct of races, the rules associated with racing and the resulting confidence, all things being equal, by the public in a fair and equitable race outcome;
Metropolitan Racing	Is the highest classification of race meeting. This classification is determined by the Control Body, in Queensland this is Racing Queensland;
Non-TAB Meeting	A meeting on which TAB does not, or is unlikely, to offer wagering;
Off-course	Wagering activities conducted away from a racecourse venue;
On-course	Wagering activities conducted at a racecourse venue;
Pacing or pace	Used to describe the particular style of harness racing in reference to the horses' gait;
Pari-mutuel	Traditional wagering market with floating (variable) odds based on a total market pool of funds wagered, also known as the 'Tote;'
Principal Racing Authority	A state-based organisation that exists for the purpose of managing and administering racing for a particular code or codes;
Prize money	Funds distributed to owners, trainers, riders, and drivers as a result of their animal winning or placing in a race;
Product and Program	The racing product being the participation composition and broadcast race event and the program being the scheduling of that product;
Product and Program Agreement	The agreement between Racing Queensland and the Tatts Group which provides revenue to RQ for the supply of racing product;
Provincial	Major regional cities as designated by RQ;
QTAB	UBET QLD Limited ACN 085 691 738;
Race club	A not-for-profit association appointed by its members for the purpose of running race meetings at a particular venue;
Race Field Fees	The fee charged by Racing Queensland for the use of product and program for the purposes of wagering;
Racing Infrastructure Fund (RIF)	A fund established by the Queensland Government to set aside funds for use for racing infrastructure. The funds are principally drawn down from QTAB payments for its exclusive retail wagering licence in Queensland that is in place until 2044;
Rules of Racing	The rules relating to the participation in and conduct of a particular code of racing as formulated, published and enforced by the control body;

Term	Definition
Stakeholders	Individuals, groups or organisations with specific interest in the Queensland racing industry;
TAB Meeting	A meeting that is broadcast on television and/ or radio and off-course wagering;
Trotting or Trot	Used to describe the particular style of harness racing in reference to the horses' gait;
Wagering	Gambling on code-specific product and program; and
Wagering Turnover	Bets taken minus bet backs.

Acronyms which may have been used in this report are contained in the table below:

Term	Definition
2YO	Two-Year-Old in relation to a horses age;
3YO	Three-Year-Old in relation to a horses age;
4YO	Four-Year-Old in relation to a horses age;
CEO	Chief Executive Officer;
GAL	Greyhounds Australasia Limited;
HR	Human Resources;
HRA	Harness Racing Australia;
IT	Information Technology;
PRA	Principal Racing Authority;
QBRED	A harness racing breeding scheme;
QRIC	Queensland Racing Integrity Commission;
QTIS	Queensland Thoroughbred Incentive Scheme;
RIF	Racing Infrastructure Fund; and
RQ	Racing Queensland.

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs - section 7	1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs - section 9.1	Inside cover 38-39
	<ul style="list-style-type: none"> Public availability 	ARRs - section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs - section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs - section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	QGEA - Information Licensing ARRs - section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs - section 10.1	3-6
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs - section 10.2, 31 and 32	28
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs - section 10.2	8, 25-28
	<ul style="list-style-type: none"> Operating environment 	ARRs - section 10.3	7, 9-13
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs - section 11.1	27-28
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs - section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs - section 11.3	25-26
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs - section 11.4	25-26
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs - section 12.1	9-13
Governance - management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs - section 13.1	29-33
	<ul style="list-style-type: none"> Executive management 	ARRs - section 13.2	32
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs - section 13.3	N/A
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs - section 13.4	28
	<ul style="list-style-type: none"> Queensland public service values 	ARRs - section 13.5	N/A

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	31, 35-36
	• Audit committee	ARRs – section 14.2	35-36
	• Internal audit	ARRs – section 14.3	35-36
	• External scrutiny	ARRs – section 14.4	37
	• Information systems and recordkeeping	ARRs – section 14.5	37
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	34-35
	• Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	N/A
Open Data	• Statement advising publication of information	ARRs – section 16	2
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	N/A
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	79
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	80-82

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

For the Year Ended 30 June 2020

FINANCIAL REPORT

For the Year Ended 30 June 2020

FINANCIAL REPORT CONTENTS

Statement of Comprehensive Income	43
Statement of Financial Position	44
Statement of Changes in Equity	45
Statement of Cash Flows	47
Notes to and forming part of the Financial Statements	48
Certificate of Racing Queensland Board	79
Independent Auditor's Report	80

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2020

		Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
Income from Continuing Operations	Note				
Wagering Revenue	2	182,040	168,944	182,040	168,944
Racing Fees		5,162	8,670	5,162	8,670
Grants and Contributions	3	93,070	81,584	93,070	81,580
Gain on Sale of Assets		-	410	-	6
Prize money Sponsored Income		5,910	6,528	5,910	6,528
Other Revenue	4	3,669	17,898	3,451	17,675
Total Revenue and Other Income		289,851	284,034	289,633	283,403
Expenses from Continuing Operations					
Prize money and Breeders Bonuses	5	172,060	165,747	172,060	165,747
Jockeys and Drivers (excluding Prize money)	6	18,400	17,191	18,400	17,191
Club Related Expenses	7	32,207	21,960	31,994	21,960
Total Contributions to Participants		222,667	204,898	222,454	204,898
Contribution to the Integrity Function	8	16,048	15,597	16,048	15,597
Supplies and Services	9	12,795	14,280	12,627	14,033
Employee Expenses	10	12,253	11,669	12,253	11,669
Depreciation Expense	17,19	5,992	6,536	3,520	3,596
Grants Expense		4,665	2,386	4,665	2,386
Impairment of Investment		2	-	-	6,225
Other Expenses	11	3,791	4,621	3,787	4,621
Loss on Disposal of Assets		107	11,664	107	64
Total Expenses		278,320	271,651	275,461	263,089
Operating Result from Continuing Operations		11,531	12,383	14,172	20,314
Profit Attributable to Members of Racing Queensland		11,938	17,148	14,172	20,314
(Loss) Attributable to Non-Controlling Interests	25	(407)	(4,765)	-	-
		11,531	12,383	14,172	20,314
Other Comprehensive Income					
Items that will not be Reclassified to the Operating Result:					
Increase in Asset Revaluation Surplus		6,535	3,654	2,210	1,660
Increase in Fair Value Reserve		762	694	762	694
Total items that will not be Reclassified to the Operating Result		7,297	4,348	2,972	2,354
Total Comprehensive Income/(Loss)		18,828	16,731	17,144	22,668
Total Comprehensive Income/(Loss) for the period:					
- Attributable to Members of Racing Queensland		18,602	21,190	17,144	22,668
- Attributable to Non-Controlling Interests	25	226	(4,459)	-	-
		18,828	16,731	17,144	22,668

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

		Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
Current Assets	Note				
Cash and Cash Equivalents	12	38,043	27,792	35,221	25,435
Trade Debtors	1(d),13	15,172	22,343	15,069	22,057
Loans Receivable	14	7,087	5,905	7,087	5,905
Other Current Assets	1(d),15	24,315	12,010	24,279	12,010
Total Current Assets		84,617	68,050	81,656	65,407
Non-Current Assets					
Loans Receivable	14	10,403	11,000	10,403	11,000
Other Financial Assets	16	6,682	5,650	28,126	26,536
Property, Plant and Equipment	17	121,731	113,147	77,277	70,584
Right-of-use Assets	19	53	-	53	-
Total Non-Current Assets		138,869	129,797	115,859	108,121
Total Assets		223,486	197,847	197,515	173,527
Current Liabilities					
Trade and Other Payables	20	20,073	14,869	20,582	15,208
Provisions	21	4,074	6,001	4,074	6,001
Employee Benefits	23	1,250	971	1,250	971
Loans Payable	14	1,930	500	1,930	500
Lease Liability	19	46	-	46	-
Other Current Liabilities	22	6,907	10,044	6,907	10,044
Total Current Liabilities		34,280	32,385	34,789	32,724
Non-Current Liabilities					
Loans Payable	14	28,267	28,864	28,267	28,864
Employee Benefits	23	84	66	84	66
Lease Liability	19	11	-	11	-
Total Non-Current Liabilities		28,362	28,930	28,362	28,930
Total Liabilities		62,642	61,315	63,151	61,654
Net Assets		160,844	136,532	134,364	111,873
Equity					
Contributed Equity		123,144	123,144	120,152	120,152
Accumulated Deficit		(12,931)	(30,429)	(4,237)	(23,756)
Asset Revaluation Surplus	24	38,931	33,242	14,123	11,913
Fair Value Reserve		4,326	3,564	4,326	3,564
Capital and Reserves Attributable to Racing Queensland		153,470	129,520	134,364	111,873
Non-Controlling Interests	25	7,374	7,012	-	-
Total Equity		160,844	136,532	134,364	111,873

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2020

Consolidated	Contributed Equity	Accumulated Surplus / (Deficit)	Assets Revaluation Surplus (Note 24)	Fair Value Reserve	Total Attributable to RQ	Non-Controlling Interests (Note 25)	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	123,144	(51,124)	33,442	2,870	108,332	11,394	119,725
Operating Result from Continuing Operations	-	17,148	-	-	17,148	(4,765)	12,383
Other Comprehensive Income							
Increase / (Decrease) in Asset Revaluation Surplus	-	-	3,347	-	3,347	307	3,654
Racing Australia Ltd Investment	-	-	-	694	694	-	694
Total Comprehensive Income for the year	-	17,148	3,347	694	21,190	(4,459)	16,731
Transactions with Owners as Owners							
Transfer to Retained Earnings	-	3,547	(3,547)	-	-	-	-
Contributions to Sinking Fund	-	-	-	-	-	76	76
Net Transactions with Owners as Owners	-	3,547	(3,547)	-	-	76	76
Balance at 30 June 2019	123,144	(30,429)	33,242	3,564	129,520	7,012	136,532
Balance at 1 July 2019	123,144	(30,429)	33,242	3,564	129,520	7,012	136,532
Adjustment to opening balance*	-	5,347	-	-	5,347	-	5,347
Operating Result from Continuing Operations	-	11,938	-	-	11,938	(407)	11,531
Other Comprehensive Income							
Increase / (Decrease) in Asset Revaluation Surplus	-	213	5,689	-	5,902	633	6,535
Net gain on financial assets at fair value through other comprehensive income - Racing Australia Ltd Investment	-	-	-	762	762	-	762
Total Comprehensive Income for the year	-	12,151	5,689	762	18,602	226	18,828
Transactions with Owners as Owners							
Gain on investment in Subsidiaries	-	-	-	-	-	39	39
Contributions to Sinking Fund	-	-	-	-	-	97	97
Net Transactions with Owners as Owners	-	-	-	-	-	136	136
Balance at 30 June 2020	123,144	(12,931)	38,931	4,326	153,470	7,374	160,844

*Adjustment for transitional impact for change in accounting policy (refer to note 1(e)).

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2020

Parent	Contributed Equity	Accumulated Surplus / (Deficit)	Assets Revaluation Surplus (Note 24)	Fair Value Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	120,152	(44,070)	10,253	2,870	89,205
Operating Result from Continuing Operations	-	20,314	-	-	20,314
Other Comprehensive Income					
Increase / (Decrease) in Asset Revaluation Surplus	-	-	1,660	-	1,660
Racing Australia Ltd Investment	-	-	-	694	694
Total Comprehensive Income for the year	-	20,314	1,660	694	22,668
Balance at 30 June 2019	120,152	(23,756)	11,913	3,564	111,873
Balance at 1 July 2019	120,152	(23,756)	11,913	3,564	111,873
Adjustment to opening balance*	-	5,347	-	-	5,347
Operating Result from Continuing Operations	-	14,172	-	-	14,172
Other Comprehensive Income					
Increase / (Decrease) in Asset Revaluation Surplus	-	-	2,210	-	2,210
Net gain on financial assets at fair value through other comprehensive income - Racing Australia Ltd Investment	-	-	-	762	762
Total Comprehensive Income for the year	-	14,172	2,210	762	17,144
Balance at 30 June 2020	120,152	(4,237)	14,123	4,326	134,364

*Adjustment for transitional impact for change in accounting policy (refer to note 1(e)).

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2020

		Consolidated	Consolidated	Parent	Parent
		2020	2019	2020	2019
	Note	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities					
Inflows:					
Receipts from Customers		181,518	186,901	181,100	186,324
Grants and Other Contributions		98,031	63,784	98,031	63,780
GST Collected		23,420	22,766	23,420	22,766
Interest Received		542	1,402	516	1,367
Outflows:					
Payment to Suppliers and Employees		(262,672)	(250,273)	(262,694)	(250,031)
GST Paid		(13,178)	(11,031)	(13,159)	(10,991)
GST Remitted to ATO		(10,242)	(11,736)	(10,261)	(11,775)
Net cash provided by / (used in) Operating Activities	26	17,419	1,813	16,953	1,440
Cash flows from Investing Activities					
Inflows:					
Sale of Property, Plant and Equipment		-	736	-	21
Repayment by Related Party		1,255	-	1,255	-
Outflows:					
Purchase of Property, Plant and Equipment		(8,105)	(2,238)	(8,105)	(2,086)
Repayment to Related Party		(275)	(3,937)	(275)	(3,937)
Net cash provided by / (used in) Investing Activities		(7,125)	(5,439)	(7,125)	(6,002)
Cash flows from Financing Activities					
Inflows:					
Proceeds from Borrowings		-	2,705	-	2,705
Outflows:					
Repayment of Borrowings		(43)	(543)	(42)	(543)
Net cash provided by / (used in) Financing Activities		(43)	2,162	(42)	2,162
Net increase/(decrease) in Cash and Cash equivalents		10,251	(1,464)	9,786	(2,400)
Cash and Cash Equivalents at the beginning of the Financial Year		27,792	29,256	25,435	27,835
Cash and Cash Equivalents at the end of the Financial Year	12	38,043	27,792	35,221	25,435

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

Notes to and forming part of the Financial Statements

Note Title	Page
1. Basis of Financial Statement Preparation	49
2. Wagering Revenue	52
3. Grants and Contributions	53
4. Other Revenue	55
5. Prize money and Breeders Bonus Payments	55
6. Jockeys and Drivers (excluding Prize money)	55
7. Club Related Expenses	56
8. Contribution to the Integrity Function	56
9. Supplies and Services	56
10. Employee Expenses	57
11. Other Expenses	58
12. Cash and Cash Equivalents	58
13. Trade Debtors	59
14. Loans Receivable and Loans Payable	60
15. Other Current Assets	61
16. Other Financial Assets	62
17. Property, Plant and Equipment	62
18. Fair Value Hierarchy	65
19. Right-of-Use Assets and Lease Liabilities	66
20. Trade and Other Payables	67
21. Provisions	67
22. Other Current Liabilities	68
23. Employee Benefits	68
24. Asset Revaluation Surplus	69
25. Non-Controlling Interests	70
26. Notes to the Statement of Cash Flows	71
27. Related Parties	71
28. Key Management Personnel	73
29. Parent Entity Information	76
30. Contingencies	76
31. Financial Instruments	76
32. Going Concern	77
33. Significant Financial Impacts from Covid-19 Pandemic	77
34. Other Information	77
35. Events Occurring After Balance Date	78

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

1. Basis of Financial Statement Preparation

(a) Objectives and Principle Activities of Racing Queensland Board trading as Racing Queensland (RQ)

RQ is a statutory body responsible for all three Codes of Racing (Thoroughbred, Harness, and Greyhound) in Queensland established under the *Racing Act 2002*. The Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs is responsible for this statutory body.

(b) Statement of Compliance

These general-purpose financial statements are prepared on a going concern basis.

RQ is a not-for-profit entity and has prepared these financial statements in compliance with *Financial Accountability Act 2009* and section 39 of the *Financial Performance Management Standard 2019*. These financial statements comply with Queensland Treasury's Financial Reporting Requirements for reporting periods beginning on or after 1 July 2019. The financial statements have been prepared on an accrual basis, with the exception of the Statement of Cash Flows which are prepared on a cash basis in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and interpretations applicable for not-for-profit entities.

The historical cost convention is used unless otherwise stated.

(c) The Reporting Entity and Controlled Entities

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising of RQ and the entity it controls. All transactions and balances internal to RQ have been eliminated in full. These financial statements are audited annually by the Queensland Audit Office (QAO).

RQ controls another entity which means that RQ has the power to control financial and operating policies so as to obtain benefits from its activities.

The Parent entity financial statements (titled "Parent") include all income, expenses, assets, liabilities and equity of the statutory body only.

The purpose and principal activities of the controlled entities is to own the land and racing infrastructure at the relevant race clubs. The controlled entities have a June financial year end. A summary of the financial information for these entities is included at Note 25.

Directly Controlled Entities:	2020 (%)	2019 (%)
Sunshine Coast Racing Pty Ltd as trustee for the Sunshine Coast Racing Unit Trust	84.6	84.6
Rockhampton Racing Pty Ltd	-	63.8

Rockhampton Racing Pty Ltd was deregistered on 21 August 2019 with no transactions being recorded in the financial year 2019-20.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

1. Basis of Financial Statement Preparation (continued)

(d) Presentation

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements, except for the following:

- Due to the implementation of AASB 15 *Revenue from Contracts with Customers* in the financial year 2019-20, the previously disclosed Accrued Revenue is now classified as a Contract Asset and disclosed at Note 15. Prior year comparatives have been moved from Note 13 Trade Debtors to Note 15 Other Current Assets.
- Prior year comparatives for the fair value classification of Land was corrected as per Note 18 Fair Value Hierarchy.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or RQ does not have an unconditional right to defer settlement beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(e) New and Revised Accounting Standards

Changes in Accounting Policy

RQ did not voluntarily change any of its accounting policies during 2019-20.

Early Adoption of Accounting Standards and Interpretations

No accounting pronouncements were adopted early in the 2019-20 financial year.

First Time Mandatory Application of Accounting Standards and Interpretations

AASB 16 Leases

This standard is applicable to RQ's financial statements for this financial year 2019-20. AASB 16 will require the recognition of all leases on the Statement of Financial Position. RQ has four vehicles (expiring May 2021) and a letter folding machine (expiring January 2025) under operating leases. Lease payments are allocated between the principal component of the lease liability and the interest expense. The principal portion of the lease liability cash flow will be classified within financing activities. The payment that reflects interest will continue to be presented as operating cash flows.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

1. Basis of Financial Statement Preparation (continued)

(e) New and Revised Accounting Standards (continued)

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These standards are applicable to RQ's financial statements for this financial year 2019-20. RQ has reviewed the impact of AASB 15 and AASB 1058 and identified the following material revenue streams impacted from the adoption the new standards:

Material Revenue Streams	Impact
QTAB Product Fee, QTAB Sport Retail, Less Race Field Fees Deduction and QTAB POC Tax Deduction (Note 2)	This revenue is recognised in the period that the related wagering activity occurs. No change in the accounting treatment from the financial year 2019-20. Refer to Note 2 for the disclosure.
QTAB Fixed Fee (Note 2)	This revenue is recognised on receipt under AASB 1058. There is no impact on the timing of recognition due to change in the accounting standards in 2019-20. Refer to Note 2 for the disclosure.
Race Field Fees Revenue (Note 2, Note 15)	This revenue is recognised under AASB 15 per Racing Queensland's conditions authorising wagering operators to utilise Queensland Race Information provided by Racing Queensland. At 30 June 2020, a contract asset is recognised for amounts related to financial year 2019-20 that are received after 30 June 2020. Refer to Note 2 for the revenue disclosure and Note 15 for the contract asset disclosure.
QTAB Minimum Payment Obligation (QTAB MPO Top Up) (Note 2, Note 15)	This revenue is recognised under AASB 15. The amount of the revenue is estimated monthly using the monthly result of the QTAB's Program and Product Fee (comprising of Product Fee, Fixed Fee, Sport Retail and Race Field Fees Deductions). At 30 June 2020, a contract asset is recognised for the portion of the QTAB MPO Top Up payment due in January 2021 that relates to financial year 2019-20. Refer to Note 2 for the revenue disclosure and Note 15 for the contract asset disclosure.
POC Tax Compensation (Note 3, Note 22)	This government compensation offsets the POCT deduction QTAB makes to the monthly product fee payable to RQ. RQ will recognise the revenue on a monthly basis as the performance obligation is satisfied. At 30 June 2020, a contract liability is recognised for the overpayment of POC tax compensation which will be offset against future compensation payments. Refer to Note 3 for the grant disclosure and Note 22 for the contract liability disclosure.
Industry Viability Program (Note 3)	This revenue is recognised on receipt under AASB 1058. There is no impact on the timing of recognition due to change in the accounting standards in the financial year 2019-20. Refer to Note 3 for the disclosure.
Country Racing Program (Note 3)	<p>The funding comprises of \$15 million per annum to support country racing in order to maintain country racing product at the same level as the financial year 2016-17 and \$2.6 million per annum for Country Racing club infrastructure repairs and maintenance and asset replenishment. This revenue is recognised on receipt under AASB 1058. Refer to Note 3 for the disclosure.</p> <p>In relation to the Country Racing club infrastructure component of the grant, transitional policies adopted are as follows:</p> <ul style="list-style-type: none"> - RQ applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i>, and related interpretations. The net impact is recognised as an adjustment to opening accumulated deficit in the Statement of Changes and Equity for the Consolidated Group and the Parent.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

1. Basis of Financial Statement Preparation (continued)

(f) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following notes:

- Note 2 – Wagering Revenue and Note 15 – Other Current Assets (QTAB MPO Top Up);
- Note 17 – Property, Plant and Equipment (valuation and estimation of useful lives);
- Note 21 – Provisions;
- Note 23 – Employee Benefits.

(g) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chief Executive Officer and the Chairperson at the date of signing the Certificate of Racing Queensland Board.

2. Wagering Revenue

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
QTAB Product Fee	108,126	121,151	108,126	121,151
QTAB Fixed Fee	16,014	15,801	16,014	15,801
QTAB MPO Top Up	22,012	15,629	22,012	15,629
QTAB Sport Retail	188	246	188	246
Race Field Fees Revenue	108,610	81,712	108,610	81,712
Gross Wagering Revenue	254,950	234,539	254,950	234,539
Race Field Fees Deduction	(32,833)	(36,830)	(32,833)	(36,830)
QTAB POC Tax Deduction	(34,914)	(28,765)	(34,914)	(28,765)
Queensland Product Rebate	(5,163)	-	(5,163)	-
Total	182,040	168,944	182,040	168,944

Accounting Policy

Wagering revenue is recognised when the revenue is earned and can be measured with a sufficient degree of certainty.

The product fee and sport retail revenue is recognised in the period that the related wagering activity occurs

The fixed fee revenue is recognised on receipt as the terms of the agreement are not sufficiently specific.

Should QTAB not meet specific revenue targets during calendar years 2018, 2019 and 2020, RQ will perform a true up in December to calculate the “top up” which is payable each January. A portion of the estimated “top up” revenue is recognised every month.

The race field fees revenue is reciprocal in nature and received on a monthly basis from the authorised wagering service providers and bookmakers.

During the financial year 2017-18, Tabcorp Holdings merged with the Tatts Group and UBET QLD (now referred to as “QTAB”) became a subsidiary of Tabcorp. RQ and Tabcorp entered into a Deed of Understanding to consent to the scheme of arrangement and to continue with the previous Tatts Group Queensland Product and Program Deed.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

2. Wagering Revenue (continued)

Under this Deed, Tabcorp also committed to providing greater funding certainty in the form of minimum payment or 'Top Up', for RQ in relation to the fees that QTAB will deliver for the period from 1 January 2018 to 31 December 2020, post the merger.

Deductions

Deductions are comprised of overseas and inter-state race field fees incurred by QTAB (previously UBET QLD Ltd) in generating their wagering revenue and Point of Consumption (POC) Tax deductions made by QTAB on its wagering revenue from betting transactions with customers in Queensland, as a result of the introduction of the Betting Tax Act (2018).

The Queensland race information conditions effective 1 July 2019 provide a cap on race field fees for Authorised Operators whom have paid race field fees which exceed 2.5% of the Operator's total assessable turnover. The Queensland Product rebate contains two rebates. One rebate is the wagering promotion incentive rebate that is a program designed to incentivise operators to promote and grow wagering on Queensland product above operator specific and industry wide benchmarks. The second rebate is any excess race field fees to be credited to the Authorised Operator's account upon receipt of a Rebate notice within 45 business days after end of the current financial year.

Additional Disclosures

The QTAB MPO Top Up comprises amounts related to the second half of calendar year 2019 and the first half of calendar year 2020. The minimum performance obligation has increased from calendar year 2019 to calendar year 2020.

It is predicted that a 'Top Up' amount will be payable to RQ for the 2020 calendar year. The estimated 'Top Up' for the first six months of the 2020 calendar year is included in Note 15. We note that QTAB's business is subject to seasonal fluctuations and this number does not reflect the seasonality of the wagering business or potential improvements in performance in the second half of the year which may impact the actual payment. Any potential COVID related impact on QTAB's MPO Top Up owed to RQ for the calendar year 2020 is not currently able to be determined.

A POC Tax on the wagering revenue of betting operators arising from betting transactions with customers residing in Queensland was introduced by the State Government from 1 October 2018. Under the terms of the Queensland Product and Program Deed, RQ and QTAB are required to amend the Product Fee payable to RQ by an amount proportionate to the increase in the tax rate. The amount of POC Tax deducted by QTAB is the subject of dispute (refer to Note 30).

The State Government committed to compensation payments to RQ for impacts from the implementation of the POC Tax. The State Government's POC Tax Compensation (disclosed in Note 3) offsets the impact of the QTAB deduction.

3. Grants and Contributions

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
POC Tax Compensation	34,914	28,765	34,914	28,765
Industry Viability Program	30,370	17,630	30,370	17,630
Country Racing Program	17,600	15,239	17,600	15,239
Training Track Subsidy Scheme	2,004	2,000	2,004	2,000
Greater Brisbane Greyhound Centre	7,169	-	7,169	-
Other	1,013	150	1,013	146
Loan Write Off	-	17,800	-	17,800
	93,070	81,584	93,070	81,580

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

3. Grants and Contributions (continued)

Accounting Policy

POC Tax Compensation

This offsets QTAB's POC Tax deduction at Note 2. DLGRMA pay a fixed compensation each month based on an estimated full year deduction. Any variance between the actual QTAB deductions and DLGRMA payments is addressed in the calculation of the estimated full year compensation for the following financial year. The financial year 2019-20 true up resulted in an overpayment of \$1.4 million which is recognised as a contract liability in Note 22.

Industry Viability Program

This contribution is the Queensland Government's initiative to support the ongoing viability of the three Codes of Racing. This grant is recognised on receipt from DLGRMA at the beginning of each quarter. For 2018-19, the viability funding was provided in two "tranches" becoming effective from November 2018 (thoroughbreds' tranche 1), December 2018 (harness and greyhounds' tranche 1) and June 2019 (all codes tranche 2). The full funding received during the full financial year 2019-20 was \$30.4 million.

Country Racing Program

Following the merger of the previous Country Racing Support Program into the new Country Racing Program, the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs has approved a total of \$70.4 million to RQ over four years towards Country Racing, commencing in the 2017-18 financial year. The funding is provided to RQ to maintain non-TAB racing in Queensland at around the level delivered in 2016-17, through annual funding of \$17.6 million.

The funding comprises of \$15 million per annum to support Country Racing prize money (including the Queensland Thoroughbred Incentive Scheme), clubs, jockey riding fees, superannuation, WorkCover expenses, club meeting payments and RQ administration costs. If the required services are not provided according to the funding arrangements by the end of the financial year, the funding not spent should be returned to the State.

The remaining \$2.6 million per annum is for Country Racing club infrastructure repairs and maintenance and asset replenishment. This grant is recognised on receipt at the beginning of each financial year over the term of the funding arrangement. Where the full \$2.6 million is not spent within one year, it can be added to the following years' infrastructure component. Infrastructure funding not spent at the conclusion of the Term should be returned to the State.

Training Track Subsidy Scheme

This scheme is an initiative of the Queensland Government to provide a subsidy to assist thoroughbred race clubs licensed by RQ to offset the costs of maintaining thoroughbred racing training facilities. The Subsidy is recognised on receipt from DLGRMA and comprises of a threshold component (\$1.2 million) and the incentive component (\$0.8 million).

Greater Brisbane Greyhound Centre

During the financial year, Racing Queensland recognised \$7.2m of grant revenue related to the reimbursement of costs associated with the Greater Brisbane Greyhound Centre.

Loan Write Off

In the financial year 2018-19, the one-off contribution was reflective of Queensland Treasury waiving 50% of the \$35.7 million debt. The remainder of the debt is non-interest bearing and not repayable until it is commercially viable for RQ to do so as disclosed in Note 14.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
4. Other Revenue				
Sponsorship and Marketing Income	1,548	2,480	1,548	2,480
Interest Income	492	1,032	468	995
Miscellaneous Income	1,629	14,386	1,435	14,200
Total	3,669	17,898	3,451	17,675

Accounting Policy

Other revenue is recognised when the revenue is earned and can be measured with a sufficient degree of certainty.

Additional Disclosures

Miscellaneous income contains legal settlements totalling \$13 million for the 2018-19 financial year.

5. Prize money and Breeders Bonus Payments

Prize money - RQ Funded	151,835	147,781	151,835	147,781
Prize money - Third Party Sponsored	5,910	6,528	5,910	6,528
Breeders Bonus	14,315	11,438	14,315	11,438
Total	172,060	165,747	172,060	165,747

Accounting Policy

Prize money payments include third party contributions of sponsored prize money. A corresponding amount is shown as Prize money Sponsored Income on the Statement of Comprehensive Income.

6. Jockeys and Drivers (excluding Prize money)

Jockey Fees	11,622	11,052	11,622	11,052
Drivers Fees	1,348	1,217	1,348	1,217
Industry Insurance Expenses	5,430	4,922	5,430	4,922
Total	18,400	17,191	18,400	17,191

Accounting Policy

Jockey and driver fees contain riding fees paid to thoroughbred jockeys and harness drivers, jockey welfare and insurance.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
7. Club Related Expenses				
Club Meeting Payments	24,846	16,674	24,846	16,674
Club Related Capital Works Expense	5,434	3,095	5,221	3,095
Sky Broadcasting Subsidies	1,022	1,440	1,022	1,440
Club Barrier Trial Subsidy	287	245	287	245
Industry Insurance Expenses	618	506	618	506
Total	32,207	21,960	31,994	21,960

Accounting Policy

Club meeting payments comprise of contributions to racing clubs to hold racing meetings, for club related capital expenditure and insurance.

Additional Disclosure

During the financial year 2019-20, the racing clubs were provided additional financial support via club meeting payments as a result of the Covid-19 pandemic (refer to Note 33 for details).

8. Contribution to the Integrity Function

Contribution to the Integrity Function	16,048	15,597	16,048	15,597
Total	16,048	15,597	16,048	15,597

Accounting Policy

The Department of Agriculture and Fisheries (DAF) charges RQ a contribution towards the functions performed by the Queensland Racing Integrity Commission (QRIC). The functions of QRIC include licencing and registration of participants (not clubs), stewarding and animal welfare.

9. Supplies and Services

Administration	5,011	7,315	4,999	7,311
Venue Expenses	2,560	2,197	2,407	1,962
Race Day Expenses	2,441	2,286	2,441	2,286
Industry Insurance Expenses	827	518	827	518
QAO – external audit fees for the audit of the financial statements	202	150	202	145
Other Expenses	1,754	1,814	1,751	1,811
Total	12,795	14,280	12,627	14,033

Total external audit fees quoted in the Queensland Audit Office (QAO) External Audit Plan for the financial year 2019-20 was \$160,000 for the Consolidated Group (2019: \$150,000).

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
10. Employee Expenses				
Employee Benefits				
Wages and Salaries	9,169	8,488	9,169	8,488
Superannuation	957	885	957	885
Annual Leave	842	802	842	802
Long Service Leave	65	54	65	54
Employee Related Expenses				
Payroll Tax	560	525	560	525
WorkCover Insurance	77	138	77	138
Other Employee Related Expenses	583	777	583	777
Total	12,253	11,669	12,253	11,669

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2020	2019
Number of Full Time Equivalents	85	85

Accounting Policy

Wages and salaries, annual leave, long service leave, and employer superannuation contributions are regarded as employee benefits. Worker's compensation insurance and payroll tax are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates. As RQ expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the accrued entitlement. This is expected to continue in future periods. As it is unlikely that existing accumulated entitlements will be used by employees, no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, the expense is recognised as it is taken.

Superannuation

RQ contributes to various accumulating Employee Superannuation Funds. Contributions are expensed in the period they are paid or payable. RQ's liability is limited to its contribution to these Funds.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
11. Other Expenses				
Marketing Expenditure	2,611	3,050	2,611	3,050
Infrastructure Expense	220	468	220	468
Special Payments	128	79	128	79
Interest Expense	12	-	12	-
Other	820	1,024	816	1,024
Total	3,791	4,621	3,787	4,621

Additional Disclosures

Special Payments

Special payments include expenses that RQ is not contractually or legally obliged to make to other parties.

In the financial year 2019-20, RQ made 3 special payments totalling \$128,409 and included the following payments over \$5,000:

- 2 ex-gratia payments to 2 employees on termination, and
- 1 general damages payment to an employee on separation.

In the financial year 2018-19, RQ made 4 special payments totalling \$78,607 and included the following payments over \$5,000:

- 4 ex-gratia payments to employees on termination.

Capital Gains Tax Event

A capital gains tax event of \$575,000 has arisen in relation to the transfer of assets to Rockhampton Jockey Club from the previously registered entity, Rockhampton Racing Pty Ltd. This amount is included within Other within this Note.

12. Cash and Cash Equivalents

Cash at Bank and On Hand	38,043	26,292	35,221	25,435
Short Term Deposits*	-	1,500	-	-
Total	38,043	27,792	35,221	25,435

The cash balances above include funding provided for country racing infrastructure, infrastructure projects funded through the racing infrastructure fund, and training track payments and not for the operational cash flow. The balance for the consolidated entity at 30 June 2020 was \$6,245,774 (2019: \$5,952,651). Unutilised funds on the projects will be returned to the Government.

* Consolidated short term deposits includes the NAB short term deposit in the Sunshine Coast Racing Unit Trust (2020: \$0; 2019: \$1,500,000).

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
13. Trade Debtors				
Current				
Trade Debtors	13,758	22,007	13,758	22,007
Less: Loss Allowance	(281)	(487)	(281)	(487)
	<u>13,477</u>	<u>21,520</u>	<u>13,477</u>	<u>21,520</u>
Sundry Receivables	1,682	748	1,580	464
Accrued Interest	13	75	12	73
Total	<u>15,172</u>	<u>22,343*</u>	<u>15,069</u>	<u>22,057*</u>

* Prior year comparatives have been adjusted in accordance with Note 1(d).

Accounting Policy
Trade Debtors

Trade Debtors represent amounts owed to RQ at the end of the reporting period and recognised at the nominal amounts due at the time of sale or service delivery. Settlement is generally required within 30 days from the invoice date, except for racing participants where settlement is 60 days from the invoice date and wagering operators where settlement is required 10 business days from the invoice date in accordance with the General Conditions for the use of Queensland Race Information.

Impairment of Trade Debtors

The loss allowance for trade debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact RQ's debtors.

Where RQ has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 121 days past due and RQ has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. All known bad debts were written off as at the last date of the financial year.

	2020 Gross receivables \$'000	2020 Loss Rate	2020 Expected credit losses \$'000	2019 Gross receivables \$'000	2019 Loss Rate	2019 Expected credit losses \$'000
Aging						
Current to 30 days	8,260	-	-	18,826	-	-
31 to 60 days overdue	346	-	-	291	-	-
61 to 90 days overdue	66	-	-	1,577	-	-
91 to 120 days overdue	3,815	-	-	524	-	-
121+ days overdue	1,271	22%	(281)	789	62%	(487)
Total	<u>13,758</u>		<u>(281)</u>	<u>22,007</u>		<u>(487)</u>

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

13. Trade Debtors (continued)

Disclosure – Movement in loss allowance for trade debtors

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
Loss allowance as at 1 July	(487)	(380)	(487)	(380)
(Increase)/decrease in allowance recognised in operating result	206	(107)	206	(107)
Loss allowance as at 30 June	(281)	(487)	(281)	(487)

There has been a decrease in gross trade receivables at 30 June 2020 compared to 30 June 2019 primarily because of a proactive debt collection process which is evident through the reduction of the recognition of the loss allowance as at 30 June 2020 of \$205,503 (2019: \$107,066 increase).

Additional Disclosures

The QTAB MPO Top Up payment is in dispute (refer to Note 30). RQ claims that the 2018 calendar year amount was underpaid by \$11.1 million and 2019 calendar year underpaid by \$38.0 million. These figures are not included in the Trade Debtors table above.

Credit Risk Exposure of Receivables

The maximum exposure to credit risk at the balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by RQ.

Corporate wagering providers must keep their payables current as per the General Conditions for the use of Queensland Race Information.

14. Loans Receivable and Loans Payable

Loans Receivable

Current

BRC - Infield Project	1,930	500	1,930	500
Racing Infrastructure Fund	5,157	5,405	5,157	5,405
Total	7,087	5,905	7,087	5,905

Non-Current

BRC - Infield Project	10,403	11,000	10,403	11,000
Total	10,403	11,000	10,403	11,000

Loans Payable

Current

Queensland Treasury - Infield Project	1,930	500	1,930	500
Total	1,930	500	1,930	500

Non-Current

Queensland Treasury – RQ	17,864	17,864	17,864	17,864
Queensland Treasury - Infield Project	10,403	11,000	10,403	11,000
Total	28,267	28,864	28,267	28,864

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

14. Loans Receivable and Loans Payable (continued)

Accounting Policy – Loans Receivable

Loans receivable are measured at amortised cost which approximates their fair value at reporting date. They are split between current and non-current assets using the principles set out in Note 1 (d). Loans Receivable for the Racing Infrastructure Fund refers to costs incurred by RQ but not yet reimbursed from the Infrastructure Fund.

Accounting Policy – Loans Payables

Loans payable are initially recognised at fair value, plus any transaction costs directly attributable to the loan payable. They are split between current and non-current liabilities as per the principles in Note 1(d). Any borrowing costs are added to the carrying amount of the loan payable to the extent they are not settled in the period in which they arise. RQ does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

Additional Disclosures

Loan Receivable & Loan Payable - Brisbane Racing Club (BRC) Infield Project

The redevelopment of the Eagle Farm racecourse was funded by a loan from the Racing Infrastructure Fund. The loan commenced 1 July 2015 with a repayment term of 11 years with interest at 3.603% per annum. Loan repayments commenced 1 July 2017. There are two separate funding deeds for this project with a loan receivable from BRC to RQ and a loan payable from RQ to Queensland Treasury (via DLGRMA). RQ will pay an amount equivalent to the repayment amount from BRC to the Department upon receipt. Under a deed variation entered into during the 2018-19 financial year, the BRC's scheduled principal and interest repayments were deferred for that financial year.

Loan Receivable - Racing Infrastructure Fund

DLGRMA provides funding to RQ to administer infrastructure projects to support racing in the State.

Loan Payable - Queensland Treasury

The State of Queensland has provided loans to enable RQ to meet its obligations. The loan terms currently do not attract interest and there is no recourse to make repayments until RQ is able to do so. During the financial year 2018-19, Queensland Treasury granted \$17.8 million as a loan write off to RQ. This is disclosed as Grant Income in Note 3.

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
15. Other Current Assets				
Contract Assets	23,444	11,324*	23,408	11,324*
Prepayments	871	686	871	686
Total	24,315	12,010	24,279	12,010

* Prior year comparatives have been adjusted in accordance with Note 1(d).

Accounting Policy

Contract assets arise from contracts with customers, and are transferred to receivables when RQ's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

Additional Disclosures

Contract assets include an estimated QTAB MPO Top Up of \$11.1 million for the 2020 calendar year to date (2019: \$9.7 million for first six months of the 2019 calendar year). Refer to Note 2 Wagering Revenue for more details.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
16. Other Financial Assets				
Investments in Subsidiaries				
Sunshine Coast Racing Unit Trust	-	-	21,444	20,886
	-	-	21,444	20,886
Unlisted securities				
Equity in Racing Australia Ltd	6,412	5,650	6,412	5,650
Equity in Racing Information Services Enterprise	270	-	270	-
Total	6,682	5,650	28,126	26,536

Accounting Policy

Investments in subsidiaries are accounted for using the carrying amount. These entities are consolidated into RQ's financial statements. Refer to Note 1 (c) for RQ's controlling share percentage.

The investment in Racing Australia Ltd is accounted for at fair value through other comprehensive income, RQ has an 18% share.

The investment in Racing Information Services Enterprise was entered on 6 February 2020 and is accounted for at fair value through other comprehensive income, RQ has a 16% share. Racing Information Services Enterprise developed the national harness racing system used to administer nominations and race results.

17. Property, Plant and Equipment

Land - At Fair Value	57,669	45,953	51,739	41,215
Buildings, Tracks & Improvements - At Fair Value	90,580	88,394	34,824	35,492
Accumulated depreciation	(28,388)	(23,151)	(10,961)	(7,817)
	62,192	65,243	23,863	27,675
Plant and Equipment - At Cost	3,904	4,056	3,535	3,688
Accumulated depreciation	(2,452)	(2,254)	(2,277)	(2,142)
	1,452	1,802	1,258	1,546
Work In Progress – At Cost	418	149	417	148
Total	121,731	113,147	77,277	70,584

Accounting Policy

Items of property, plant and equipment with a cost value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Buildings, Tracks & Improvements	\$2,000
Plant and Equipment	\$2,000

Items with a lesser value are expensed in the year of acquisition.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

17. Property, Plant and Equipment (continued)

Accounting Policy (continued)

Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, all other costs incurred in getting assets ready for use, such as, architects' fees and engineering design fees. Any training costs are expensed as incurred. The cost of items acquired during the financial year has been judged by RQ to materially represent their fair value at the end of the reporting period.

Revaluations of Non-Current Physical Assets

Land, Buildings, Tracks and Improvements are measured at fair value and revalued every 3-5 years by an independent professional valuer. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

Land

Effective date of last specific appraisal

30 June 2020 by Australis Asset Advisory Group

Valuation approach

Market-based assessment

Inputs

Standard valuation principles dictate that a Market Approach method (generally direct comparison) is a suitable primary methodology when assessing land, taking into account any adjustment factors that may apply, which include the restrictions on the land parcels.

Subsequent valuation activity

In the years that a comprehensive valuation is not completed, Australis will provide relevant indices for management to reassess fair values at year end.

Buildings, Tracks and Improvements

Effective date of last specific appraisal

30 June 2020 by Australis Asset Advisory Group

Valuation approach

Current replacement cost (due to no active market for such facilities)

Inputs

Internal records of the original cost of the asset are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the asset, given local climatic and environmental conditions, projected usage and records of the assets current condition.

Subsequent valuation activity

In the years that a comprehensive valuation is not completed, Australis will provide relevant indices for management to reassess fair values at year end.

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation is provided on a straight-line basis on all Buildings, Tracks and Improvements, and Plant and Equipment, over the estimated useful life of the assets. The assets' residual values, conditions and useful lives are reviewed, and adjusted if appropriate, at each reporting date based on assessments performed by internal asset managers.

Depreciation rates used for the different classes of assets are as follows:

Buildings, Tracks & Improvements	Range 1% - 50%
Plant and Equipment	Range 3% - 50%

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

17. Property, Plant and Equipment (continued)

Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value since that last valuation was completed. Where indicators of a significant change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date. If an indicator of impairment exists, RQ determines the assets recoverable amount, which is the higher of the fair value less costs of disposal and the assets value.

Reconciliation of Property, Plant and Equipment

	Land \$'000	Buildings, Tracks and Improvements \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
Consolidated					
Fair Value Hierarchy Level	Level 3*	Level 3*			
Carrying amount at 1 July 2018	47,385	80,018	1,738	6,562	135,703
Additions	-	115	107	2,238	2,460
Disposals	(1,432)	(13,076)	(47)	-	(14,555)
Write Off to Expenses	-	-	-	(3,756)	(3,756)
Net Revaluation Increment/(Decrement)	-	3,654	-	-	3,654
Transfers	-	582	490	(1,072)	-
Transfers to Loan Receivable**	-	-	-	(3,823)	(3,823)
Depreciation	-	(6,050)	(486)	-	(6,536)
Carrying amount at 30 June 2019	45,953	65,243	1,802	149	113,147
Carrying amount at 1 July 2019	45,953	65,243	1,802	149	113,147
Additions	7,169	251	-	684	8,104
Disposals	-	(14)	(93)	-	(107)
Write Off to Expenses	-	-	-	(40)	(40)
Net Revaluation Increment/(Decrement)	4,547	2,025	-	-	6,572
Transfers	-	273	102	(375)	-
Depreciation	-	(5,586)	(359)	-	(5,945)
Carrying amount at 30 June 2020	57,669	62,192	1,452	418	121,731
Parent					
Fair Value Hierarchy Level	Level 3*	Level 3*			
Carrying amount at 1 July 2018	41,215	28,795	1,608	6,251	77,869
Additions	-	115	107	2,086	2,308
Disposals	-	(31)	(47)	-	(78)
Write off to Expenses	-	-	-	(3,756)	(3,756)
Net revaluation Increment/(Decrement)	-	1,660	-	-	1,660
Transfers	-	272	338	(610)	-
Transfers to Loan Receivable**	-	-	-	(3,823)	(3,823)
Depreciation	-	(3,136)	(460)	-	(3,596)
Carrying amount at 30 June 2019	41,215	27,675	1,546	148	70,584
Carrying amount at 1 July 2019	41,215	27,675	1,546	148	70,584
Additions	7,169	251	-	684	8,104
Disposals	-	(14)	(93)	-	(107)
Write off to Expenses	-	-	-	(40)	(40)
Net revaluation Increment/(Decrement)	3,355	(1,145)	-	-	2,210
Transfers	-	274	101	(375)	-
Depreciation	-	(3,178)	(296)	-	(3,474)
Carrying amount at 30 June 2020	51,739	23,863	1,258	417	77,277

* Refer to Note 18 for Fair Value Hierarchy for more information. Please note the fair value of majority of Land, Buildings, Tracks and Improvements are determined to be Level 3.

** These works related to infrastructure projects to support racing in the State that were approved to be funded under the Racing Infrastructure Fund by DLGRMA.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020
18. Fair Value Hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs to fair valuation techniques:

- Level 1 represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 represents fair value measurements that are substantially derived from unobservable inputs.

According to the above hierarchy, the fair values of each class of financial assets and liabilities carried at fair value are as follows:

Consolidated	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2019			
Other Financial Assets - Equity securities	5,650	-	5,650
Land	4,813*	41,140*	45,953
Buildings, Tracks and Improvements	1,151	64,092	65,243
Total	11,614	105,232	116,846
At 30 June 2020			
Other Financial Assets - Equity Securities	6,682	-	6,682
Land	40	57,629	57,669
Buildings, Tracks & Improvements	225	61,967	62,192
Total	6,947	119,597	126,544
Parent			
At 30 June 2019			
Other Financial Assets - Equity securities	5,650	-	5,650
Land	75*	41,140*	41,215
Buildings, Tracks & Improvements	160	27,515	27,675
Total	5,885	68,655	74,540
At 30 June 2020			
Other Financial Assets - Equity Securities	6,682	-	6,682
Land	40	51,699	51,739
Buildings, Tracks & Improvements	225	23,638	23,863
Total	6,947	75,337	82,284

* Prior year comparatives have been adjusted in accordance with Note 1(d).

Due to the updated valuation performed by the external valuer during the financial year 2019-20, there were transfers from Level 2 to Level 3 for Land, Buildings, Tracks and Improvements.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
19. Right-of-Use Assets and Lease Liabilities				
Right-of-Use Assets				
Leased Assets - At Cost	99	-	99	-
Accumulated Depreciation	(46)	-	(46)	-
Total	53	-	53	-
Lease Liabilities				
Lease Liability – Current	46	-	46	-
Lease Liability – Non-Current	11	-	11	-
Total	57	-	57	-

Accounting Policy

RQ measures all right-of use assets at cost subsequent to initial recognition and has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$5,000 when new.

The lease liability contains the present value of the remaining lease payments to be made over the lease term of the leased motor vehicles and letter folding machine. RQ uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of RQ's leases. To determine the incremental borrowing rate, the department uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Details of Leasing Arrangements as Lessee

RQ enters leases for plant and equipment including motor vehicles, IT equipment and machinery. Some of these leases are short-term leases or leases of low value assets. Lease terms for plant and equipment leases that are recognised on balance sheet can range from 1 to 5 years.

2018-19 Disclosure Under AASB 117

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	Consolidated 2019 \$'000	Parent 2019 \$'000
Payable Within 1 Year	61	61
Payable 1 – 5 Years	47	47
Total	108	108

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
20. Trade and Other Payables				
Trade Payables	17,638	12,556	18,146	12,895
GST Payable	434	209	435	209
Other Payables	1,051	1,154	1,051	1,154
ATO Jockey Superannuation	950	950	950	950
Total	20,073	14,869	20,582	15,208

Accounting Policy

Trade Payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, net of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30-day terms.

Additional Disclosures

Refer to Note 21 for more information on the ATO Jockey Superannuation.

21. Provisions
Current

Provision for Jockey Superannuation	4,001	4,001	4,001	4,001
Provision for Settlement	-	2,000	-	2,000
Provision for QTISx	73	-	73	-
Total	4,074	6,001	4,074	6,001

Accounting Policy

Provisions are recorded when RQ has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected to be paid in a future period.

Additional Disclosures
Provision for Jockey Superannuation

In March 2015, the ATO issued RQ with default assessments with respect to superannuation contributions payable for certain jockeys for the period 1 July 2009 - 30 September 2014. During the financial year 2018-19, the Federal Court found that the default assessments were not payable by RQ. The ATO successfully appealed this judgement, with the case still pending further legal review. Notwithstanding this, the obligation to pay the default assessment of \$949,696 arose when the default assessment was issued and as such has been included under Note 20 to cover this obligation.

RQ has calculated the full extent of superannuation payable for all remaining jockeys for the period covered by the default assessments and has made a provision for the amount that would be payable to the ATO if default assessments were issued for all jockeys. The amounts disclosed in Notes 19 and 20 were expensed in Jockey Fees in the 2015-16 financial year.

Provision for Settlement

The provision for settlement relates to confidential legal proceedings taken against RQ. During the financial year 2020, all legal proceedings were resolved.

Provision for QTISx

The thoroughbred breeding incentive scheme QTIS was extended from 1 September 2019 to include a QTISx bonus for black-type and feature races conducted in Queensland. Winners of the QTISx bonuses will have the option of "doubling up" their winnings through the redemption of a voucher which can be applied to selected Queensland yearling sales. The provision for QTISx provides for the winners who have claimed a voucher that will be utilised as they make purchases throughout the eligible voucher period.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
22. Other Current Liabilities				
Contract Liabilities	4,570	6,314	4,570	6,314
Other	2,337	3,730	2,337	3,730
Total	6,907	10,044	6,907	10,044

Additional disclosure

The contract liabilities reflects the government funding received in advance for the Greater Brisbane Greyhound Centre project of \$2.6 million, \$1.4 million revenue received in advance for the true up of the POC Tax Compensation from the government (disclosed at Note 3) and QTAB POC Tax Deduction (disclosed at Note 2), and the project feasibility funding of \$0.6 million (2019: \$0.8 million) which RQ uses to develop future business cases for Racing Infrastructure Fund projects.

The prior year contract liabilities balance comprised of three years of unallocated Country Racing Program infrastructure funding \$6.5 million. Refer to Note 1(e) for details of the revenue recognition in 2019-20 financial year and Note 3.

23. Employee Benefits

Current

Annual Leave	894	620	894	620
Long Service Leave	356	351	356	351
Total	1,250	971	1,250	971

Non-Current

Long Service Leave	84	66	84	66
Total	84	66	84	66

Accounting Policy

Annual leave and long service leave liabilities are accounted for as short-term employee benefits if RQ expects to wholly settle such liabilities within the 12 months following the reporting date. Otherwise, annual leave and long service leave liabilities are accounted for as 'other long-term employee benefits' in accordance with AASB 119 and split between current and non-current components. Other long-term employee benefits are presented as current where RQ has no unconditional right to defer payment for at least 12 months after the end of the reporting period.

Entitlements expected to be paid within the 12 months following balance date are recognised at their undiscounted value. For those entitlements not expected to be paid within the 12 months following balance date, the liabilities are recognised at their present value, calculated using yields on Australian Government bond rate at the end of the reporting period.

Long service leave liabilities are estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 8 years of qualifying service, the probability that they will reach the required minimum period of service has been considered in estimating the long service leave liability.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax, and workers' compensation insurance) are also recognised as liabilities where these costs are material.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

24. Asset Revaluation Surplus

	Land	Buildings, Tracks and Improvements	Total
Consolidated	\$'000	\$'000	\$'000
Balance at 1 July 2018	876	32,566	33,442
Revaluation Increments	-	3,347	3,347
Revaluation Decrements	-	-	-
Transfer to Retained Earnings	-	(3,547)	(3,547)
Balance at 30 June 2019	876	32,366	33,242
Balance at 1 July 2019	876	32,366	33,242
Revaluation Increments	4,478	9,964	14,442
Revaluation Decrements	(115)	(8,427)	(8,542)
Transfer to Retained Earnings	-	(211)	(211)
Balance at 30 June 2020	5,239	33,692	38,931
Parent			
Balance at 1 July 2018	455	9,798	10,253
Revaluation Increments	-	1,660	1,660
Revaluation Decrements	-	-	-
Balance at 30 June 2019	455	11,458	11,913
Balance at 1 July 2019	455	11,458	11,913
Revaluation Increments	3,470	4,595	8,065
Revaluation Decrements	(115)	(5,740)	(5,855)
Balance at 30 June 2020	3,810	10,313	14,123

Please refer Note 17 net revaluation increment/(decrement) of property, plant and equipment containing the details of the revaluation movements.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

25. Non-Controlling Interests

Non-controlling interests relate to equity investments held by Sunshine Coast Turf Club Inc. in Sunshine Coast Racing Unit Trust (15.4%) and Rockhampton Jockey Club Inc. in Rockhampton Racing Pty Ltd (36.2%).

In relation to Sunshine Coast Racing Unit Trust, the non-controlling interest is held by way of units in the Unit Trust. It is the opinion of RQ that these units are in the nature of equity and not a financial liability.

A deregistration application for Rockhampton Racing Pty Ltd was submitted during the financial year 2018-19, with formal deregistration taking place on 21 August 2019. Refer to Note 1 (c) for details.

Non-controlling interests are reconciled as follows:

	2020	2019
	\$'000	\$'000
Capital Contributions	7,012	11,394
Operating result from continuing operations	(407)	-
Retained Earnings/(Losses)	3,979	(4,766)
Eliminate Rockhampton Jockey Club capital contribution	(3,940)	-
Asset Revaluation Surplus	633	307
Sinking Fund Reserve	97	76
Total Non-Controlling Interest	7,374	7,012

Summary financial information for the Controlled Entities:

	Sunshine Coast Racing Unit Trust		Rockhampton Racing Pty Ltd	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Total Income	389	927	-	181
Total Expense	4,130	2,608	-	12,365
Operating Result	(3,741)	(1,681)	-	(12,184)
Other Comprehensive Income	-	1,875	-	-
Total Comprehensive Income	(3,741)	194	-	(12,184)
Total Current Assets	3,518	3,036	-	-
Total Non-Current Assets	44,454	42,563	-	-
Total Assets	47,972	45,599	-	-
Total Current Liabilities	220	233	-	-
Total Non-Current Liabilities	2,078	2,251	-	-
Total Liabilities	2,298	2,484	-	-
Net Assets	45,674	43,115	-	-
Net Cash Increase/(Decrease) in Cash over the Reporting Period	465	936	-	-

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

26. Notes to the Statement of Cash Flows

Reconciliation of loss after income tax to net cash provided by Operating Activities

	Consolidated 2020 \$'000	Consolidated 2019 \$'000	Parent 2020 \$'000	Parent 2019 \$'000
Operating Surplus/ (Deficit)	11,531	12,383	14,172	20,314
Non-cash flows in operating activities				
Depreciation Expense	5,991	6,536	3,520	3,596
Net (gain)/loss on sale of Property, Plant and Equipment	107	11,255	107	58
Other	144	(6,345)	(517)	(405)
Adjustment to Opening Retained Earnings*	5,347	-	5,347	-
Changes in assets and liabilities				
(Increase) / Decrease in Trade Receivables	8,249	(11,393)	8,249	(11,407)
(Increase) / Decrease in Sundry Receivables	(963)	(36)	(1,115)	(114)
(Increase) / Decrease in Impairment of Debtors	(206)	107	(206)	107
(Increase) / Decrease in Accrued Revenue	(12,114)	(4,838)	(12,084)	(4,861)
(Increase) / Decrease in Accrued Interest	63	368	59	372
(Increase) / Decrease in GST Receivable	(59)	(384)	(59)	(384)
Increase / (Decrease) in GST Payable	285	(1,245)	285	(1,245)
Increase / (Decrease) in Trade Payables and Accrued Expenses	5,096	(8,371)	5,249	(8,368)
Increase / (Decrease) in Sundry Payables	(103)	44	(103)	44
(Increase) / Decrease in Other Current Assets	(182)	(69)	(182)	(68)
Increase / (Decrease) in Other Current Liabilities	(4,136)	3,674	(4,136)	3,674
Increase / (Decrease) in Provisions	(1,632)	127	(1,632)	127
Net Cash Provided by Operating Activities	17,419	1,813	16,953	1,440

*Adjustment for transitional impact for change in accounting policy (refer to note 1(e)).

27. Related Parties

A related party is one that controls, or is controlled by, or under common control with the entity.

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 28.

(b) Investments in Companies

RQ has a controlling share of Board Directors in the following entity:

- Sunshine Coast Racing Pty Ltd as trustee for the Sunshine Coast Racing Unit Trust (84.6%).
- Rockhampton Racing Pty Ltd (63.8%) (deregistered on 21 August 2019).

(c) Transactions with Related Parties

The Sunshine Coast Turf Club has a non-controlling share in Sunshine Coast Racing. RQ had the following transactions with this racing club:

- The racing club receives a club licence from RQ. The conditions applying to the club licence are not different from those that apply to an unrelated racing club. RQ makes Club Meeting Payments for holding racing meetings, barrier trials and Sky broadcasting subsidies. The club meeting payments received by the Sunshine Coast Turf Club totals \$2.3 million (2019: \$1.7 million).
- RQ administers the Training Track Subsidy Scheme on behalf of the Queensland Government as disclosed at Note 3. The Sunshine Coast Turf Club received \$0.4 million for the incentive and threshold subsidies (2019: \$0.3 million). The terms and conditions of these scheme with this racing club are no different from those that apply to an unrelated racing club.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

27. Related Parties (continued)

(c) Transactions with Related Parties (continued)

The following transactions with other related parties occurred during the 2019-20 financial year:

- RQ's investment in Sunshine Coast Racing was \$21.4 million (2019: \$20.9 million) (refer to Note 16). A sinking fund was established under the Deed of Variation to the Unitholders' Deed between RQ, Sunshine Coast Turf Club, and Sunshine Coast Racing. Each unitholder contributes annually to the sinking fund. RQ's contribution for the 2019-20 financial year was \$0.6 million (2019: \$0.4 million).
- RQ has an 18% share in Racing Australia Ltd of \$6.4 million (2019: \$5.7 million) that is annually assessed and revalued (refer to Note 16). Transactions with Racing Australia during the financial year totalled \$1.3 million (2019: \$1.2 million) for monthly transactional charges for using the Single National System for Thoroughbred race information.
- RQ has a 16% share in Racing Information Services Enterprise of \$0.3 million that was established during the 2019-20 financial year (refer to Note 16). Transactions with Racing Information Services Enterprise during the financial year totalled \$0.2 million (2019: \$0.2 million) for monthly transactions for using the Harvey System for Harness race information and Harness QBRED breeding system update.
- RQ has provided a loan to the Brisbane Racing Club for the Eagle Farm redevelopment. Refer to the BRC Infield Project details in Note 14.
- One member of the RQ Board and one member of the Sunshine Coast Racing Board have interests in racing animals that won an immaterial of prizemoney in the financial year 2019-20.

(d) Transactions with other Queensland Government-controlled entities

RQ has a loan payable to Queensland Treasury of \$17.8 million to assist RQ meet its obligations (as disclosed at Note 14).

RQ has the following transactions with DLGRMA:

- RQ received grants and contributions for the financial year 2019-20 totalling \$95.4 million comprising:

Grant and Contributions	Cash Received 2020 \$'000	Cash Received 2019 \$'000
POC Tax Compensation	35,705	29,333
Industry Viability Program	30,370	17,630
Country Racing Program	17,600	17,600
Training Track Subsidy Scheme	2,000	2,000
Greater Brisbane Greyhound Centre	9,741	-
Feasibility and Planning Works	-	1,500
Total	95,416	68,063

\$93.1 million is recognised as revenue (as shown at Note 3) as the POC Tax Compensation is recognised based on QTAB's recipient created tax invoice (true up performed at year end), industry viability funding, Country Racing funding for prize money and infrastructure are recognised on receipt of the cash funds. In the prior year, the country racing infrastructure funding of \$2.6 million per annum was received for the financial years 2017-18, 2018-19, 2019-20 was recognised as a contract liability (as disclosed at Note 22) and revenue recognised as the funding expended on the infrastructure projects. The treatment of this changed this financial year (refer to Note 1(e) for details). The true up of the POC Tax Compensation resulted in an overpayment of \$1.4 million which is recognised within contract liabilities in Note 22.

- RQ received a loan from the Racing Infrastructure Fund for the redevelopment of the Eagle Farm Race course on behalf of the Brisbane Racing Club. Refer to the BRC Infield Project details in Note 14.
- RQ's receives funding via a grant deed to administer infrastructure projects to support racing in the State. Transactions during the financial year totalled \$14.7 million (2019: \$13.2 million) and had a Racing Infrastructure Fund Loan Receivable as at 30 June 2020 of \$5.2 million (2019: \$5.4 million) (refer to Note 14).

The Department of Agriculture and Fisheries (DAF) charges RQ a contribution towards the functions performed by the Queensland Racing Integrity Commission (QRIC). The functions of the QRIC include licencing and registration of participants (not clubs), stewarding and animal welfare. Refer to details in Note 8.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

28. Key Management Personnel

For the financial year 2019-20, RQ's responsible Minister is identified as Stirling Hinchcliffe - Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs.

Key management personnel are defined as those persons having authority and responsibility for the planning, directing and controlling of activities of RQ, being members of the Board of Directors and the Executive Leadership Team. Key management personnel and remuneration disclosures are made in accordance with the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

(a) Remuneration Principles

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. RQ does not bear any remuneration costs of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as Key Management Personnel of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

The remuneration policy for the Members of the Board and Chief Executive Officer of RQ is set by the Governor in Council. Individual remuneration and other terms of employment are specified in employment contracts. No KMP remuneration packages provide for performance or bonus payments.

Remuneration packages for Key Management Personnel comprise of the following components:

- Short term employment benefits which include:
 - (i) Base consisting of base salary, where applicable, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the Member or employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - (ii) Benefits consisting of the provision of a motor vehicle together with fringe benefits tax applicable to the benefit.
- Long service leave accrued is the only long-term employment benefit provided; and
- Superannuation contributions are the only post-employment benefits provided.
- Termination benefits include payments in lieu of notice of termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

28. Key Management Personnel (continued)

(i) Board Members

Details of the nature and amount of each major element of the remuneration are as follows:

Position	Date Appointed	Tenure Completed	Short Term Employee Benefits		Post-Employment Benefits		Total	
			2020	2019	2020	2019	2020	2019
As at 30 June			\$	\$	\$	\$	\$	\$
Steven Wilson AM – Chairperson*	1/04/2016		58,914	61,653	7,482	7,801	66,397	69,454
Margaret Reynolds*	1/04/2016		40,383	40,144	3,734	3,734	44,117	43,878
Dale Cartwright*	1/04/2016		40,830	40,690	3,734	3,734	44,563	44,424
Mark Sowerby	1/07/2016	30/04/2019	-	42,803	-	4,066	-	46,869
Sharon Dawson*	1/07/2016		42,803	45,303	4,066	4,304	46,869	49,607
Max Walters*	1/07/2016		45,303	32,753	4,304	3,112	49,607	35,865
Susannah George	1/07/2016	30/04/2019	-	34,836	-	3,309	-	38,145
Jane Seawright	1/05/2019		41,595	6,551	3,952	622	45,546	7,173
Graham Quirk	4/07/2019		39,819	-	3,783	-	43,602	-
Total Remuneration			309,647	304,733	31,054	30,682	340,701	335,413

* These Board Members were re-appointed for a second term commencing 1/05/2019.

Racing Queensland Board Trading As Racing Queensland
 ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020
28. Key Management Personnel (continued)
(ii) Executive Management

Position	Date Appointed	Date Ceased Employment	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total
			Base	Non-Monetary				
	\$	\$	\$	\$	\$	\$		
30 June 2020								
Chief Executive Officer	14/05/2018		511,685	-	8,515	42,129	-	562,328
Chief Commercial Officer	17/09/2018		276,128	-	4,822	23,858	-	304,809
Chief Operating Officer	01/07/2018		260,737	-	4,472	22,123	-	287,332
General Counsel & Board Secretary	17/10/2017	17/04/2020	201,728	-	3,495	20,950	38,052	264,225
General Manager Development & Construction	05/11/2018	31/01/2020	208,047	-	3,671	17,886	-	229,603
General Manager Development & Construction	27/04/2020		45,503	-	769	3,986	-	50,257
General Manager People & Performance	01/10/2017		248,692	-	4,384	21,690	-	274,766
General Manager Corporate Affairs & Policy / Board Secretary(1)	18/09/2017		248,999	-	4,384	21,690	-	275,072
General Manager Club Partnerships & Assets(2)	30/09/2019		153,160	-	3,291	13,027	-	169,478
Total KMP Remuneration			2,154,679	-	37,802	187,339	38,052	2,417,871
30 June 2019								
Chief Executive Officer	14/05/2018		472,146	13,893	8,515	41,318	-	535,872
Chief Financial Officer(3)	25/09/2017	13/07/2018	8,431	-	141	3,993	51,370	63,935
Chief Commercial Officer	17/09/2018		191,903	-	3,447	17,101	-	212,451
Chief Operating Officer	01/07/2018		245,315	-	4,384	21,690	-	271,388
General Manager Racing(4)			19,054	-	335	1,627	-	21,016
General Counsel & Board Secretary	17/10/2017		240,711	-	4,384	21,690	-	266,785
General Manager Development & Construction	05/11/2018		217,597	-	4,002	19,212	-	240,811
General Manager People & Performance	01/10/2017		205,748	-	3,812	18,861	-	228,421
General Manager Sales & Marketing(3)		24/07/2018	15,229	-	290	7,033	113,245	135,797
General Manager Special Projects(3)		14/12/2018	121,741	-	2,166	10,690	-	134,597
General Manager Corporate Affairs & Policy			222,111	-	4,064	20,106	-	246,281
Total KMP Remuneration			1,959,986	13,893	35,540	183,320	164,615	2,357,354

(1) Role appointed Board Secretary on 01/06/2020.

(2) Role became part of the executive management on date appointed.

(3) These roles ceased being part of the executive management on the date employment ceased.

(4) Role ceased being part of the executive management on 31/07/2018.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

28. Key Management Personnel (continued)

(b) Other Transactions

There were no loans to and from key management personnel during the financial year.

29. Parent Entity Information

Financial Support to Subsidiaries

RQ, the ultimate controlling entity, will provide financial and operational support to the Sunshine Coast Racing Unit Trust as and when required. The Sunshine Coast Racing Unit Trust made an operating loss for the financial year 2019-20. Sunshine Coast Racing Unit Trust will continue on a going concern basis as there is no intention to liquidate or to cease operations.

30. Contingencies

On 28 June 2019, RQ filed proceedings in the Supreme Court of Queensland against Tabcorp Holdings Limited and its subsidiary UBET QLD Limited. The dispute relates to the calculation of fees following the introduction of the POC Tax in Queensland and affects the amounts of the QTAB POC Tax Deduction and the MPO Top Up payment. As this legal action remains at a relatively preliminary stage, RQ is currently unable to reliably estimate any potential future financial implications arising from the outcome of the dispute.

Litigation in Progress

As at 30 June 2020, the following cases were filed in the court naming the State of Queensland acting through RQ as defendant:

	2020 Number of Cases	2019 Number of Cases
Supreme Court	1	1
Total	1	1

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

31. Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised in the Statement of Financial Position when RQ becomes party to the contractual provisions of the financial instrument.

Financial instruments are classified and measured as follows:

- Trade Debtors: held at amortised cost. Refer to Note 13.
- Other Financial Assets: held at fair value through profit and loss. Refer to Note 16.
- Trade and Other Payables: held at amortised cost. Refer to Note 20.

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position. RQ does not enter into, or trade with such instruments for speculative purposes or for hedging.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

32. Going Concern

The financial report has been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Board in their consideration of the appropriateness of the preparation of the financial report on a going concern basis have prepared cash flow forecasts and revenue projections for a period of not less than thirteen months from the date of this report. These cash flow projections show that RQ is able to meet debts as and when they are payable.

As outlined in disclosure Note 33, due to the racing industry's ability to continue operating throughout the COVID period, there has been no material denigration in the financial performance of Racing Queensland, and there are no going concern issues currently forecast for the next thirteen months.

Historical loans were provided to Racing Queensland in August 2015 and August 2016 to assist with operational funding. A 50% write off of the total loan values was approved in March 2019. As stipulated in letters from the relevant government departments, the loans are only to be repaid once RQ become financially viable. Refer to Note 14.

Management actively monitor the financial performance of the organisation on regular basis, and any material changes to the external environment of racing will be considered, with any financial impacts being quantified and outlined to the Board.

33. Significant Financial Impacts from Covid-19 Pandemic

The racing industry in Queensland has been able to continue operating despite the significant lock down and social distancing requirements implemented by the state government across the final quarter of financial year 2020.

Significant operational decisions, namely the introduction of geographic regional racing and the abandonment of the Winter Carnivals across all three codes of racing, were made in response to COVID, with the goal of protecting the industry and the tens of thousands of people connected to it.

Due to the ability of the industry to continue through the peak of COVID, there have been minimal financial impacts as a result of the pandemic. Any prize money savings resultant from the abolition of the Winter Carnivals was largely paid back out to the industry in the form of hardship payments, primarily to the race clubs impacted by their inability to admit patrons on course.

Racing Queensland will continue to monitor the financial stability of clubs and other participants over the coming financial year.

Any potential COVID related impact on Tabcorp's Minimum Payment Obligation (MPO refer Note 2 and 13) owed to Racing Queensland for calendar year 2020 is not currently able to be determined.

34. Other Information

Insurance

RQ insures its Buildings, Tracks and Improvements and Plant and Equipment for loss and damage and also insures for public liability risks.

Taxation

RQ is exempt from income tax with the exception of Fringe Benefits Tax, Payroll Tax, and Goods and Services Tax payable to the ATO which are recognised as incurred and accrued.

Income tax is provided for in Sunshine Coast Racing Pty Ltd as trustee for Sunshine Coast Racing Unit Trust to the extent that accumulated income is assessable to the trustee. No income tax is payable by the trust in accordance with the trust deed, and taxable income is fully distributed to the beneficiaries.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

34. Other Information (continued)

Taxation (continued)

A capital gains tax event of \$575,000 has arisen in relation to the transfer of assets to Rockhampton Jockey Club from the previously registered entity, Rockhampton Racing Pty Ltd. This amount is included within Other within Note 11.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. GST payable to the ATO at the reporting date are separately recognised in Trade and Other Payables within Note 20.

35. Events Occurring After Balance Date

Subsequent to 30 June 2020, Mr Daniel Gosweisch was appointed as the General Counsel and a member of the Executive Management on 13 July 2020.

Other than the item noted above, there have not been any matters or circumstances occurring subsequent to the end of the financial year 2019-20 that has materially affected, or may materially affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future periods.

Racing Queensland Board Trading As Racing Queensland
ABN 80 730 390 733

CERTIFICATE OF RACING QUEENSLAND BOARD
For the Year Ended 30 June 2020

These general-purpose financial statements have been prepared pursuant to section 62 (1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62 (1) (b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Racing Queensland Board trading as Racing Queensland for the financial year ended 30 June 2020 and of the financial position of Racing Queensland as at the end of that financial year.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Brendan Parnell
CHIEF EXECUTIVE OFFICER

Date 26 August 2020



Steve Wilson AM
CHAIRPERSON

Date 26 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Racing Queensland Board (trading as Racing Queensland)

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Racing Queensland Board (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2020, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2020, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the [Board] determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.



Auditor’s responsibilities for the audit of the financial report

My 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 my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent’s and group’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent’s or group’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink, appearing to be 'MF', with a long horizontal stroke extending to the right.

31 August 2020

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

