

annual report **2007/08**





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VISION

Working constructively with harness racing stakeholders to ensure the sport is conducted with integrity, provides exciting racing and maximised wagering, while achieving an increasing share of the entertainment market resulting in greater industry profitability.

PURPOSE

To ensure the harness racing community are provided with the most viable and commercially sound product available.

VALUES

Professional and Ethical

QHRB maintains and conducts itself in a professional and ethical manner amongst the industry stakeholders and supporters.

Results Orientated

QHRB endeavours to ensure that the day to day activities are consistent with achieving the overall business goals.

Teamwork

We are committed as a group to work together to provide the best solutions for our stakeholders and supporters by recognising and rewarding both individual and team contributions.

Customer Service

QHRB strives to serve our customers with excellence at all times.

Balance

We recognise that people are our main asset, therefore we attempt to provide a balance between professional and personal time.

GOALS

To provide an optimal environment for the development and long term growth of the harness racing industry.

A high performing organisation using sound management practices, and delivering cost effective and quality services.

A high level of industry and public confidence in the race product, safety and integrity.

CHAIRMAN'S REPORT



Flashing Red - Anthony Butt

I am pleased to submit the Annual Report of the Queensland Harness Racing Board (the Board) for the 2007-08 financial year and advise that the Auditor-General has provided an unqualified report on the Board's financial statements for the year.

In a trying financial year for the Queensland harness racing industry that was spearheaded by the equine influenza outbreak in late August curtailing racing in the southeast corner of the state until late November which sent the industry into free-fall for the period.

The outbreak of the equine influenza virus had devastating financial ramifications on the industry with a number of participants still recovering from this unexpected scourge.

A significant portion of the expenses brought about by the equine influenza outbreak were mitigated by way of the utilization of Board personnel such as integrity staff on the vaccination and microchip programs, finance staff support that included the hardship and business grants, processing of Commercial Horse Assistance Payment (CHAPs) claims and the conduct of the equine influenza employment scheme.

The Board wishes to place on record its sincere appreciation to the Queensland Government for the generous financial and logistical support during this period.

The efforts of the Queensland Department of Primary Industry & Fisheries (DPI&F) and in particular the Chief Veterinary Officer, Dr Ron Glanville during this time in the professional management and control of the outbreak is to be highly commended.

From a national perspective the financial support and coordination of the containment of the virus by the Department of Agriculture, Fisheries & Forestry (DAFF) the federal department responsible is also to be gratefully acknowledged.

Additionally, the closure of the Russ Hinze Grandstand due to ongoing structural problems has had a major financial impact on the Board's operations.

This closure has also had a devastating impact on the conduct of the business of harness racing at the Albion Park Raceway.

The shut-down of the building has resulted in a financial shortfall to the trading of the Albion Park Raceway (APR) of which the Board holds a 50% stake of some \$1,759,310 loss for the period under review.

The Board reports a deficit of \$476,990 prior to the transfer of net assets to the new corporate entity Queensland Harness Racing Limited (QHRL) and after the APR impact.

It is also worth noting that the balance sheet reflects all assets being written down as the Board assets are transferred to the corporate entity QHRL.

Come 1 July 2008 the Board as we have known it has disappeared and been replaced by the corporate entity QHRL that now trades as Harness Racing Queensland (HRQ).

The Board acknowledges the tremendous contribution made by management that has made the transition to this corporate entity becoming a reality, in particular Andrew Kelly and Tracey Harris.

Even with the curse of equine influenza bearing down on the industry the Queensland harness racing product continued to go from strength to strength with Blacks A Fake and Natalie Rasmussen winning their third Inter Dominion Pacing Championship at Moonee Valley and Flashing Red with Anthony Butt in the bike saluting at Addington for their second New Zealand Trotting Cup spearheading a smorgasbord of local talent that were successful on the national stage.

The HRQ Board look forward to co-hosting with the Albion Park Harness Racing Club the Watpac Inter Dominion Pacing Championship at Parklands on the Gold Coast on 14, 21 and 28 March next year it will be the pinnacle of harness racing for the year.

The Board in this testing period wish to acknowledge the significant contribution made by the industry stakeholders namely, the owners, breeders, licensees, club committees, venue management, catering and beverage providers, race-day staff and a myriad of sub-contractors and suppliers associated with the conduct of the harness racing industry.

CHAIRMAN'S REPORT

The all important support of the media is to be acknowledged in particular Sky Channel, RadioTAB, Queensland Newspapers, Gold Coast Bulletin, the QHR magazine and the industry's weekly's in the National Trotguide and the Harness racing weekly is greatly appreciated.

The Board also extends its gratitude to our joint business partners in UNITAB and Sky Channel for their respective support throughout the period under review.

I wish to acknowledge the significant contribution to the industry of the outgoing Board members in Warren Cummins and Kaylene Moore.

It is also welcome and congratulations to recently appointed QHRL Board members in Kevin Seymour AM and Dave Knudsen.

I also must recognize the efforts throughout the year of the executive management team and the staff that have responded in this trying year to make that extra effort that is greatly appreciated by the Board.

Congratulations to Andrew Kelly on his recent appointment as the Chief Executive of Harness Racing Australia (HRA) and our thanks to him for a sterling effort during his two year tenure as the Chief Executive of the Board.

Welcome and congratulations to Mike Godber on his recent appointment as the Chief Executive of HRQ.

Mike hails from Christchurch and brings with him to this position vast harness racing and business experience as the former Chief Executive of the Metropolitan Trotting Club for near on two decades.

In conclusion, I wish to place on record the Board's sincere gratitude to you as the Minister responsible for the Racing portfolio, your staff, the Director-General and the staff of the Office of Racing for the support and assistance to the harness racing code during the year.

Bob Lette
Chairman

SUMMARY OF FINANCIAL IMPACT OF EQUINE INFLUENZA

The Financial impact of the Equine Influenza saw a burden on all participant groups, particularly our breeding industry in addition to Queensland Harness Racing Board. The material financial items impacting Queensland Harness Racing Board were as follows:

	BUDGET 2008	ACTUAL 2008	VARIANCE
As a direct result of Equine Influenza QHRB did not incur all the expenditure as budgeted. The total of the material expenditure savings were \$1,171,319.			
Expenditure Saved			
Prizemoney paid	12,135,249	11,193,636	\$941,613
TOTE Commissions paid to Clubs	892,358	662,652	\$229,706
Total expenditure saved	13,027,607	11,856,288	\$1,171,319
<i>The above savings were completely offset by the loss of income of \$770,591 and cost of material direct additional expenses of \$447,542. Additional costs reported does not include employment costs directly relating to Equine Influenza..</i>			
Lost Income			
Product Co. Distribution received	18,635,322	17,864,731	\$770,591
Total Income lost	18,635,322	17,864,731	770,591
Additional Costs incurred			
Direct Expenses relating to Equine Influenza	-	109,135	\$109,135
CHAPs and Equine Influenza Study Costs including Legal and Professional Fees	-	90,000	\$90,000
Assistance in Grants and Administration Fees to Harness Racing Clubs	-	248,407	\$248,407
Total additional costs incurred:	-	447,542	447,542
TOTAL direct loss			\$ -46,814



Bob Lette
Chairman

Bob is a consultant to the law firm Mullins Lawyers. He is an experienced property lawyer who has built long-standing relationships with major developers in South East Queensland. He has extensive experience in major property and development spheres, including construction, planning and environment.

Bob also has extensive experience in the banking and finance field, having advised major banks and finance groups on project funding, securing overseas loans, hotel securities and retail banking securities for more than 30 years. He also has extensive experience in the area of superannuation, including chairing one of Australia's largest superannuation and investment funds.

Bob holds a number of board positions. These include Chairman of BUSS (Q) - Building Super, The Private Capital Group, Watpac Superannuation Fund, Trinity Limited, and Trinity Funds Management Limited and Property Due Diligence and Remuneration Committees. He is also a Director and Audit and Risk Management Committee Chairman of Queensland Airports Limited, and a Director of Watpac Limited. Bob is also the Deputy Chairman of Harness Racing Australia



Warren Cummins
Deputy Chairman

Warren has had a long association with the industry, having held both a harness racing and a thoroughbred racing trainer's licence. He has held the positions of Junior Vice President with the Royal National Association, President of the National Appaloosa Association and a committee member of the Albion Park Harness Racing club during the redevelopment of the complex in 1983.

Warren was a former mounted policeman, detective and businessman and now enjoys retirement.

BOARD MEETINGS		
	Number of Board Meetings Held	Number of Board Meetings Attended
Bob Lette	12	12
Warren Cummins	12	12
Kaylene Moore	12	12
Janice Dawson	12	11



Kaylene Moore
Board Member

Having been with the State Government for over 25 years, Kaylene has extensive experience in, and knowledge of, corporate governance, financial management, change management and human resource management including Parliamentary, Cabinet and Executive Council processes.

As her family have been involved in the industry for over 50 years, Kaylene has an extensive knowledge of, and interest in, the harness racing business. She is also a former licensee and owner.

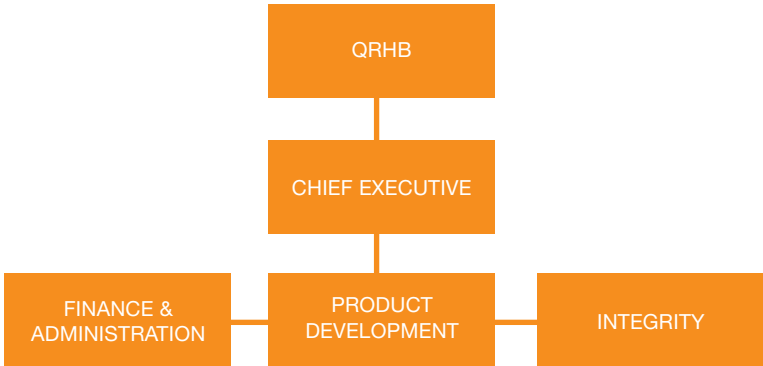


Janice Dawson
Board Member

In 2006 Janice was appointed to the then QHRB Board, and continues this role with the QHRL Board of Directors, effective 1 July 2008.

At the age of 23 Janice commenced the first meal delivery service in Brisbane called "Phone a Meal" based in Greenslopes at the Spare Room Restaurant. Janice conducted this business for 5 years before taking up her studies in accounting.

At present, she runs her own practice as a Public Accountant & Registered Tax Agent in Robertson, Brisbane and has approximately 32 years experience in the accounting industry. Janice is part of the team dedicated to making harness racing the number one sport in Queensland.





Andrew Kelly
Chief Executive

The Chief Executive reports to, and receives direction from, the Board of Queensland Harness Racing and his responsibility encompasses all the operations of Queensland harness racing. The Chief Executive provides strategic direction to the Executive team for both the racing product and business management. He also has input into the plans to market and promote harness racing, and building relationships with stakeholders.



Damian Raedler
Product Development

The Manager, Product Development is responsible for the areas of racing, wagering, advertising, media, public relations, communications, sponsorship and participant growth strategies. He manages marketing based plans to ensure the successful achievement of the organisation's business objectives to improve the racing product and wagering turnover. He also liaises with a number of harness racing organisations.



Martin Knibbs
Integrity

The Chairman of Stewards ensures the delivery of integrity and racing operations throughout the state. His responsibilities comprise the efficient running of all race meetings which includes the races being conducted within the Rules, all racing incidents being observed and dealt with, breaches of the rules being detected and dealt with, a solid working relationship with clubs and the Board, and implementing and maintaining the relevant policies and procedures of QHRL.



Tracey Harris
Finance and Administration

The Finance & Administration Department is accountable for effective budgeting to both QHRB and the industry. The Manager, Finance & Administration provides business analyst services, audit, corporate governance, prizemoney, turnover analysis and taxation compliance. She is also responsible for Human Resources including employment agreements, contracts, payroll, performance management process, remuneration and negotiation of agreements.

QUEENSLAND HARNESS RACING BOARD CONTACT DETAILS

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EXTERNAL ASSOCIATES

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Auditor-General in Queensland
Level 11
Central Plaza One
345 Queen Street
BRISBANE QLD 4000
Telephone: 3405 1100

Westpac Banking Corporation
81-85 Racecourse Road
HAMILTON QLD 4007
Telephone: 13 2032

PRODUCT DEVELOPMENT

The year has certainly been one of highs and lows for the harness racing industry in Queensland.

Firstly, the industry was hard hit financially with the outbreak of equine influenza in late August that lasted for a period of some three months to late November where all harness racing in southeast Queensland had to be cancelled.

Product Development had the pivotal role for the industry in liaison with the local Department of Primary Industries and Fisheries (DPI&F) in regard to all horse movement, inoculation and identification during the close down of racing.

It is worth recording that during this time the Queensland Harness Racing Board staff, in all departments, went that little bit further to ensure the industry was well serviced and appropriately advised on a myriad of matters pertaining to equine influenza.

Whilst on the positive side, some twenty-odd individual locally trained standardbreds won group status feature races throughout Australasia which speaks volumes for the quality of the stock in all age groups campaigning out of a Queensland barn.

These feature wins were spearheaded by the champion Blacks A Fake, trained and driven by Natalie Rasmussen, who won his third Inter Dominion Pacing Championship in the Watpac ID08 series conducted in Victoria at Geelong and Moonee Valley, with lifetime earnings now a staggering \$2,838,581.

Add to this the second win in the NZ Trotting Cup by the dour stayer Flashing Red, who is owned by the respective companies of Stuart Hunter and Norm Jenkin, to take his lifetime tally to an imposing \$2,000,503.

The list goes on and on with the good mare Good Lookin Girl trained by Bill Dixon and driven by Natalie Rasmussen taking out the three feature mare events, the Queen of the Pacific, NSW Ladyship Mile and the Angelique Club Cup for Kevin and Kay Seymour in the ownership of Solid Earth Pty Ltd.

A complete list of the Queensland Group winners appears later in this report.

Given the scourges of the equine influenza crisis the Queensland Harness Racing Board, during a trying year, has continued to focus on one of its principal commitments to the industry, ensuring the growth of wagering turnover on the local harness racing product on TAB Queensland with heartening results since returning to racing in late November 2007.

It is vitally important that this aspect of the business is kept under close scrutiny as market share will be the lifeline to the industry into the future as it will determine the industry's revenue stream.

The industry must make every effort to improve its share of the wagering pie on TAB Queensland to safeguard its distribution in accordance with the Product and Program agreement with UNiTAB, through Product Co, that is to be reviewed prior to 2014.

As part of Product Development's charter it maintains regular contact with, and affords assistance to, the licensed harness racing clubs and industry associations recognised by the Queensland Harness Racing Board, such as BOTRA and the QSTA as well as the industry participants.

Product Development is also responsible for a structured channel of communication with service providers and agencies such as Product Co in regard to race dates, UNiTAB and Tabcorp concerning on and off course wagering, Sky Channel and Radio TAB pertaining to coverage both editorially and race meeting coverage.

The principal responsibilities of the Product Development unit during the year were those of racing, handicapping, programming, registration, futurities, electronic and print communications, industry based marketing and liaison with, and support of, the licensed harness racing clubs.

Effective from 1 September 2008 the Product Development unit will be replaced by a new department titled Racing Operations under the corporate structure of Harness Racing Queensland.

A number of initiatives were achieved by Product Development during the period in question, in consultation with the industry that are documented as follows:

August 2007

Club Management Agreement
QHRB and GCHRC entered into a management agreement that has proven successful for both parties.

September 2007

QBred Review
The highly successful QBred Scheme was completely reviewed and the recommendations approved for implementation to commence with the foals conceived in the 2006-07 breeding season;

October 2007

Funding
Recommendations were made and implemented in regard to expending funding of \$500,000 on general and feature race prizemoney and bonuses with the resumption of racing in late November 2007.

Sectional Times
Review of sectional times, after a trial period of 3 months, with no change to policy.

PRODUCT DEVELOPMENT

November/December 2007

Quarantine Station
The Product Development unit was responsible for the implementation and management of the equine influenza quarantine station at Rocklea, in consultation with the DPI&F, to accommodate the Queensland contingent going to the Watpac ID08 in Victoria.

February 2008

2yo Racing Review
Consolidation of 2yo racing to ensure races attracted full sufficient nominations to conduct programmed events.

March 2008

Race Field Selection Policy – Albion Park Saturday Night
There were previously no criteria by which race fields were manually selected at Albion Park on Saturday night.

The implementation of the policy set guidelines which gave owners and trainers a clear indication as to how races were selected.

Trotters Programming & Handicapping Review
HRQ met with the QSTA to agree to a programming structure based on the horse pool in Queensland.

The agreed structure placed restrictions on higher assessed horses dropping back in grade based on their performances in their last six (6) starts.

April 2008

Race Field Selection (Gold Coast – Thursday)
The selection of races from lowest to highest points was amended from all Graduation Penalty races to only R0 and/ or R0/R1 races.

May 2008

Watpac ID09 Terms & Conditions
The ID09 Terms & Conditions were compiled in draft form for industry consultation. Changes to ID08 included the introduction of:

- Two (2) heats leading into a final and consolation
- Bonus points for wins in Grand Circuit events and selected North American events
- Speed incentives for heats conducted over the mile
- Late nominations with a \$22,000 fee
- New point score system which affords fewer points to heat winners in 9 horse heats over 1609m, and more points to winners of 12 horse heats over 2100m
- Structured race field selection based on a horse's ranking in the preliminary heats and placings in the preliminary heats combined with initial rankings in the qualifying heats

Redcliffe Acceptance Times
Redcliffe acceptance times were moved from Monday at 10.00am to Friday at 10.00am. The change was made to:

- Even out the workload and help to minimise manual errors
- Allow trainers to better prepare for their race as they would know 5 days in advance what race they were in and what barrier draw they had been allocated
- Ensure the media had the fields prior to the weekend which gave pro punters more time to access the form

June 2008

Changes to Gold Coast Thursday Programming
Meetings were formally programmed with a combination of graduation and country penalty races.

The structure meant that many trainers cross nominated their horses into many eligible events.

Programming was simplified whereby country penalty and graduation penalty meetings are now programmed week about.

Conclusion

Communication is everything when it comes to the retailing of a product and this would not be possible for harness racing in Queensland without the dedication of the local harness racing media corps in :

- David Fowler and Chris Barsby (Sky Channel, RadioTAB, World of Harness Racing Channel on community Channel 31 and editorial contributions to industry publications)
- Marshall Dobson (QHR magazine and editorial in National Trotguide and Harness Racing Weekly)
- Gary Keep (Queensland Newspapers)

Their respective contributions to the publicity of harness racing is greatly appreciated.

PRODUCT DEVELOPMENT

The sponsors of the QHRB during the year namely, the Daily Form Guide, Bolack Publications, Australian Standardbred Consultancy, Barastoc, Garrards and Ambassador Travel are to be sincerely thanked on their respective ongoing support during the year, in particular at the QHRB Awards Night.

It is appropriate at this time to congratulate the 2006-07 International Chairman’s Scholarship recipient in up and coming trainer Shane Sanderson who is about to embark on his study tour of New Zealand that will include time with master trainers Tim Butt and Phillip Anderson at their Templeton barn just outside Christchurch where Shane will be able to enhance his training knowledge.

Whilst there he will also have the opportunity to gain invaluable driving skills from top NZ driver Anthony Butt that will stand him in good stead into the future.

During his stay Shane will also visit leading studs, including Nevele R, and a leading vet clinic specialising in the care of the standardbred as a racehorse and from a breeding perspective.

The pinnacle of Shane’s visit will be to attend the 2008 NZ Trotting Cup meeting at the Addington Raceway in Christchurch.

In closing, my sincere thanks to the staff of the Product Development unit namely, Peter Duffy, Adam Fairley, Susan Morley, Lisa Maher, Brett Rail and Marla Jackson for a committed effort in a very trying year.

Damian Raedler

Manager – Product Development

QBRED

The breeding incentive schemes for the Queensland bred standardbred

QBred Triad Finals Honour Roll

QBred Triad Finals Honour Roll	
2YO Filly	Catwalk Beauty
2YO Colt/Gelding	Super Falcon
3YO Filly	Misscilla
3YO Colt/Gelding	Guitarzan
4YO Mare	Fleur De Lil
4YO Entire/Gelding	Arkamigo

QBred Breeders Classic Honour Roll

QBred Breeders Classic Honour Roll	
2YO Filly	Lifes A Dance
2YO Colt/Gelding	Super Falcon
3YO Filly	Rich Heritage
3YO Colt/Gelding	Guitarzan
4YO Mare	Fleur De Lil
4YO Entire/Gelding	Arkamigo

QBred is the breeding incentive scheme for the Queensland harness racing industry.

In the 2007-08 season over \$797,975 was paid out in feature prizemoney for the QBred Triad and Breeder’s Classic Finals at Albion Park and Gold Coast, although some three months of racing was lost due to the ravages of equine influenza.

In addition, race winning bonuses for QBred eligibles of a remarkable \$1,403,025 was paid out in a shortened season of nine months due to the equine influenza outbreak that also includes QBred EI bonuses afforded the industry at the conclusion of the equine influenza outbreak.

Once again, the QBred product continued to be more than competitive in major feature races across the nation spearheaded by the three times Inter Dominion Pacing Championship winner Blacks A Fake, dual Miracle Mile winner Be Good Johnny, the classy mare Good Lookin Girl, the unbeaten juvenile Catwalk Beauty, and NSW Oaks winning filly Don’t Fall For Me to name but a few.

The QBred Scheme caters for all ages from 2yo to 10yo and has been, since its inception, the envy of other harness racing participants throughout Australasia.

When you’re QBred its pay day every day for the lucky owners!!!

PRODUCT DEVELOPMENT

Queensland Group Winners

ARKAMIGO

bbrg 2003 Armbro Operative USA - Ark Maree
2008 Qbred 4YO H&G Triad \$75,000 - G2 (GW Dixon)
Albion Park, Qld
2008 Qbred 4YO H&G Feature \$30,000 - G3 (GW Dixon)
Gold Coast, Qld
2007/08 Record: 24-10-10 \$96,544 (1.57.3)
Trainer: W F (Bill) Dixon
Owner(s): M R Ryman, C E Ryman & R A Dixon

ATOMIC ARK

bbrg 2002 Albert Albert USA - Ark Maree
2008 Qld Winter Cup \$75,000 - G1 (GW Dixon)
Albion Park, Qld
2007/08 Record: 25-6-8 \$120,889 (1.56.1)
Trainer: W F (Bill) Dixon
Owner(s): M R Ryman, C E Ryman & M J Rafter

BE DILIGENT

bg 2003 D M Dlinger CA - Glammatot
2008 Qld 4 & 5YO Championship \$30,000 - G3 (GW Bennett) Albion Park, Qld
2008 Patrons Purse \$33,000 - G3 (Lola J Weidemann)
Redcliffe, Qld
2007/08 Record: 12-5-2 \$96,571 (1.55.7)
Trainer: C E M (Catriona) Martin
Owner(s): C E M Martin & I M Wylie

BE GOOD JOHNNY

brg 1999 Fake Left USA - Fleetwood Mandy
2008 Watpac-Ariadne Trans-Tasman \$150,000 - G1 (JP McCarthy) Albion Park, Qld
2008 Australasian Plate \$50,000 - G2 (JP McCarthy)
Moonee Valley, Vic
2008 Gold Coast Bulletin Cup \$50,000 - G2 (JP McCarthy)
Gold Coast, Qld
2008 Sunshine Sprint \$30,000 - G3 (JP McCarthy) Albion Park, Qld
2008 Hankook Tyres Free For All \$25,000 - Listed (JP McCarthy) Moonee Valley, Vic
2007/08 Record: 15-7-4 \$236,942 (1.54.4)
Trainer: J P (John) McCarthy
Owner(s): N A McCarthy

BLACKS A FAKE

brg 2000 Fake Left USA - Colada Hanover
2008 Watpac Inter Dominion Pacing Championship \$750,000 - G1 (Natalie C Rasmussen) Moonee Valley, Vic
2008 Hankook Tyres Hunter Cup \$400,000 - G1 (Natalie C Rasmussen) Moonee Valley, Vic
2008 Watpac Inter Dominion Pacing Semi Final \$75,000 - G2 (Natalie C Rasmussen) Moonee Valley, Vic
2008 Moonee Valley Cup \$50,000 - G2 (Natalie C Rasmussen) Moonee Valley, Vic
2008 Sky Channel Free For All \$20,000 - Listed (Natalie C Rasmussen) Geelong, Vic
2007/08 Record: 10-8-2 \$856,376 (1.55.0)
Trainer: N C (Natalie) Rasmussen
Owner(s): C M Rasmussen, T L Titcomb & C H Pointer

CATWALK BEAUTY

brf 2005 P B Bullville USA - Down The Catwalk
2008 Kay Seymour Nursery Pace \$100,000 - G1 (GW Bowyer) Albion Park, Qld
2008 Qbred 2YO Fillies Triad \$85,000 - G2 (GW Bowyer)
Albion Park, Qld
2007/08 Record: 5-5-0 \$125,307 (1.58.2)
Trainer: D M (Debbie) Prowse
Owner(s): R N Cox, P L Arnott, R Applton
& est of G Parkinson

DONT FALL FOR ME

bf 2004 Speed King - Superior Reign NZ
2008 New South Wales Oaks \$100,000 - G1 (LD Smart)
Harold Park, NSW
2008 Raith Memorial \$20,500 - Listed (LD Smart) Harold Park, NSW
2007/08 Record: 8-4-1 \$91,487 (1.55.6)
Trainer: L D (Leigh) Smart
Owner(s): A U Geiger

FLASHING RED

bbrh 1997 Echelon USA - Courvy Kazi
2007 NZ Trotting Cup \$750,000 – G1 (AM Butt)
Christchurch, NZ
2007/08 Record: 7-1-3 \$432,350 (1.59.5)
Trainer: T G (Tim) Butt & P M (Phil) Anderson
for A E (Bunger) Johnson
Owner(s): Ravelyn Pty Ltd & Jenkscraft Pty Ltd

FLEUR DE LIL

bm 2003 Armbro Operative USA - French Flair NZ
2008 Qbred 4YO Mares Triad \$75,000 - G2 (LA McCarthy) Albion Park, Qld
2008 Qbred 4YO Mares Feature \$30,000 - G3 (LA McCarthy) Gold Coast, Qld
2008 Sweetheart Pace \$25,000 - Listed (LA McCarthy)
Albion Park, Qld
2007/08 Record: 10-5-5 \$118,197 (1.57.0)
Trainer: L A (Luke) McCarthy
Owner(s): J M McCarthy

GOOD LOOKIN GIRL

bm 2001 Perfect Art USA - Goldrush Girl
2008 Queen of the Pacific \$100,000 - G1 (Natalie C Rasmussen) Moonee Valley, Vic
2008 NSW Ladyship Mile \$100,000 - G1 (Natalie C Rasmussen) Menangle Park, NSW
2008 Angelique Club Cup \$20,000 - Listed (Natalie C Rasmussen) Moonee Valley, Vic
2007/08 Record: 24-9-8 \$240,466 (1.53.7)
Trainer: W F (Bill) Dixon
Owner(s): Solid Earth Pty Ltd

PRODUCT DEVELOPMENT

Queensland Group Winners

GUI TARZAN

bc 2004 Christian Cullen NZ - Girl From Ipanema
2008 Qbred 3YO C&G Triad \$85,000 - G2 (LA McCarthy)
Albion Park, Qld
2008 Qbred 3YO C&G Breeders Final \$35,000 - G3 (LA McCarthy) Gold Coast, Qld
2007/08 Record: 15-8-6 \$92,377 (1.57.6)
Trainer: J P (John) McCarthy
Owner(s): Solid Earth Pty Ltd

I AM SAM

bg 2002 Perfect Art USA - Just Del
2008 Redcliffe Cup \$35,000 - G3 (Natalie C Rasmussen)
Redcliffe, Qld
2007/08 Record: 27-13-10 \$99,444 (1.54.9)
Trainer: W F (Bill) Dixon
Owner(s): L J Vagg & M E Vagg

LIFES A DANCE

bf 2005 Strong Life USA - Dancing Nukes
2008 Qbred 2YO Fillies Breeders Classic \$35,000 - G3 (Lola J Weidemann) Gold Coast, Qld
2007/08 Record: 11-4-4 \$38,772 (1.58.2)
Trainer: J A (Julie) Weidemann
Owner(s): J A Weidemann

MATAI B B C NZ

brm 2001 Washington VC USA - Matai Bebe (NZ)
2008 Qld Governor's Cup \$30,000 - G3 (SR Graham)
Albion Park, Qld
2007/08 Record: 18-3-5 \$40,488 (1.56.5)
Trainer: S R (Shane) Graham
Owner(s): P W Jess, M D Jones & W A Grant

MAYBE HALL (TR)

chm 2000 Keystone Salute USA - Smilin Eyes
2008 South Australian Trotters Cup \$25,000 - G2 (LA McCarthy) Globe Derby Park, SA
2008 Darrell Alexander Memorial Trotters Final \$20,000 - G3 (LA McCarthy) Gold Coast, Qld
2007/08 Record: 21-5-4 \$41,452 (2.02.1)
Trainer: J P (John) McCarthy
Owner(s): G J Roberts, P J Hall, J M Hall,
A W Maxwell & K J Minogue

MISSCILLA

bf 2004 Speed King - Ebony And Ice
2008 Qbred 3YO Fillies Triad \$85,000 - G2 (Natalie C Rasmussen) Albion Park, Qld
2007/08 Record: 19-5-6 \$62,742 (1.59.1)
Trainer: W F (Bill) Dixon
Owner(s): T J Macdermott, G Macdermott & J Munt

OUR CROWN LAW NZ

bc 2005 Bettors Delight USA - Spirit Of Eros (NZ)
2008 Rod Fitzpatrick Memorial \$20,500 - Listed (JB Willick) Harold Park, NSW
2007/08 Record: 5-2-2 \$19,840 (1.59.9)
Trainer: A F (Ali) Khouiss
Owner(s): WDW Racing Ltd, G C Dowling & A F Khouiss

RICH HERITAGE

bf 2004 Christian Cullen NZ - Rhapsody In Red
2008 Qbred 3YO Fillies Breeders Final \$35,000 - G3 (LA McCarthy) Gold Coast, Qld
2007/08 Record: 16-9-4 \$57,708 (1.57.5)
Trainer: J P (John) McCarthy
Owner(s): Solid Earth Pty Ltd

SLIPNSLIDE

bg 2000 Perfect Art USA - Vanturk NZ
2007 Qld Christmas Cup \$60,000 - G2 (LA McCarthy)
Albion Park, Qld
2007/08 Record: 9-1-4 \$69,005 (1.56.9)
Trainer: L A (Luke) McCarthy
Owner(s): J M McCarthy

SMARTY JONES

bbrg 2004 Lotsa Clout USA - Solataire
2008 Qld Premier's Cup \$40,000 - G3 (GM Bond) Gold Coast, Qld
2008 Gold Coast Derby \$20,000 - Listed (GM Bond) Gold Coast, Qld
2007/08 Record: 13-7-2 \$63,957 (1.56.9)
Trainer: G M (Gary) Bond
Owner(s): R A Cluse & T J Cluse

SUPER FALCON

bg 2005 Ultimate Falcon USA - Mango Girl
2008 Qbred 2YO C&G Triad \$85,000 - G2 (GM Bond)
Albion Park, Qld
2008 Qbred 2YO C&G Breeders Classic \$35,000 - G3 (GM Bond) Gold Coast, Qld
2007/08 Record: 10-6-3 \$98,765 (1.58.0)
Trainer: G M (Gary) Bond
Owner(s): D E Reilly & G N Reilly

VERY COOL NZ

bg 2003 Washington VC USA - Jenny Cool (NZ)
2008 Qld 4YO Championship \$30,000 - G3 (KL Rattray)
Albion Park, Qld
2008 Seymour Charity Cup \$20,000 - Listed (KL Rattray)
Albion Park, Qld
2007/08 Record: 25-15-3 \$78,867 (1.56.2)
Trainer: K L (Ken) Rattray
Owner(s): S J Stingel

CLUBS

Albion Park Harness Racing Club

The 2007-2008 season was a tumultuous one for the Albion Park Harness Racing Club.

It was not alone in feeling the full force of the EI outbreak in late August which saw racing postponed at the metropolitan track until late November.

Income streams dried up and, although expenditure was less with no racing, our relationship with sponsors scheduled to race during that period was strained.

The second blow the club received was in late June with the closure of the Russ Hinze grandstand due to safety concerns.

While the impact was minimal in terms of the 2007-2008 financial year, it has put the club in a "holding pattern" in terms of 2008-2009 with redevelopment of the complex now a pressing concern.

This issue also necessitated the club taking the decision to transfer the 2009 Watpac Inter Dominion to the Gold Coast next March.

The club paid tribute to Kevin Seymour AM and Dave Knudsen who resigned from their committee positions to take appointments on the Board of Directors with Harness Racing Queensland. Their untiring support of the club in their committee roles was much appreciated.

The club is looking forward to a harmonious relationship with Harness Racing Queensland under the new corporatised model.



Turning for home at Albion Park

Gold Coast Harness Racing Club

At the beginning of our 2008 reporting year we welcomed Mr Peter Duffy, who came to our Club with experience as the previous Manager of two individual interstate harness Racing Clubs, to take up the joint role of Race Club Manager as well as the Events Manager with the Queensland Harness Racing Board.

Peter had hardly settled in when he was hit with two massive bombshells. The Equine Influenza crisis in August 2007 followed by an announcement that the State Government intended to resume the Parklands complex to construct the multi billion dollar Gold Coast University Hospital. Thankfully Peter was up to these challenges and has immediately been of great assistance to both our Club and the industry in general.

The EI situation saw racing come to a standstill, with almost a total restriction on the movement of horses and the closure of all racetracks. Peter's dual role came to the fore when he was required to co-ordinate the implementation of quarantine procedures for horses permanently stabled on-course, and persons and vehicles entering and leaving our complex. Peter also convened industry information sessions relating to the restrictions, and obligations of, people handling horses in general, and later for their on-course training sessions etc.

With EI causing the abandonment of racing for approximately three months and the imposition of strict bio-security measures when we resumed in November. Not only did we generally, as an industry and specifically as a race club, lose both on and off-course turnover, we were faced with a raft of expenses on top of the lost income from betting commissions and incentives, gate takings, race book sales and catering commissions. We, along with all other race clubs in south-east Queensland, were facing a bleak financial outlook, and with that three months break we also faced the task of then re-educating the punting public that our product was back in the market place. To assist in this area, we held a special and very successful "Back to Racing" evening to herald our return.

Thankfully the year wasn't all doom and gloom. Our feature racing this year continued in the highly successful format of multiple feature races being conducted on selected race nights and, even though we had to re-schedule our Gold Coast Bulletin Cup from the traditional October time slot to June, we were rewarded with a great crowd and excellent turnover on the spectacular racing on each of our special nights.

Much of our financial success comes from the support of our Sponsors and, again, I give thanks to our faithful regular supporters in Austrot Forum, Bernie's Produce, Bryant's Equine Therapies, Domani's Italian Restaurant, Gold Coast Bulletin, Havenstone Pavers, Inox Lubricants, NBN Gold Coast, QHRB, Queensland Standardbred Agencies, Ray Hollier Horse Transport, Technology 21, Ultimate Falcon & Wilclean Cleaning Services. We also welcomed new Sponsors Cold Mountain Stud and Parklands Function Centre. In addition, we welcomed a number of new sponsors to our Club 200 which we envisage growing next year. I ask that you and your friends and family support our Club sponsors whenever possible.

Our financial statements will look vastly different at the end of the 2009 reporting year because the QHRB ceased to exist on 30 June 2008, and the administration of Harness Racing in Queensland was assumed by the new company Queensland Harness Racing Limited, trading as Harness Racing Queensland.

Alan Boyd
President



Aerial photo of Parklands Racing Centre home of the 2009 Watpac Inter Dominion

CLUBS

Redcliffe Peninsula Harness Racing Club

What a year it was! Unprecedented times as the effect of EI took hold for 3 months without turning a wheel, albeit, for a closed meeting at Redcliffe on 22 September 2007.

Taking stock of the racing scene, our signature race, The Redcliffe City Gold Cup, was won by the ever consist Atomic Ark for driver Grant Dixon, and The Redcliffe Oaks run on the same night was won by Ultimate Dollar for Ricky Thurlow and driver Natasha Day. The club was all set for another great night of racing with the Patron's Purse and Redcliffe Derby only to be stopped in its tracks with the dreaded news of EI on Saturday 25th August 2007.

An improvised 4 and 5 year-old championship, with \$30,000 prizemoney was run at Redcliffe in May 2008. This race proving to be one of the most exciting events conducted at the Paceway for a number of years. A daring drive by Scott Kunde paved the way for a memorable win by Be Diligent. Major titles including Trainer, Driver and Junior Driver of the year, were claimed by Bill Dixon, Grant Dixon and Steven Doherty.

Away from the racetrack the Redcliffe committee had embarked on two major and, at times, ambitious projects. The first of these, The Peninsula Steakhouse, was opened on 6 December 2007. The vision of club patron Chris Garrard had finally become reality. A simple recipe, the best beef available, cooked to perfection every time keeps customers coming back. Whilst still having to deal with the unpopular Wednesday nights the Steakhouse pumps out a serious number of meals every week and, on the occasion when Redcliffe is granted a Friday night meeting, the house full sign goes up.

The second major challenge was the running of a yearling sale conducted on the 6th April 2008 with an associated 2 year-old race in June 2009 with guaranteed prizemoney at the outset of \$20,000, which was subsequently increased to \$30,000. With rookie auctioneer Darren Ebert swinging the gavel, well supported by quality yearlings supplied by all the major commercial breeders and hobby breeders alike, the sale grossed \$193,000, a very satisfying result for the first attempt. Prizemoney for graduates of the 2009 sale has leap frogged to \$50,000.

Riding on the back of the success of both the Peninsula Steakhouse and the Yearling Sale, combined with ongoing support from our generous sponsors the club posted a handsome profit in excess of six figures. This I believe to be a fantastic turnaround from the dark days, which had pushed the club to the brink.

The Redcliffe Harness Racing Club now moves forward into the corporatisation era introduced by Harness Racing Queensland. Provided the blueprint as detailed by QHRB comes to fruition, the Redcliffe Club can look forward to ongoing profitability whilst providing first class entertainment on and off the track. The club is committed to providing additional prizemoney at Redcliffe wherever possible.

Kerry Ebert
Chairman

Metropolitan Harness Racing Club (Rocklea) Inc

It started with a great deal of optimism and plenty of enthusiasm but was soon shattered by the Equine Influenza Outbreak which cancelled out all activities, and our first meeting affected was 25 August, 2007.

The financial hardships of EI were experienced throughout the entire industry with our club taking a significant "hit". However, we dusted ourselves off and assisted with the co-ordination of a quarantine centre for horses headed to Victoria to compete in the 2008 Watpac Inter Dominion. The club was proud to assist the transit of 3 peat winner Black a Fake and I'm sure this will be a story of folk lore into the future.

Racing resumed mid December and we applied for a full liquor Licence which will benefit the club and, after a long process, the Licence will be granted later in 2008. Due to the EI Outbreak we lost several bookmaker positions in our betting ring when racing resumed. This was a big blow to us and tote turnover was also devastated.

However, we introduced other activities including Lawn Mower Racing, and Show and Tell Car/Truck Shows which proved to be a big attraction.

Free entry to our race meetings was introduced and has proved to be enormously popular. It has given young families the opportunity to go somewhere on Saturday afternoons for an enjoyable time at a low cost.

CLUBS

The support from Queensland Harness Racing Board was greatly appreciated. They worked hard with me and I am pleased with their efforts during a time which was a severe hardship to all concerned. Time will heal the scares suffered from EI and we will return to profitable trading with their professional support.

CEO, Andrew Kelly, deserves special mention for his kind support and understanding of our issues. He was always available to attend with those issues we raised from time to time and he handled them compassionately with a sincere understanding. We wish him well in his career as he moves on from Queensland.

We now regard ourselves as a club for the community, not just a Harness Racing Club for the Industry.



Arkamigo, Driver Grant Dixon
Miscilla, Driver Grant Dixon



Integrity Report

It is with pleasure that I submit my report on behalf of the Integrity Department for the 2007/08 financial year. Throughout the year the Integrity team has endeavoured to maintain its commitment to improve the perception of harness racing. An ever present attempt to remain committed to transparency in the decisions that are made, through upholding the Rules or implementing policies and guidelines, have been paramount. We have been, wherever possible, mindful of the need to have matters dealt with expeditiously and reported in a timely manner.

It was not long into the financial year when the industry was crippled by the devastation of Equine Influenza. August 25, 2007 will long be remembered as the day when no-one knew the consequences and impact that was to follow from the unfortunate events that led to the outbreak of this epidemic. What did follow was a united effort by government officials, racing administrators and all other stakeholders to minimise the impact by protecting the horse's welfare, whilst at the same time understanding the needs of a wide range of people who derived a livelihood from the harness racing industry.

Many hours of strategic planning were involved in the extensive vaccination process which commenced in the early hours on 22 September 2007. Stewards, accompanied by veterinary surgeons, were dispatched in all directions, sometimes far reaching, to deliver the vaccine to prevent, control and eradicate the virus. At the manufacturer's recommendation two doses of vaccine were required for each horse, which were injected into more than 4,000 horses. This vaccination program was spread over a period of at least 2 months but was completed in an extremely efficient and cooperative manner. The industry should be forever grateful to the time and effort that was put in to such a critical, yet necessary, project.

Harness racing resumed on 24 November 2008 and, within a short period of time thereafter, the normal racing schedule was back underway. The effects on horses that had been infected, or on those that had been vaccinated, was difficult to measure and, whilst many reports were received regarding instances of slow recovery, the manner in which racing resumed to competitive levels so quickly is a compliment to the professionalism of the participants.

The Chairman of Stewards conducted independent and random audit on persons who had registered to claim entitlements under the Commercial Horse Assistant Payment Scheme (CHAPS). This was conducted over a 3 day period in late November 2007.

A number of claimants were selected randomly to ascertain the validity of their claims by canvassing a number of properties, both large and small, and determining that horses, for which claims had been lodged, were domiciled on that property. The outcomes of that process were formally reported to the Board and found that of the properties visited, no evidence of unsubstantiated CHAPS claims could be identified. Whilst the audit was conducted on a random cross section of claimants, it was pleasing to report a general compliance by the applicants with the eligibility to claim under the CHAPS scheme.

Throughout the shortened racing year a number of policies, or other Board approved guidelines, were implemented to further enhance the product with a view to improving public confidence.

With the endorsement of the Product Development & Programming Advisory Group minimum time standards were tightened to exhibit faster and more competitive races. Official barrier trials between races are now conducted at Albion Park on Tuesdays, and the Gold Coast on Thursdays. This decision utilised a stagnant time period between races which allowed participants to depart earlier than before, as well as maximising human resources between races, which then benefits the industry through cost efficiencies.

The Integrity Department maintained the Board's strong stance on drug free racing. For the second consecutive year there was an increase in the number of pre and post race samples collected. In excess of 3,300 samples were taken with a positive reporting rate of 0.12%. Pleasingly, this displays the lowest percentage ratio of reported prohibited substances compared to the number of samples taken of the three racing codes in Queensland. The certification by the Racing Science Centre of prohibited substances in samples resulted in inquiries being concluded and reported expeditiously.

During the year the Stewards attended a seminar, held in conjunction with the Stewards of all three codes, relating to conflicts of interest which was conducted by a senior legal practitioner. Queensland Harness Racing was also represented at the National Chairman of Stewards' Conference held in Perth.

Towards the end of the financial year a deed was signed between Queensland Harness Racing and Betfair which allows the Stewards greater access to information regarding betting activities on harness racing events held in Queensland. This has led to an increase in the monitoring of unusual trends in betting. As Stewards are now privy to this information it is hoped that confidence in the industry will be bolstered.

The Integrity Department continues to play an active role in the licensing of individuals, particularly through the interview process and a review of matters relating to an application. Stewards continue to monitor the actions or conduct of the participants and it is anticipated that a greater presence will be felt through an increase in visits to properties and training establishments in the foreseeable future.

In conclusion, on behalf of the Integrity Department, I extend my gratitude to the Board for their continued support. The duties required are often difficult but are made easier with the cooperation of the industry stakeholders. Despite this, we will continue to strive for professionalism and transparency in the course of these duties, and hope that the devastating consequences of Equine Influenza are a distant memory as we look forward to an uninterrupted year ahead.

Martin Knibbs

Manager - Integrity

Rule	Offence	Reprimand	Fines	Suspensions	Dq
43(1)	Fail to report attendance	1			
44(1)	Tactic Change - fail to notify	1			
52(5)	Fail to check in at all clear	1			
87	Nominate ineligible horse		1		
88(1)(a)	Late scratching - unacceptable reason		1		
101(1)	Failed to notify Stewards that horse had bled		1		
135(1)	Late in parade ring	1	2		
149(2)	Unacceptable drive			1	
154(1)	Fail to bring horse back to correct gait			1	
156(2)(b)	Whip use	48	58	3	
156(2)(c)	Whip outside sulky confines	2			
156(2)(d)	Prodding/jabbing whip action	3			
156(2)(e)	Unapproved whip use	1			
156(2)(f)	Whip horse after finish	2	1		
158(1)	Fail to fulfil engagements		4		
158(3)	Fail to fulfil engagements		1		
159(1)	Untidy presentation - dress standard	1			
159A(1)	Fail to wear helmet	1			
159A(4)	Innapropriate footwear	1			
159A(7)	Fail to wear protective vest	1			
162(1)(c)	Talking and/or communicating on track	4	3		
162(1)(d)	Delay the start		2		
162(1)(e)	Come to mobile barrier out of position	1	1		
162(1)(f)	Crossing over before reaching start	4	4		
162(1)(h)	Fail to come up into position	30	3		
162(1)(i)	Out of position at the candy pole	7			
162(1)(j)	Fail to maintain position until start	26	3		
162(1)(n)	Take or attempt to take unfair advantage			1	
162(1)(u)	Abruptly reduce race speed		1		
162(1)(ww)	Shifting ground when not improving position	3			
162(1)(www)	Shift ground in run to finish	8	5		
162(1)(x)	Set an excessively slow pace		2		
162(1)(y)	Sectional times	1	119	1	
162(1)(z)	Lack of vigour in driving horse to finish		1		
163(1)	Careless driving		1		
163(1)(a)	Cause or contribute to any crossing, jostling or interference	2	7	28	
163(1)(b)	Make another horse cover more ground than necessary		7	9	
163(1)(c)	Contact marker pegs	43	10	1	
163(1)(d)	Cause another runner to contact marker posts	2	5		
163(3)	Half Carting	9	1		
167(2)	Fail to remove horse from sprint lane	1	1		
168(1)	Tightening, Shifting Ground, Careless	122	36	13	
170(1)	Drop foot from sulky foot rest	3	15		
187(2)	False, misleading evidence	1			
190(1)	Fail to present horse to race free of prohibited substances		3	1	
204	Handle horses when unlicensed		1		
209	Furnish false information				2
210	Late driver notification	2	18		
223	Inadequate Safe Clothing- Shoes etc	2			
231(2)	Misconduct		1		
233	Cannot communicate to drivers on track	1			
238	Fail to comply with Stewards Directive		1	1	
239	Undertook driving activities without a permit				1
239A	Negligence		2		
243	Detrimental Behaviour to Harness Racing Industry		1	1	
245	Improper practice				1
247	Improper behaviour during steward inquiry		1		
269	Incorrect gear	1			
273(2)	Insecure/Faulty/Inferior/Poor Gear		4		
273(5)	Registered gear changed without approval of Stewards	6	1		
273(6)(a)	Wrong saddle numbers		7		
273(6)(b)	Fail to affix pins		1		

LICENCEES

Licences & Registrations	2007/08	2006/07	2005/06
Trainers	436	440	476
Drivers	304	337	360
Stable hands	218	259	240
Bookmakers	9	9	9
Bookmakers Clerks	27	33	33
Sire Registrations	37	36	47
Foalings	512	551	520
Services	451	536	618
Horses Named	413	418	478
Imports	115	55	85
Exports	8	11	3
New Syndicates Formed	3	4	3
Leases	76	116	123
Transfers	716	814	806
Clubs	7	7	7



Fleur De Lil, Driver Luke McCarthy

STATEMENT OF AFFAIRS

Effective 1 July 2008, QHRL produces a range of publications and policies that are freely available to members of the public by contacting the QHRL office or by visiting www.harness.org.au.

- Queensland Harness Racing Board Annual Report
- QBred Information Booklet
- Forms under the Australian Harness Racing Rules

Publications:

Effective 1 July 2008 Harness Racing QLD is the official publication of QHRL and is published monthly by :

Australian Standardbred Consultancy

PO Box 121

BRISBANE MARKET Q 4106

Telephone: 3875 1333

Email: ausbred@bigpond.net.au

A twelve-issue subscription is available for \$39.60 (inclusive of GST)

Policies:

- Allocation of Race Days and Provision of Funding to Harness Racing Clubs
- Animal Welfare Policy
- Appeal Committee Policy
- Awareness of Duties Policy
- Betting Policy
- Communication Policy
- Disposal of Assets by Non-Proprietary Clubs
- Drug and Alcohol Policy
- Education and Training Policy
- Fees Policy
- Forms Policy
- Gifts and Benefits Policy
- Handicapping Policy
- Licensing Policy for Clubs
- Licensing Policy for Individuals
- Maternity Leave Policy
- Policy Development Policy
- Policy for Formation and Management of Clubs
- Policy on Spending by Non-Proprietary Clubs
- Policy on Standards Required for Licensed Venues
- Policy on the Employment of Officials and Other Staff
- Policy on the Way in Which Races are to be Held
- Policy on Trialling and Training of Licensed Animals
- Privacy Policy
- Public Interest Policy
- Racing at Agricultural Show Grounds Policy
- Recordkeeping Policy
- Sulky Fund Policy
- Unpaid Forfeit List Policy
- Website Policy

The Queensland Harness Racing Board (QHRB) was a statutory body for which the Minister for Racing was responsible. The Board was constituted under the Racing Act 2002 and consisted of four members appointed by the Governor in Council on the nominations of the Minister.

The Board was responsible for the control and general supervision of harness racing throughout Queensland and was charged with the responsibility of managing the code of harness racing in Queensland.

1. Committees

Risk, Audit and Corporate Governance (RACG) Committee

The main responsibilities of the Audit Committee were to:

- Oversee and advise the Queensland Harness Racing Board on matters of accountability and internal control affecting the operation of QHRB and Clubs;
- Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the entity's reporting of financial information, application of accounting policies, internal control, risk management, business policies and practices and compliance with applicable laws regulations, stands and best practice guidelines;
- Review results of the annual external audit and issues raised by the Auditor-General and ensure adequate resolution;
- Provide a structured reporting line for internal audit;
- Improve the quality of internal and external financial reporting for the QHRB and the industry as a whole;

- Monitor the financial position and financial performance of the clubs and review the findings and recommendations of the QHRB Finance Manager; and
- Assist the Board to review the effectiveness of QHRB's internal control environment covering:
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting; and
 - Compliance with applicable laws and regulations

Other Committees

Remuneration Committee

- Development and approval of the annual budget in accordance with strategic plan of the QHRB.
- Review and approve the annual staff performances, practices and salary recommendations.

Licensing Committee

- Review all licensing policy and fees in additional to the annual approval of licence applications

2. Human Resource Management

QHRB promotes the personal and professional development of its people in order to achieve ongoing improvement in service delivery and create satisfying career paths for staff members.

Safe work practices, career development, balanced lifestyles and friendly non-discriminatory working environments are actively promoted within QHRB.

3. Occupational Health And Safety

QHRB is committed to a pro-active approach in the prevention of injury and illness at its workplace, and in the carrying out its function as the controlling body of harness racing in Queensland.

Committee Membership

The table below lists the members of the Committees together with their attendance records for meetings.

Sub-Committee Meetings						
Name	Risk, Audit & Corporate Governance		Licensing		Remuneration	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Bob Lette	-	2	0	1	1	
Warren Cummins	-	-	2	2	1	1
Janice Dawson	1	1	-	-	-	-
Kaylene Moore	1	1	-	-	-	-

Annual Financial Statements

YEAR ENDED 30 JUNE 2008

Purpose And Scope

The Queensland Harness Racing Board was constituted under the provisions of the *Racing Act 2002* and is a statutory body with the meaning given in the *Financial Administration and Audit Act 1977*.

In accordance with the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements, these statements have been prepared:

- to provide an accounting for the custody and management of moneys and other resources under the control of the Board; and
- to disclose the results of operations of the Board during the year and to indicate the financial position of the Board at the close of the year.

The Albion Park Raceway Joint Venture (joint venture) was established under a joint venture agreement effective from 1 July 2003. The Board's 50% interest in the joint venture has been incorporated in the Financial Statements.

Following corporatisation of operations, on 1 July 2008, Queensland Harness Racing Board and Greyhound Racing Authority were dissolved under section 413 of the Racing Act 2002. Under the corporatisation arrangements, Queensland Harness Racing Limited and Greyhounds Queensland Limited were established and have taken over the operations, assets and liabilities of the former Queensland statutory bodies from 1 July 2008. Consequently, this is the final financial report of Queensland Harness Racing Board

FINANCIAL STATEMENTS

Income Statement Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
INCOME			
Fees and Charges	2	969,888	1,037,722
Racing Levy Income		52,791	73,743
Interest on Investments		365,014	201,773
Other Income	3	131,818	53,952
Distribution from Qld Race Product Co Ltd		17,864,731	18,092,546
Albion Park Raceway Joint Venture	12(a)	469,162	458,813
Total Income		19,853,404	19,918,549
EXPENSES			
Computer Operations		185,064	161,215
Depreciation	4	85,037	63,910
Depreciation - Albion Park Raceway Joint Venture	15 (c)	401,393	433,696
Insurance		287,862	270,388
Employment Costs	5	2,171,386	1,958,200
Racing Levy Expenses	6	224,463	213,931
Loss/ Gain on Disposal of Non-Current Assets	15(a)	1,335	(4,129)
Prizemoney	7	11,193,636	12,135,249
Tote Incentive Payments to Clubs	8	662,652	892,355
Clubs Administration and Capital Payments/Meeting Fees	9	721,338	600,352
Grants to Clubs and Associated Entities	10	365,746	238,325
Other Expenses	11	2,203,403	1,995,312
Albion Park Raceway Joint Venture	12(b)	1,827,079	486,569
Transfer of Net Assets to Queensland Harness Racing Limited	27	25,182,266	-
Total Expenses		45,512,660	19,445,373
Net Surplus/(Deficit)		(25,659,256)	473,176

The accompanying notes form part of these financial statements

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Balance Sheet Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	13	-	3,627,496
Trade and Other Receivables	14	-	2,074,569
Prepayments		-	82,340
Total Current Assets		-	5,784,405
NON-CURRENT ASSETS			
Property, Plant and Equipment	15 (b)(c)	-	18,430,079
Receivables	14	-	0
Total Non-Current Assets		-	18,430,079
Total Assets		-	24,214,484
CURRENT LIABILITIES			
Trade and Other Payables	16	-	1,420,379
Provisions	17(a)	-	199,721
Total Current Liabilities		-	1,620,100
NON-CURRENT LIABILITIES			
Provisions	17(b)	-	65,998
Total Non-Current Liabilities		-	65,998
Total Liabilities		-	1,686,098
Net Assets		-	22,528,386
EQUITY			
Retained Profits		-	6,308,564
Asset revaluation reserve	22	-	15,844,822
General reserve		-	375,000
Total Equity		-	22,528,386

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Statement of Cash Flow Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Operations		25,585,877	21,192,024
Interest		360,375	199,445
GST Input Tax Credits		973,727	983,117
		26,919,979	22,374,586
Payments			
Payments to Clubs, Suppliers and Employees		(22,456,028)	(19,384,944)
GST Remitted to the ATO		(1,908,654)	(2,054,524)
		(24,364,682)	(21,439,468)
Net Cash Provided by (Used In) Operating Activities	18(a)	2,555,297	935,118
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment	15 (a)	19,783	72,554
Payments for Purchase of Plant and Equipment	15 (b)(c)	(219,316)	(146,258)
Net Cash Provided by (Used In) Investing Activities		(199,533)	(73,704)
Net (Decrease) Increase in Cash Held		2,355,764	861,414
Cash at the Beginning of the Financial Year		3,627,496	2,766,082
Transfer of cash to new corporation	18(b)	(5,983,260)	
Cash at the End of the Financial Year		-	3,627,496

The accompanying notes form part of these financial statements

* The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Statement of Changes in Equity Year Ended 30 June 2008

	Retained Surpluses		Asset Revaluation Reserve (note 22)		General Reserve	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Balance 1 July	6,308,564	5,835,388	15,844,822	15,844,822	375,000	375,000
Operating Surplus/(Deficit)	(476,990)	473,176	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve	-	-	3,130,870	-	-	-
Reserve transfers arising from transfer of net assets to new corporation	(5,831,574)		(18,975,692)		(375,000)	
Balance 30 June	-	6,308,564	-	15,844,822	-	375,000

The accompanying notes form part of these financial statements

* The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of these Statements are as follows:-

(a) Basis of Preparation of the Accounts

General

These financial statements are a general purpose financial report and have been prepared in accordance with *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997* and Australian Equivalents to International Financial Reporting Standards (AIFRS).

Dissolution of Queensland Harness Racing Board

Following corporatisation, on 1 July 2008 the Queensland Harness Racing Board was dissolved under section 413 of the *Racing Act 2002*. Under the corporatisation arrangements, Queensland Harness Racing Limited was established and has taken over the operations, assets and liabilities of the former board from 1 July 2008.

Consequently, this is the final financial report of the Queensland Harness Racing Board.

Basis of Accounting

As stated above, Queensland Harness Racing Board was dissolved on 1 July 2008. Consequently, it is no longer a going concern and the going concern basis of accounting is not applicable. Instead, assets are recognised in the balance sheet at their realisable amounts and all liabilities are recognised as current liabilities

Under the arrangements for dissolution of the former Queensland Harness Racing Board, the net assets were transferred to Queensland Harness Racing Limited on 1 July 2008 for nil consideration and no additional liabilities arose from dissolution. Consequently, all assets and liabilities have been recognised at nil values in the final balance sheet as at 30 June 2008. The book value of the net assets transferred to Queensland Harness Racing Limited of \$25,182,266 has been recognised as an expense in the Income Statement. In addition appropriate reserve transfers have been made in the Statement of Changes in Equity which has resulted in all equity accounts having a nil balance. Detailed disclosures of the balances transferred to Queensland Harness Racing Limited are included in note 26.

The financial report has been prepared under the historical cost convention except where stated.

Accounting Policies

Unless otherwise stated, all accounting policies adopted are consistent with those of the prior year.

In the determination of whether an asset or liability is current or non current, consideration is given to the time when each asset or liability is expected to be paid or realised. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Board's operational cycle.

(b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the statutory body, an economic entity and joint venture interests controlled by the statutory body. In order to provide enhanced disclosure, the statutory body has adopted the principles outlined in Australian Accounting Standard AASB 131 *Interests in Joint Ventures*.

Albion Park Raceway Joint Venture

In June 2002, State Cabinet resolved that the Albion Park Raceway Joint Venture asset was to be transferred from ownership by the State of Queensland, to the Queensland Harness Racing Board and the Greyhound Racing Authority as tenants in common in half share. This took effect on 1st July 2003. An agreement was entered into by the parties confirming the establishment of a joint venture relationship. Accordingly, 50% of the Income Statement and Balance Sheet has been incorporated into these accounts.

Excluding the Joint Venture transactions, the Queensland Harness Racing Board would have a net operating profit of \$1,282,320 for the year ended 30 June 2008 before the transfer of net assets to Queensland Harness Racing Limited.

The Joint Venture's audited financial statements disclosed an operating deficit of \$3,518,620 for the 2007-08 financial year. The Board's share of the operating deficit from the Joint Venture was \$1,759,310 for the period.

Following corporatisation of their operations, on 1 July 2008 the joint venturers, Queensland Harness Racing Board and Greyhound Racing Authority were dissolved under section 413 of the *Racing Act 2002*.

By virtue of the fact that the joint venture parties were dissolved on 1 July 2008 the Albion Park Raceway Joint Venture also ceased to exist on this date.

(c) Revenue Recognition

Fees and Charges

Revenue from licence and nominations charges is recognised in the Income Statement when received. Fines are recognised when due.

Product and Program Fees

Distribution from Qld Race Product Co Ltd - Revenue is recognised in the Income Statement when due.

Sale of Assets

The profit or loss on sale of an asset is determined when control has passed to the buyer.

(d) Recognition and measurement of property, plant and equipment

Acquisition

Acquisitions of property plant and equipment assets are recognized on acquisition date at cost being the fair value of the asset at that date plus any incidental costs attributable to the acquisition.

As a general policy, only assets with a value of \$2,000 or more and an estimated useful life of more than one year are capitalised. Items under this value are charged as an expense in the year of purchase.

Revaluations

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and with the Queensland Treasury's *Non Current Asset Accounting guidelines for the Queensland Public Sector*. All other assets including plant and equipment, other than major plant and equipment, are measured at cost.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Revaluations are conducted every 5 years with interim revaluations using appropriate indices being otherwise performed on an annual basis where there has been a material variation in the index.

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated.

Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the management determines the asset's recoverable amount. Any amount by which the assets carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Depreciation and Amortisation of property, plant and equipment

Depreciation on buildings and equipment and motor vehicles is calculated on either the straight line method or the diminishing value method so as to write off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

The Depreciation rates used for each class of depreciable assets are:

Class	Depreciation Rate
Broadcast Equipment	25%
Computer Hardware	33.33% - 40%
Plant & Equipment	4% - 33.33%
Motor Vehicles	22.5%
Freeze Branding Equipment	5%
Albion Park Raceway Joint Venture – Building and Improvements	3% - 25%
Albion Park Raceway Joint Venture – Plant and Equipment	10% - 20%

(f) Cash and Cash Equivalents and Other Financial Assets

For the purpose of the Balance Sheet, cash assets and other financial assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are readily convertible to cash on hand at the Board's option and that are subject to low risk of changes in value.

(g) Trade and Other Receivables

Receivables are recognised at the amount due at the time of the sale or service provision. The collectibility of receivables is assessed at balance date with adequate provision made for impairment and all known bad debts written-off. Receivables include loans and advances which are recognised at their face value.

(h) Trade and Other Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(i) Employees' Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments. Consideration is given to expected future wage

and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Board also contributes to various accumulating Employee Superannuation Plans.

The executive remuneration disclosure as all remuneration received or receivable, directly or indirectly, from the entity or any related party in connection with the management of the affairs or the entity, whether as an executive or otherwise. For the purpose, remuneration includes:

- ▮ Wages and salaries;
- ▮ Accrued leave (that is the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increase or the like);
- ▮ Performance pay received or due and receivable in relation to the financial year, provided that a liability exists (namely a determination has been made prior to the financial statement being signed), and can be reliably measured even though the payment may not have been made during the financial year;
- ▮ Accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June);
- ▮ Costs of motor vehicles, such as fuel costs, registration/ insurance, and repairs incurred by the statutory body, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the executives;
- ▮ Allowances (which are included in remuneration agreements of executives, such as airfares or other travel costs paid to/for executives whose homes are situated in a location other than the location they work in); and
- ▮ Fringe benefits tax included in remuneration agreements.

(j) Comparative Figures

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.

(k) Segment Reporting

The Board operates predominantly in one industry, being that of Harness Racing in Queensland.

(l) Taxation

The activities of Queensland Harness Racing Board are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods & Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(n) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(o) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

2. Fees And Charges

	2008 \$	2007 \$
Licence Fees	270,553	283,067
Clearance and Transfer Fees	56,765	64,930
Registration Fees (inc DNA)	123,581	119,617
Fines and Late Fees	42,975	42,700
Foal Notification and Service Certificates	37,680	83,510
Scratching Fee	8,795	1,805
Appeal Fee	939	793
Qbred Nomination Fees	428,600	441,300
	969,888	1,037,722

3. Other Income

Promotional Income - Broadcast Van	10,800	16,727
Promotional Income - Functions	12,223	-
Prizemoney Sponsorship	5,000	-
Club Management Fee	53,500	1,000
Sundry	50,295	36,225
	131,818	53,952

4. Depreciation of Non-Current Assets

Broadcast Equipment	6,768	7,937
Computer Hardware	21,045	12,416
Office Furniture and Equipment	11,390	10,217
Motor Vehicles	45,730	33,169
Freeze Branding Equipment	104	171
	85,037	63,910

5. Employment Costs

Salaries, Wages and Associated Costs	1,811,324	1,677,147
Superannuation Contributions	150,194	134,484
Board Members Fees and Expenses	87,715	57,192
Relocation Expenses	28,409	21,671
Payroll and Fringe Benefits Tax	93,744	67,706
	2,171,386	1,958,200

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

Number of employees	39	30
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KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits			Long-term Benefits	
	Salaries & Fees	Superannuation	Non - Cash Benefits	Superannuation	Total
2008 Total Compensation	164,526	14,807	11,670	-	191,003
2007 Total Compensation	121,094	10,898	12,666	-	144,658

6. Racing Levy Expenses

	2008 \$	2007 \$
Australian Harness Racing Council Levies	151,659	113,166
Photo Finish Clubs	52,369	54,627
Sulky Claims	20,435	46,138
	224,463	213,931

7. Prizemoney

General Cash Prizemoney	8,602,776	9,905,694
Monies contributed by other source	191,836	-
Qbred Triad/Classic Prizemoney	797,975	814,610
Qbred Bonus Payments	1,403,025	1,370,250
Qbred Breeders Certificate	198,024	44,695
	11,193,636	12,135,249

8. Tote Incentive Payments to Clubs

Albion Park Harness Racing Club	271,113	371,048
Gold Coast Harness Racing Club	156,626	224,844
Mackay Harness Racing Club	1,153	7,926
Metropolitan Harness Racing Club	140,044	196,076
North Queensland Harness Racing Club	-	-
Redcliffe Peninsula Harness Racing and Sporting Club	73,441	79,094
Rockhampton Harness Racing Club	2,543	9,155
Plus Net Tote Communication Costs	17,732	4,212
	662,652	892,355

9. Clubs Administration and Capital Payments/Meeting Fees

Albion Park Harness Racing Club	290,400	230,500
Gold Coast Harness Racing Club	241,061	160,000
Mackay Harness Racing Club	-	32,186
Redcliffe Peninsula Harness Racing and Sporting Club	189,877	136,400
Rockhampton Harness Racing Club	-	41,266
	721,338	600,352

10. Grants

Albion Park Harness Racing Club	217,744	110,197
Gold Coast Harness Racing Club	30,946	20,000
Metropolitan Harness Racing Club	17,600	12,494
Redcliffe Peninsula Harness Racing and Sporting Club	81,885	95,634
Marburg Pacing Association	17,571	-
	365,746	238,325

11. Other Expenses from Ordinary Activities

	2008 \$	2007 \$
Audit Fees	19,529	18,650
Broadcast Expense	451,011	439,184
Consultancy Fees	16,036	25,513
Drivers Fees	224,712	386,426
Equine Influenza Expense	109,135	-
Freeze Branding and DNA Expense	1,507	1,425
Integrity Costs	411,038	441,076
Legal Fees	146,171	23,451
Postage, Printing and Stationery	134,416	46,333
Promotion Expenses	295,196	394,474
Rent, Cleaning and Office Expenses	123,606	58,546
Service Fees	-	3,892
Sundry Expenses	177,615	84,520
Telephone and Facsimile	60,395	45,861
Travel and Accommodation Expense	33,036	25,961
	2,203,403	1,995,312

Total external audit fees relating to the 2007-08 financial year are estimated to be \$24,000 (2007: \$19,750).

12. Albion Park Raceway Joint Venture

(a) Revenue		
Property Rentals	432,174	415,901
Advertising Rentals	13,131	13,111
Interest	2,861	4,918
Other Income	24,035	24,883
Profit/(Loss) on Disposal of Fixed Assets	(3,039)	-
	469,162	458,813
(b) Expenditure		
Repairs and Maintenance	205,797	147,207
Salaries, Wages and Associated Costs	265,543	251,372
Demolition of Building	1,250,000	-
Administration	105,739	87,990
	1,827,079	486,569

13. Cash and Cash Equivalents

Cash on Hand	-	600
Cash at Bank	-	212,519
Albion Park Raceway Joint Venture	-	(1,880)
Short Term deposit	-	3,307,318
Albion Park Raceway Joint Venture	-	108,939
	-	3,627,496

14. Trade and Other Receivables

	2008 \$	2007 \$
<i>Current</i>		
Debtors	-	338,576
Loan to MHRC	-	
Less Provision for impairment	-	(664)
	-	337,912
Accrued Income	-	1,713,746
Albion Park Raceway Joint Venture	-	22,911
	-	2,074,569
Movement of Provision for impairment		
Opening Balance	(664)	(7,346)
Provided for the year	(1,038)	-
Reverse for the year	-	6,682
Transfer to new corporation	1,702	
Closing Balance	-	(664)

15. Property, Plant and Equipment - Queensland Harness Racing Board**(a) Profit/(Loss) on Disposal of Assets**

Proceeds from Disposal of Assets	14,557	72,555
Less Carrying Value of Assets Disposed	(15,892)	(68,426)
Profit/(Loss) on Disposal of Assets	(1,335)	4,129

(b) Property, Plant and Equipment - Board**Broadcast Equipment**

At Cost	-	178,836
Accumulated Depreciation	-	(164,602)
	-	14,234

Computer Hardware

At Cost	-	95,217
Accumulated Depreciation	-	(79,192)
	-	16,025

Plant and Equipment

At Cost	-	230,392
Accumulated Depreciation	-	(194,723)
	-	35,669

Motor Vehicles

At Cost	-	176,948
Accumulated Depreciation	-	(25,303)
	-	151,645

	2008 \$	2007 \$
Freeze Branding Equipment		
At Cost	-	2,610
Accumulated Depreciation	-	(2,385)
	-	225
Total Property, Plant and Equipment		
Total at Cost	-	684,003
Accumulated Depreciation	-	(466,205)
Total Written Down Amount	-	217,798

Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the current financial year is as below:

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	Transfer to new corporation	2008 Net Book Value
Broadcast Equipment	14,234	-	-	6,768	7,466	-
Plant and Equipment	35,669	75,396	5,074	11,390	94,601	-
Motors Vehicles	151,645	86,441	14,172	45,730	178,184	-
Computer Equipment	16,025	35,041	1,171	21,045	28,850	-
Freeze Branding Equipment	225	-	-	104	121	-
	217,798	196,878	20,417	85,037	309,222	-

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2007 Net Book Value
Broadcast Equipment	22,171	-	-	7,937	14,234
Plant and Equipment	43,573	2,314	-	10,217	35,669
Motors Vehicles	113,105	140,134	97,869	3,725	151,645
Computer Equipment	26,671	1,770	-	12,416	16,025
Freeze Branding Equipment	396	-	-	171	225
	205,916	144,218	97,869	34,467	217,798

Independent valuations of land, buildings and equipment were performed at 30 June 2008 by Propell National Values using 'fair value' principles. No adjustment has been made to the carrying value of land, building and equipment as a result of this valuation.

(c) Property, Plant and Equipment - Albion Park Raceway Joint Venture**Land**

At fair value	-	12,640,000
	-	12,640,000

Buildings and Improvements

At fair value	-	17,278,255
At Cost	-	5,181
Accumulated Depreciation	-	(11,827,199)
	-	5,456,237

	2008 \$	2007 \$
Plant & Equipment		
At Cost	-	252,913
Accumulated Depreciation	-	(136,869)
	-	116,044
Total Property, Plant and Equipment		
Total at Cost	-	30,176,349
Accumulated Depreciation	-	(11,964,068)
Total Written Down Amount	-	18,212,281

Reconciliations

Reconciliations of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the current financial year is as below:

Asset Name	Opening Amount	Additions	Disposals	Revaluations	Depreciation Amount	Subtotal	Transfer of assets to new Joint Venture	2008 Net Book Value
Land	12,640,000	-	-	6,105,300	-	18,745,300	(18,745,300)	-
Building & Improvements	5,456,236	5,820	-	(2,946,118)	(377,438)	2,138,500	(2,138,500)	-
Plant & Equipment	116,044	16,618	(8,266)	(28,313)	(23,955)	72,129	(72,129)	-
	18,212,280	22,438	(8,266)	3,130,869	(401,393)	20,955,929	(20,955,929)	-

Asset Name	Opening Amount	Additions	Disposals	Depreciation Amount	2007 Net Book Value
Land	12,640,000	-	-	-	12,640,000
Building & Improvements	5,862,742	-	-	(406,505)	5,456,237
Plant & Equipment	141,195	2,040	-	(27,191)	116,044
	18,643,937	2,040	-	(433,696)	18,212,281

Land values are based on current market values. All other assets have been adjusted to comply with Queensland Treasury *Non-current Asset Accounting Guidelines for the public Sector* using the depreciated current replacement cost method. This resulted in an adjustment to the base gross value and associated accumulated depreciation for each asset.

16. Trade and Other payables

Creditors and Accrued Expenses	-	1,344,852
Albion Park Raceway Joint Venture	-	75,527
	-	1,420,379

17. Provisions**(a) Current****Employee Entitlements**

- Annual Leave

Balance 1 July	117,107	99,571
Add Provision for year	29,457	14,377
Albion Park Raceway Joint Venture	28,287	3,159
	174,851	117,107

	2008 \$	2007 \$
Less Payments for year	-	-
Transfer to new corporation	174,851	-
Balance 30 June	-	117,107
- Long Service Leave		
Balance 1 July	82,614	-
Add Provision for year	(46,673)	70,149
Albion Park Raceway Joint Venture	43,797	12,465
	79,738	82,614
Less Payments for year	-	-
Transfer to new corporation	79,738	-
Balance 30 June	-	82,614
Provisions for Demolition		
Demolition of Russ Hinze Building	1,250,000	-
Transfer to new corporation	1,250,000	-
	-	199,721
Total Current Provisions		
(b) Non-Current		
Employee Entitlements		
- Long Service Leave		
Balance 1 July	65,998	131,768
Add Provision for year	(35,664)	(67,896)
Albion Park Raceway Joint Venture	-	2,126
Transfer to new corporation	30,334	-
Balance 30 June	-	65,998

18. Reconciliation of Operating Result to Net Cash used in Operating Activities

Net Surplus (Deficit)	(476,990)	473,176
Depreciation	85,038	63,910
Depreciation - Albion Park Raceway Joint Venture	401,393	433,696
(Profit) / Loss on Sale of Plant and Equipment	4,374	(4,129)
Changes in Assets and Liabilities -		
- Decrease (Increase) in Debtors and Accrued Income	(179,003)	(341,309)
- Decrease (Increase) in Prepaid Expense	21,378	40,691
- Increase (Decrease) in Creditors and Accrued Expense	1,429,902	234,704
- Increase (Decrease) in Provisions	1,269,205	34,379
Net Cash Provided by (Used In) Operating Activities	2,555,297	935,118

19. Financial Risk Management

Financial Instruments

General objectives, policies and processes

The Queensland Harness Racing Board is exposed to risks that arise from its use of financial instruments. This note describes the Queensland Harness Racing Board's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Queensland Harness Racing Board's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

- Trade receivables
- Investments
- Cash at bank
- Trade payables
- Bank Overdraft

The Board has overall responsibility for the determination of the Queensland Harness Racing Board's risk management objectives and policies and, designing and operating processes that ensure the effective implementation of the objectives and policies to the entity. The Queensland Harness Racing Board's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Queensland Harness Racing Board, where such impacts may be material. The Board receives monthly reports from the Chief Financial Controller, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Queensland Harness Racing Board competitiveness and flexibility. Further details regarding these policies are set out below:

Terms, Conditions and Accounting Policies

Financial Instruments	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
Financial Assets Receivables	14	Recognition – upon delivery of goods and services, notification of interest received or provision of services to customers. Measurement – recorded at nominal amounts due less any provision for impairment. Provision for impairment is recognised when collection of the full amount is no longer probable.	Sales Invoices are on 30-day terms. Other receivables are normally settled within agreed terms for payment.
Cash on Deposit	13	Recognition – upon deposit of funds transferred from the bank to the financial institution. Measurement – recorded at carrying amounts transferred by the QHRB.	Bank Bills & Certificates of Deposit are sold at a yield discounted to face value according to dictated market yields at the time of investment. Cash Management Accounts – Interest is calculated daily and based on relevant market yields.
Financial Liabilities Payables	16	Recognition – upon receipt of goods or services received. Measurement – Trade creditors are recorded at amounts based on agreed purchase/contract costs.	The amounts are unsecured and normally settled within agreed terms of payment.

19. Financial Risk Management (cont).

Interest Rate Risk

The Queensland Harness Racing Board is exposed to interest rate risk through its investments in Term Deposits and Cash Management Accounts. The effective weighted average interest rates on financial assets and financial liabilities during the year were as follows:

Financial Instruments	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing In:						Non Interest Bearing		Carrying Amount as per Balance Sheet	
	2008 %	2007 %	2008 \$'000s	2007 \$'000s	<=1yr 2008 \$'000s	<=1yr 2007 \$'000s	1-5yrs 2008 \$'000s	1-5yrs 2007 \$'000s	>5yrs 2008 \$'000s	>5yrs 2007 \$'000s	2008 \$'000s	2007 \$'000s	2008 \$'000s	2007 \$'000s
Financial Assets														
Cash		2.41		211	-	-	-	-	-	-	-	-		211
Trade & Other Receivables	-	-	-	-	-	-	-	-	-	-		2,075		2,075
Bank Bills & Certificates of Deposit		6.24	-	-		2,500	-	-	-	-	-	-		2,500
Cash Management Accounts		5.96		916	-	-	-	-	-	-	-	-		916
Financial Liabilities														
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-		1,420		1,420

Credit Risk

The exposure to credit risk from investments in Term Deposits is minimal, due to the short periods of time invested (30-60 days). These investments are bearer securities whereby the issuing bank undertakes to pay the bearer the face value of the security on maturity. At balance date, the Board held investments with financial institutions that have a short term rating range of AA minus to A2.

The maximum exposure to credit risk at balance date in respect of receivables, excluding the value of any collateral or other security is the carrying amount, net of any provision for impairment, as disclosed in the Balance Sheet.

Net Fair Value

The net fair values for all assets and liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Queensland Harness Racing Board intends to hold these assets to maturity.

Sensitivity Analysis

The Queensland Harness Racing Board has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

At 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2008	2007
Change in profit		
- Increase in interest rate by 1%	60	36
- Decrease in interest rate by 1%	(60)	(36)
Change in equity		
- Increase in interest rate by 1%	60	36
- Decrease in interest rate by 1%	(60)	(36)

19: Financial Risk Management (cont).**Liquidity Risk**

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors of Queensland Harness Racing Board, to manage the liquidity risk of the entity

Maturity Analysis - 2008	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
Financial Liabilities					
Trade & other payables				-	-
TOTAL				-	-
Financial Assets					
Trade & other receivables				-	-
TOTAL				-	-

Maturity Analysis - 2007	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years
Financial Liabilities					
Trade & other payables	1,420,379	1,420,379	1,420,379	-	-
TOTAL	1,420,379	1,420,379	1,420,379	-	-
Financial Assets					
Trade & other receivables	2,074,569	2,074,569	2,074,569	-	-
TOTAL	2,074,569	2,074,569	2,074,569	-	-

20. Board Member Fees

Board Members are paid at the category level of C1 of the Fees for Part-Time Chairs and Members of Government Boards, administered by the Department of Industrial Relations. Plus reimbursement of expenses - the amounts paid to Board Members is disclosed in Note 5.

Board Members who held office during the financial year were:

Mr Robert Lette (Chairman)
Mr Warren Cummins (Deputy Chair)
Ms Janice Dawson
Mrs Kaylene Moore

The number of Board Members are shown below in the following income bands:	2008	2007
\$0 - \$9,999	2	2
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	-	-

21. Commitments	2008	2007
<i>Term contracts held:</i>	<i>Expires</i>	<i>Total Commitments</i>
Industry Publications	31/08/2008	7,947
Televisions Coverage	31/08/2009	519,588
		999,208

22. Asset Revaluation Reserve by Class

(a) Queensland Harness Racing Board	(\$) LAND	(\$) BUILDINGS & IMPROVEMENTS	(\$) PLANT & EQUIPMENT	(\$) TOTAL
Balance 1 July	-	-	25,430	25,430
Revaluation increments	-	-	-	-
Revaluation decrements	-	-	-	-
Impairment losses thought equity	-	-	-	-
Impairment reversals through equity	-	-	-	-
Adjustment on transfer of assets to new corporation	-	-	25,430	25,430
Balance 30 June	-	-	-	-

22. Asset Revaluation Reserve by Class (cont).

(b) Albion Park Joint Venture	(\$) LAND	(\$) BUILDINGS & IMPROVEMENTS	(\$) PLANT & EQUIPMENT	(\$) TOTAL
Balance 1 July	7,022,500	8,718,240	78,652	15,819,392
Revaluation increments	6,105,300	-	-	6,105,300
Revaluation decrements	-	(2,946,118)	(28,313)	(2,974,431)
Impairment losses thought equity	-	-	-	-
Impairment reversals through equity	-	-	-	-
Adjustment on transfer of assets to new corporation	13,127,800	5,772,122	50,339	18,950,261
Balance 30 June	-	-	-	-

(c) Total	(\$) LAND	(\$) BUILDINGS & IMPROVEMENTS	(\$) PLANT & EQUIPMENT	(\$) TOTAL
Balance 1 July	7,022,500	8,718,240	104,082	15,844,822
Revaluation increments	6,105,300	-	-	6,105,300
Revaluation decrements	-	(2,946,118)	(28,313)	(2,974,431)
Impairment losses thought equity	-	-	-	-
Impairment reversals through equity	-	-	-	-
Adjustment on transfer of assets to new corporation	13,127,800	5,772,122	75,769	18,975,691
Balance 30 June	-	-	-	-

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value

23. Joint Venture

Queensland Harness Racing Board has a 50% interest in the Albion Park Raceway Joint Venture. The Joint Venture operates to provide the facilities for harness racing and greyhound.

The voting power held by Queensland Harness Racing Board is 50%.

	2008	2007
(a) Carrying Amount of Investment in Joint Venture Entity:		
Balance at Beginning of Financial Year	18,211,543	18,672,995
Share of joint venture's profit	(1,759,310)	(461,452)
Transfer to new corporation	16,452,233	-
Balance at End of Financial Year	-	18,211,543

(b) Share of Joint Venture Entity's Results & Financial Position		
Current Assets	-	132,881
Non- Current Assets	-	18,212,281
Total Assets	-	18,345,162
Current Liabilities	-	112,136
Non- Current Liabilities	-	21,480
Total Liabilities	-	133,616
Revenues	-	458,813
Expenses	-	920,265
Profit/(Loss)	-	(461,452)

24. Entity Details

The registered and principle place of the entity is : Queensland Harness Racing Board, 3 Amy Street, Albion 4010.

25. Accounting statement issued but not yet effective

No new Australian Accounting Standards that are not effective have been applied.
There are no new Australian accounting standards that are not yet effective that are expected to have a material impact on future financial reports.

26. Transfer of Net Assets to Queensland Harness Racing Limited

As referred to in note 1(a) Queensland Harness Racing Board was dissolved on 1 July 2008 and the net assets were transferred to Queensland Harness Racing Limited for nil consideration as at that date. Prior to making any accounting adjustments relating to the transfer, the book value of the net assets transferred was recorded in Queensland Harness Racing Board as follows:

BALANCE SHEET YEAR ENDED 30 JUNE 2008	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	13	5,983,260	3,627,496
Trade and Other Receivables	14	2,253,571	2,074,569
Prepayments		60,960	82,340
Total Current Assets		8,297,791	5,784,405
NON-CURRENT ASSETS			
Plant and Equipment	15 (b)(c)	21,265,150	18,430,079
Total Non-Current Assets		21,265,150	18,430,079
Total Assets		29,562,941	24,214,484
CURRENT LIABILITIES			
Trade and Other Payables	16	2,845,752	1,420,379
Provisions	17(a)	1,504,589	199,721
Total Current Liabilities		4,350,341	1,620,100
NON-CURRENT LIABILITIES			
Provisions	17(b)	30,334	65,998
Total Non-Current Liabilities		30,334	65,998
Total Liabilities		4,380,675	1,686,098
Net Assets		25,182,266	22,528,386
EQUITY			
Retained Profits		5,831,574	6,308,564
Asset revaluation reserve	22	18,975,692	15,844,822
General reserve		375,000	375,000
Total Equity		25,182,266	22,528,386

The accompanying notes form part of these financial statements

These general purpose financial statements have been prepared pursuant to section 103N(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirement. In accordance with section 103N(2) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been compiled within all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Harness Racing Board for the financial year ended 30 June 2008 and of the financial position of the former Board at the end of that year.



RJ Lette
Former Chairman
30th September 2008



A Kelly
Former Chief Executive Officer
30th September 2008



Super Falcon winner of the \$85,000 QBred Triad with connections, Gary Bond, Diane Reilly, Jade Bond, Glenn Reilly and QHRB's Damien Raedler and Kevin Seymour AM.

To the Minister of the former Queensland Harness Racing Board

Report on the Final Financial Report

I have audited the accompanying final financial report of the former Queensland Harness Racing Board which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the final period ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the former Chairman and former Chief Executive Officer.

The Former Board's Responsibility for the Final Financial Report

The former Board is responsible for the preparation and fair presentation of the final financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian

Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the final financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the final financial report based on the audit. The audit was conducted in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the *Australian Auditing Standards*. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the final financial report is free from material misstatement.

An audit involves performing procedures to obtain audit

evidence about the amounts and disclosures in the final financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the final financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the final financial report in order to design audit procedures that 'are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the former Board, as well as evaluating the overall presentation of the final financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in anyway considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

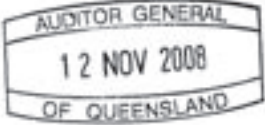
In accordance with s.105O of the *Financial Administration and Audit Act 1977*-

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion-
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the final financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the former Queensland Harness Racing Board for the final period 1 July 2007 to 30 June 2008 and of the financial position as at the end of that final period.

Emphasis of Matter - Dissolution of the Former Queensland Harness Racing Board

Without qualification to the opinion expressed above, attention is drawn to Note 1(a) in the final financial report which identifies that pursuant to Chapter 10 Part 5 of the *Racing Act 2002*, the former Queensland Harness Racing Board was dissolved on 1 July 2008, following the corporatisation of its functions. All the assets and liabilities of the former Board were transferred to the new Queensland Harness Racing Limited on 1 July 2008 in accordance with the requirements of the Act. The net assets were transferred to the new company for nil consideration. Consequently, the final financial report records all asset and liability balances at nil to represent their value to the former Board. Accordingly, the final financial report has not been prepared on a going concern basis.

G G POOLE FCPA
Auditor-General of Queensland
Queensland Audit Office
Brisbane





Queensland Harness Racing Board

www.harness.org.au/qld

