

Tasracing Pty Ltd  
**ANNUAL REPORT 2015**



# A LOOK BACK AT 5 YEARS



**\$103.1M**

INDUSTRY CONTRIBUTION  
to Tasmanian economy p.a.

**5,500**

PEOPLE EMPLOYED  
or direct participants in racing



**\$2.45B**

WAGERED ON TASMANIAN RACING SINCE FY11  
– average annual growth of 8%



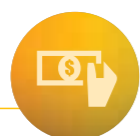
**\$28.2M**

TOTAL NEW FUNDING DERIVED FROM RACEFIELD FEES  
– since introduction in FY11



**6.9M**

CUSTOMERS REACHED VIA DIGITAL IN FY15  
– contributing to 45% growth in website visits



**\$1M**

OPERATIONAL SAVINGS ACHIEVED IN FY13  
– maintained in FY14 and FY15



**702**

INDUSTRY PARTICIPANTS  
– completed or enrolled in nationally accredited training



**191%**

INTERNATIONAL REVENUE GROWTH  
– since FY12  
(to \$473k in FY15)



**1<sup>ST</sup> TAPETA SURFACE**

INSTALLED IN AUSTRALIA

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Thoroughbred turnover up **4.4 PER CENT** to

**\$200M**



Harness turnover up **4 PER CENT** to

**\$82M**



Greyhound turnover up **10.3 PER CENT** to

**\$194M**

### Introductory note to this Annual Report

On Wednesday 26 August 2015, Tasracing Chairman Brian Speers suddenly passed away.

Involved in the racing industry as an administrator and participant for more than 40 years, he was a founding member of the Tasracing Board.

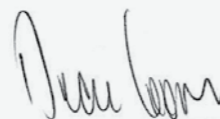
His contribution to Tasracing and the industry was obviously significant.

More recently he was instrumental in overseeing the development of the changes that will close Tasracing's funding gap and underpin the racing industry's sustainability going forward. He is a former Tasmanian Racing Club Chairman and Secretary, and a Life Member of the club of which he was a member for more than 40 years.

While he successfully raced thoroughbreds, he also raced many harness horses with leading trainer Barrie Rattray and breeder-veterinarian Art Meeker.

Brian's message for this Annual Report was his last formal piece of communication as Tasracing Chairman.

Though this Annual Report is published after his death, the Board and I felt it appropriate that his message be included under his signature as originally planned.



Acting Chairman  
**DEAN COOPER**

### Chairman's Report Brian Speers, Chairman



Readers of previous Tasracing annual reports will appreciate that the issue of industry sustainability has been a focus for the Board and the company for some time.

In last year's annual report I wrote:

*"Industry sustainability continues to be a key priority of the Corporate Plan and the Board remains committed to delivering a long-term and financially sustainable industry."*

Though the decision was taken outside the 2014/15 reporting period, it is important to report on and note the industry funding realignment announcement by the Minister for Racing, Jeremy Rockliff. It is just as important to understand the historical context that ultimately led to this decision.

Tasracing was established in 2009 with a \$4m funding gap.

The company also inherited a \$1.5m debt from TOTE Tasmania and incurred an additional loan of \$1.6m because of the delayed implementation of race field fee legislation.

Further, when TOTE Tasmania was not sold on the first attempt, an original \$40m capital development grant was not provided and, instead, a \$40m loan facility was put in place. The non-receipt of the grant and loss of interest income applied further pressure to the Tasracing business model.

A temporary solution was put in place in August 2012, but the underlying issue was not corrected.

In 2012/13, Tasracing reduced its costs by more than \$1m, delivering a \$2.2m net improvement. These savings were maintained in subsequent financial years, including the 2014/15 reporting period.

Tasracing is responsible for the commercial performance of the Tasmanian racing industry. Increasing national and international turnover on Tasmanian racing product is one of the organisation's key responsibilities.

In 2014/15, wagering turnover on Tasmanian racing grew by nearly seven per cent to an impressive \$475m. This means Tasracing has achieved wagering turnover growth of \$100m or 30 per cent over the past three financial years.

**Racefield revenue increased by 14.8 per cent or \$1m in 2014/15.**

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International revenue grew to \$473k as a result of our close working relationship with Sky Channel. The record return in 2014/15 is not only a testament to the key partnership but the focus of both parties in promoting Tasmania's racing overseas.

*Without the growth in revenue driven by the commercial decisions taken by Tasracing, the “reset” amount would likely have been much higher.*

Without the growth in revenue driven by the commercial decisions taken by Tasracing, the “reset” amount would likely have been much higher.

At the same time, over the past three years, Tasracing has absorbed additional race day responsibilities from all thoroughbred clubs within existing resources.

Tasracing has done much to address the funding gap issue, and has successfully delivered important cost savings and efficiencies. But the recurrent gap of \$3m needed to be closed. The funding reset announced by the Minister will finally address this.

As noted in the financial statements, Tasracing recorded a statutory loss of \$1.2m (ahead of a budgeted \$1.3m loss). In considering the result, it confirms that the business model was unsustainable in the short and medium term. It is also worth mentioning that reduced cost structures were maintained in 2014/15 and stakes and prize money paid to industry totalled \$24m. Despite this loss, the cash position in the company increased by \$0.6m to \$8.1m at year end.

*Tasracing is also responsible for maintenance and management of race tracks and facilities, race club funding and the ongoing development of breeding.*

In addition to being responsible for the commercial performance of the Tasmanian racing industry, Tasracing is also responsible for the governance and administration of racing in the state, which includes oversight, maintenance and management of all assets, race club funding and the ongoing development of the breeding industries.

Tasracing's Corporate Plan continued to be an important reference document for the organisation to guide decisions in these important areas.

The plan outlines five corporate goals that provide the framework for all of Tasracing's operations under the following headings – participant, product, customer, organisation and finance.

To reflect the importance of the document, Tasracing's shareholder ministers, Racing Minister Jeremy Rockliff and Treasurer Peter Gutwein, approve the five year plan annually.

While the Board and I were shocked to see the live baiting images broadcast on the ABC's Four Corners program, we were pleased that the Director of Racing and the Chief Veterinary Officer did not find any evidence of live baiting occurring in Tasmania.

The Parliament of Tasmania appointed a Joint Select Committee to enquire into and report on greyhound racing in the state. Tasracing prepared a 125 page submission that described in detail the significant good work that had already been completed in the greyhound code nationally and locally.

Animal welfare is of critical importance to Tasracing. CEO Dr Eliot Forbes told a Parliamentary Enquiry that animal welfare was “overlaid” across everything Tasracing does.

It is also referenced on a number of occasions in our Corporate Plan.

The Tasracing website has for a number of years featured the company's intentions and intrinsic beliefs on the importance of welfare.

Tasracing provides funding support for post-racing career animal welfare programs for greyhounds and thoroughbreds. We actively participate on national bodies to enhance integrity and welfare regulatory frameworks (for example, Dr Forbes chairs Racing Australia's Retirement of Racehorses Committee) and we are committed to asset maintenance and track preparation with welfare outcomes top-of-mind.



## CHAIRMAN'S REPORT



Beautide – dual Inter Dominion winner. Photo: HRNSW

The 2014/15 financial year saw Tasmanian racing industry participants deliver some outstanding performances interstate.

Pacer Beautide won a second Inter Dominion Final and was runner-up in the Miracle Mile, while The Cleaner's national cult status was maintained with group wins interstate and a minor placing in the Group 1 Emirates Stakes. In the greyhound code, Buckle Up Wes became the first Tasmanian greyhound to contest and win the Topgun, a Group 1 invitation race at The Meadows in Victoria in October 2014.



Buckle Up Wes

**UBET and Betfair in particular are significant industry partners given their support of the thoroughbred Cups Double Bonus and the Tasmanian Summer Racing Carnival respectively.**



Partnerships are a critical element for the success of any major sporting event or organisation.

Tasracing's corporate partnerships continued to benefit the organisation and the broader racing industry in 2014/15.

UBET and Betfair in particular are significant industry partners given their support of the thoroughbred Cups Double Bonus and the Tasmanian Summer Racing Carnival respectively.

Magic Millions, which signed a new deal with Tasracing and TasBreeders to conduct thoroughbred sales in Tasmania for three years from 2016, is also an important and significant industry partner.

In thanking my fellow Directors for their contribution over the reporting period, I would like to particularly reference Trevor Leis whose term expires at the end of the 2015 calendar year. Mr Leis is an authoritative harness figure in Tasmania, held in the highest regard by the industry. His passion for the harness code and his desire to see it succeed are a credit to him. His contributions at Board meetings and via direct engagement with the industry he represents will be missed.

The Board also welcomed new Director Justin Crawford in 2014/15. Mr Crawford replaced inaugural Director Geoff Baxter who resigned from the Board on 1 July 2014. Mr Crawford is a qualified CPA and an owner and breeder of greyhounds.

I would also like to thank Chief Executive Officer Dr Eliot Forbes, his management team and all Tasracing employees for their work this financial year.

And finally, I would like to thank Racing Minister Rockliff for his support for Tasracing and the state's racing industry. Mr Rockliff was required to make a difficult decision that addressed the funding gap issue that Tasracing had been managing since its establishment in 2009. It was a meaningful decision that will allow the ongoing development of the industry and resolution of the industry's financial sustainability issues.

**BRIAN SPEERS**  
Chairman



Three quarter brother to star galloper The Cleaner

Dr Eliot Forbes  
Chief Executive Officer



At the time of writing, Tasracing had concluded meeting with industry representatives to agree on a way forward regarding the implementation of the Racing Minister’s funding reset decision. This was approved by the Tasracing Board and set for implementation from 1 October 2015.

While Tasracing acknowledges the Tasmanian Government’s decisive action that concludes the long-running funding challenge the company had been managing since its inception, we are also sympathetic about the concerns expressed by industry following the announcement.

As explained to our industry partners and other stakeholders, the reductions were planned to minimise impact on local participants, maintain equitable outcomes for all three codes and preserve race field fee income wherever possible.

Significant time and effort has been devoted over the past three years to characterise the true extent of the funding problem, reduce Tasracing’s costs, grow revenue and continue to deliver on Tasracing’s responsibilities. Without these combined efforts, as referenced in the Chairman’s message, the reset amount might have been higher.

WAGERING TURNOVER GREW BY 6.5 PER CENT OR \$30M IN 2014/15, TAKING TOTAL TURNOVER TO \$475M.

The reset decision marks the completion of the financial turnaround of Tasracing. Of course, we acknowledge that our collective focus must now turn to helping all sectors of the industry to first achieve and then maintain a sustainable business model.

Importantly, base stakes for thoroughbreds and harness have been preserved.

Given the absolute importance of welfare, not only to Tasracing but the broader community, we have agreed with greyhound industry representatives to introduce a welfare levy that will be used to fund the Greyhound Adoption Program and other welfare initiatives. This decision allows for 100 per cent of racing volume to be maintained while at the same time ensuring all participants contribute to welfare.

The funding reset decision was an important one for a number of reasons. Not only has it resolved the underlying problem that has existed since 2009, that the Tasracing business model was unviable without government intervention, it will also allow Tasracing to seriously consider appropriate investments in racing and training infrastructure. A significant proportion of Tasracing’s revenue is dependent on a government funding deed through to 2029 which provides base funding of \$28.7m increasing by CPI less one per cent annually. This remains unchanged under the “reset” changes announced.

Wagering turnover grew by 6.5 per cent or \$30m in 2014/15, taking total turnover on Tasmanian racing to \$475m.



It follows growth last financial year of 10.4 per cent. In total, adding this year’s growth to the last two financial years, the growth figure is an impressive \$100m or 30 per cent.

Breaking the turnover down code by code, greyhound turnover increased by 10.3 per cent to \$194m, thoroughbred turnover increased by 4.4 per cent to \$200m and harness increased by four per cent to \$82m.

Racing revenue increased by \$0.9m to \$10m primarily driven by a 14.8 per cent increase in racefield revenue, due to robust wagering growth and international returns. FY15 price levels for race field fees were maintained at prior year levels.

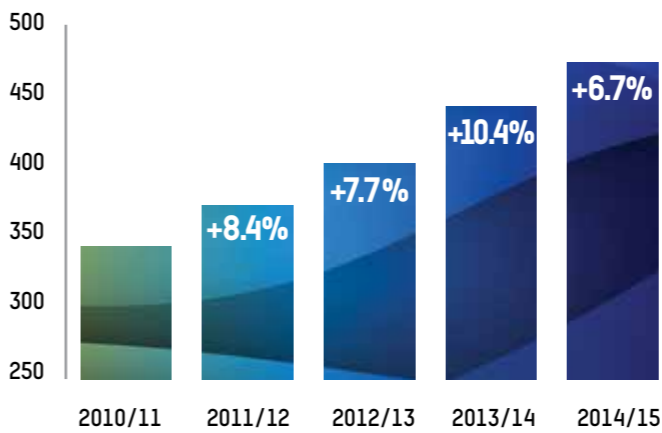
Over the past three years Tasracing has overseen race field fee growth of more than 53 per cent or \$2.52m which has been driven by total wagering growth of more than \$100m.

TASRACING EXPENDITURE FY15

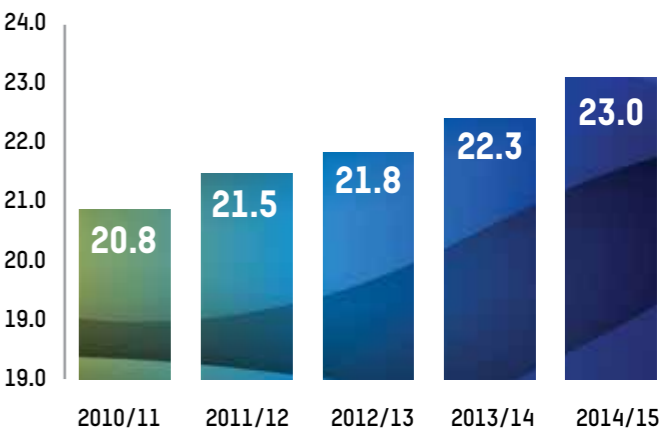




TOTAL WAGERING TURNOVER (\$M)



TOTAL PRIZEMONEY ALLOCATION (\$M)



INDUSTRY FUNDING

Following extensive consultation, and as foreshadowed in last year’s Annual Report, a new industry funding model was introduced in 2014/15 based on stability and commercial performance. The allocation for prize money and industry funding for the reporting period was \$22.96m across the three codes. This represents an

increase of \$0.65m or 2.9 per cent from \$22.3m the previous financial year. Specifically, thoroughbred funding allocation increased to \$12.6m, an increase of \$0.35m or 2.83 per cent compared to 2013/14, harness funding increased to \$6.0m, up \$0.17m or 2.93 per cent, and greyhounds received \$4.32m, an increase of \$0.13m or 3.05 per cent.



Barynya – Australian 3YO Filly of the Year

## RACING OVERVIEW

The highlight of the 2014/15 racing season in thoroughbreds was clearly the interstate performances of a number of Tasmanian horses.

Tasmanian-bred Mongolian Khan, bred by Graeme and Christine McCulloch, became the first horse since Bonecrusher to win the Australian and New Zealand Derby.

During the Melbourne Spring Carnival, The Cleaner and trainer Mick Burles generated a cult following with wins in the Group 2 Dato Tan Chin Nam Stakes and the Group 3 JRA Cup, running in the Group 1 Cox Plate and placing in the Group 1 Emirates Stakes.

Banco Mo (Group 3 Mornington Cup winner), Like A Carousel (placed in the Group 1 Sydney Cup) and Admiral (fifth in the Group 1 Australian Guineas) also performed well interstate.

Locally, the restructured Betfair Tasmanian Summer Racing Carnival provided a number of racing highlights.

**LAUNCESTON CUP DAY  
TURNOVER WAS  
\$8.2M UP 13.5%**  
ON PREVIOUS YEAR

**THE GEORGE ADAMS  
STAKES CONTRIBUTED  
\$1.6M IN TURNOVER,  
THANKS TO  
THE APPEARANCE OF  
THE CLEANER**

*During the Melbourne Spring carnival, The Cleaner and trainer Mick Burles generated a cult following...*



Local horses Geegees Blackflash and Genuine Lad won the Betfair Hobart and Launceston Cups respectively. The 2015 carnival was also the first time the Tasmanian Derby meeting was conducted as a Friday twilight race meeting.

Launceston Cup day turnover was \$8.2m, an increase of 13.5 per cent compared to last year. This figure was assisted by the appearance of The Cleaner in the George Adams Stakes which had turnover of \$1.6m alone.

Hobart Cup turnover increased slightly (\$6.6m) compared to 2013 (\$6.5m). The postponement of the cup day meeting in 2014 due to strong winds and rain means any comparison with last financial year is distorted.

Tasmanian horses Beautide (Australian Horse Of The Year) and Barynya (Australian Three Year Old Filly Of The Year) featured prominently in 2014/15.

Beautide won his second Inter Dominion Final, an outstanding achievement on its own, and was second in the Miracle Mile while Barynya broke the track record winning the \$25,000 Charlton Cup.

*Beautide won his second Inter Dominion Final, an outstanding achievement*





Modern Ruler with trainer/driver and part owner Steven Davis

# SUCCESS BY TASMANIAN HARNESS HORSES INTERSTATE

was not limited to Beautide and Barynya. 10 Tasmanian pacers won metropolitan class races:

- BETTOR DRAW
- BLUE POINTER
- DEVENDRA
- EL JAYS MAGIC
- GIULIANI
- LIVIN IT LOVIN IT
- MELOLYN
- MODERN RULER
- PARTYBOY GLENWOOD
- AND THE DIP



Success by Tasmanian harness horses interstate was not limited to Beautide and Barynya – a total of 10 Tasmanian pacers won metropolitan class races – Bettor Draw, Blue Pointer, Devendra, El Jays Magic, Giuliani, Livin It Lovin It, Melolyn, Modern Ruler, Partyboy Glenwood and The Dip.



Devendra driven by Todd Rattray

*Modern Ruler won two free for all races at Menangle, Devendra won a \$50,000 race at the same venue and El Jays Magic won a \$25,000 mares free for all at Melton.*

Modern Ruler won two free for all races at Menangle, Devendra won a \$50,000 race at the same venue and El Jays Magic won a \$25,000 mares free for all at Melton.

Buckle Up Wes achieved the most notable performance for 2014/15 when he became the first Tasmanian owned and trained greyhound to contest and win the Topgun in Melbourne, an invitation only race that offers \$150,000 to the winner.

Above All, trained by Robert Britton in Victoria, won the 2014 Group 1 Tattsbet Hobart Thousand by an impressive seven and three quarter lengths from Ride the Rails and Dyna Villa in third place.

The 2015 Group 3 Dowling & McCarthy Hankook Tyres Devonport Cup was won by Tasmanian owned and trained Dark Vito, while the final group race for the season, the 2015 Group 2 A Total Car Rentals Launceston Cup, was won by Tasmanian owned and trained Brad Hill Billy.

*Buckle Up Wes achieved the most notable greyhound performance of 2014/15 when he became the first Tasmanian greyhound to contest and win the Topgun*



Buckle Up Wes – Topgun winner

## WELFARE

Tasracing's Corporate Plan states:

"Safety and animal welfare initiatives will continue to be a focus as racing must strive to deliver a best practice approach to safety and ensure its welfare strategy meets or exceeds community expectations."

Tasracing has a strict animal welfare policy framework that helps to ensure the welfare of all animals are protected at all times when racing and training. It is non-negotiable.

It was therefore exceedingly disappointing that an ABC Four Corners program broadcast in February 2015 uncovered interstate-based participants breaking the law and the rules of greyhound racing by using "live baiting" as a training method for greyhounds.

The use of live bait for training in Tasmania is illegal, as it is around Australia.

While Tasracing was shocked at the revelations, it welcomed the subsequent formal finding by the Director of Racing and the Chief Veterinary Officer that there was no evidence of live baiting occurring in Tasmania.

### *Greyhound participants remain committed to ensuring welfare is at the heart of everything they do.*

For the record, Tasracing has acknowledged that greyhound racing in Tasmania is conducted lawfully and ethically, and that participants treat their dogs with the utmost respect and compassion.

In this context, it is disappointing that the illegal and disgusting conduct by a small number of people interstate has seriously damaged the reputation of the 10,000 people around the country who are employed, own dogs or who volunteer in the industry.

While it is true that the Four Corners program brought a sharp, national focus to welfare in the greyhound code, it is worth noting that well before the Four Corners program was broadcast, Tasmania and all states and territories had placed a heightened focus on welfare issues and had approved a national greyhound welfare strategy that would significantly enhance animal welfare outcomes.

Greyhound participants remain committed to ensuring welfare is at the heart of everything they do.



### *Retired thoroughbreds continue to be popular in all forms of equestrian disciplines.*

The three-year national strategy has strict new directives in relation to breeding, enhances licensing standards and strengthens welfare requirements for vaccination and housing.

As noted in the Chairman's report, Tasracing prepared a 125 page submission for the Parliament of Tasmania's Joint Select Committee to enquire into and report on the greyhound industry. The submission also covered off in some detail the Greyhound Adoption Program (GAP).

Tasracing wants to see an industry where every greyhound has every opportunity to enjoy a fulfilling life after racing. Tasracing funds the GAP in Tasmania, employing a statewide coordinator.

GAP in Tasmania successfully adopted out 63 greyhounds in the 2014/15 year, up from 35 the previous year. This is a good result, and one that Tasracing appreciates will need to be maintained and improved going forward.

The greyhound industry provided \$100,000 from the code's funding allocation in 2014/15 for GAP. This will double in 2015/16. Tasracing will also review the program with a view to increasing capacity while at the same time promoting responsible greyhound ownership.

In thoroughbreds, the Off The Track (OTT) program promotes the welfare of retired racehorses by encouraging those involved in horse sports to consider a retired racehorse for hacking, show jumping, polo, dressage, eventing and pony club all-rounders.

Through the OTT program, Tasracing continued to promote OTT horses for use in other equestrian disciplines. Former thoroughbred horses are generally highly sought after when their racing career finishes.



## DIGITAL AND CUSTOMER REACH

Tasracing's stronger focus on digital promotion has seen the Tasracing.com.au brand and promotional messages reach more than 6.9m national wagering customers during the 2014/15 financial year. This coincided with a 49 per cent increase in total customer visitation to the site compared to the previous year and a 26 per cent increase in level of engagement with key form products.

Presented under the banner of The Punters' Dashboard, Tasracing's form products comprise free race replays, Stridemaster (Tasmania's state of the art GPS performance monitoring and reporting system), expert tips for every race across every code, in-depth news and analysis, including interviews with trainers and jockeys and weekly audio podcasts.

*Providing wagering customers with first-to-market racing news and insights every day is central to the digital strategy*

Providing wagering customers with first-to-market racing news and insights every day is central to the digital strategy.

The introduction of greyhound early speed maps during the year and the commencement of work developing the new product StrideMASTER LIVE are two key examples of how Tasracing is enhancing its digital offering to the national wagering customer market.

A new Young Members Enclosure was featured at the Betfair Launceston and Hobart Cup meetings in 2015. This also signalled the start of a new marketing partnership with the Tasmanian Racing Club and the Tasmanian Turf Club under the Young Racing Tasmania brand. Young Racing Tasmania is designed to engage the next generation of racing attendees and participants with a focus on digital and social media marketing. An official brand ambassador for Young Racing Tasmania, Holly Mason, was engaged to spearhead the brand's growth.

Looking forward, the company is focused on improving its digital communication with wagering customers and racing industry participants and stakeholders. During the year work commenced on the separation of wagering customer and stakeholder digital communication. The result will be a stand-alone wagering customer site in Tasracing.com.au and a stand-alone stakeholder site in Tasracingcorporate.com.au.

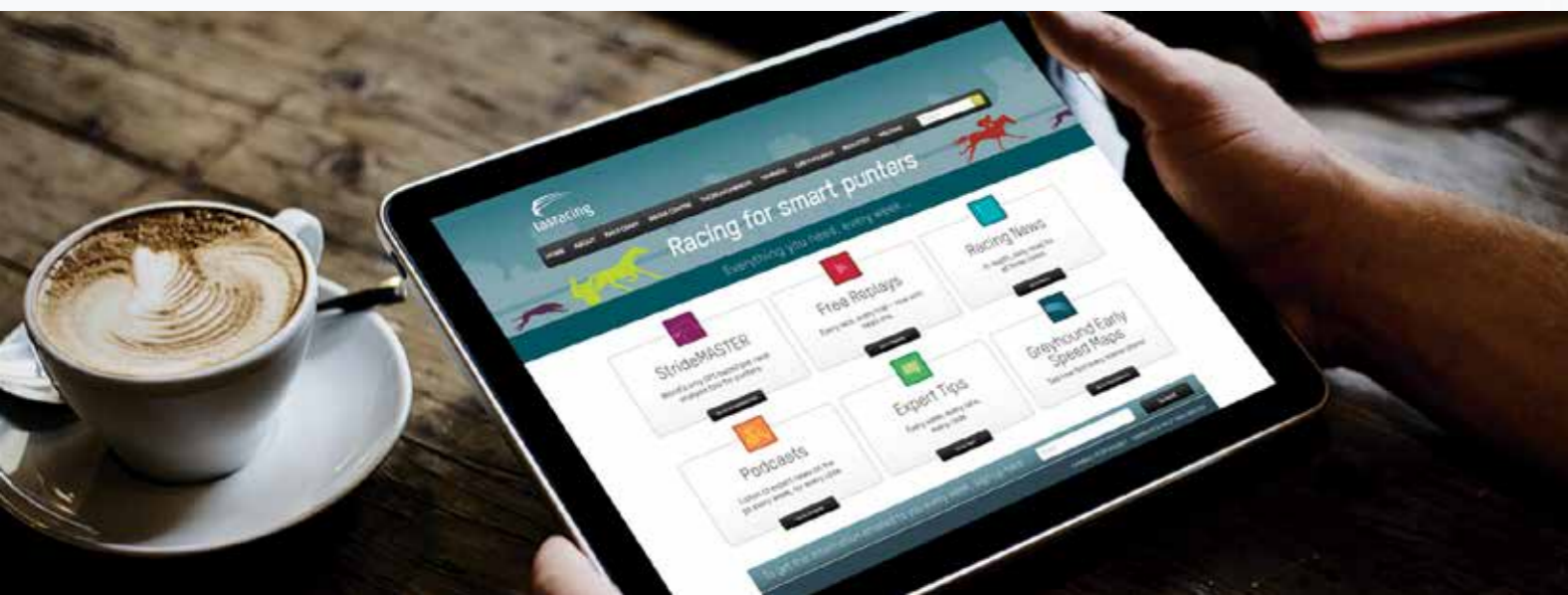
## NIGHT THOROUGHBRED RACING

Tasracing's Wednesday night thoroughbred racing schedule continued to provide significant benefits over Sunday racing.

Night thoroughbred racing is an important product as it provides an opportunity to reach international markets at an appropriate time of day.

Tasracing and Sky have jointly invested significant time and effort into developing thoroughbred night racing from Tasmania for international markets. While the exposure is obviously beneficial, increased income for the entire industry is the main driver for developing these new markets.

**DURING THE YEAR,  
A NEW MARKETING  
PROGRAM WAS LAUNCHED,  
AIMED AT ATTRACTING  
THE NEXT  
GENERATION  
OF RACE-GOERS.**



Total turnover on Wednesday night Tasmanian thoroughbred racing from Launceston continued to grow in 2014/15 increasing by more than 16 per cent to \$70.8m compared to last season.

The average meeting turnover on 22 thoroughbred race meetings (20 last year) between 1 October 2014 and 30 April 2015 increased by \$176k to \$3.2m (5.7 per cent) compared to 2013/14.

Importantly, these results reveal Wednesday night racing generated an additional average \$0.49m of turnover per meeting compared to Sunday racing. This represents an 18 per cent premium turnover.

The average number of starters per night race of 10.1 also compares well with a 9.8 average across all meetings in 2014/15. The 10.1 average has been consistent over the past three seasons.

Wednesday night Tasmanian thoroughbred night racing is broadcast on Sky 1 and Sky Thoroughbred Central.

## ASSETS AND INFRASTRUCTURE

The most important infrastructure project undertaken in 2014/15 was the installation of a new irrigation system at Tattersall's Park for the thoroughbred tracks.

The existing infrastructure was aged and beginning to fail. In addition to enhancing the irrigation of the course proper, the new system allows, for the first time, automatic irrigation of the Derwent track.

Tasracing installed eight kilometres of pipe, more than 400 sprinklers and an upgraded pump station. The company also project managed the installation itself, achieving a significant saving. The system is fully computer-controlled. Benefits include decreased watering time, decreased water usage, reduced man hours and significantly better tracks.

*The most important infrastructure project undertaken in 2014/15 was the installation of a new irrigation system*

Tasracing has been working closely with the Department of State Growth as it planned junction upgrade works for the Brooker Highway at the Howard Road roundabout and at the intersection with Elwick and Goodwood Roads.

As the works will realign Elwick Road and Goodwood Road, there is a need to acquire a portion of land at Elwick Racecourse on the south-west corner of the property. The proposal includes the relocation of accesses, signage and services, provision of replacement parking, new fencing and relocation of the historic horse statue.

Tasracing's Strategic Asset Management and Information System (SAMIS) continued to be used to manage assets, forecast budgets and assist with compliance obligations for all racing industry assets in the state.

Overall, capital expenditure in 2014/15 was modest, directly linked to Tasracing's need to preserve cash reserves because of the unsustainable business model.

The decision by the Minister for Racing to address the funding gap allows Tasracing in the future to consider capital works projects, correcting the historical underspend for the state's racing and training assets.

At Mowbray, a specialised maintenance program, including extensive renovation in the spring, was implemented on the track to assist in the delivery of the intense night racing schedule.

The performance of the track (22 night racing meetings) was important as it ensured a consistent quality product to take full advantage of the premium broadcast spot secured by Tasracing from Sky.

Tasracing undertook multiple projects around the state to enhance safety that included the refurbishment of the horse truck car park and access roads at Spreyton and fencing at several sites.

## SAFETY

Tasracing is committed to a best-practice approach to safety.

During 2014/15 focus continued to be placed on the further improvement of safety outcomes and risk mitigation, including enhanced performance reporting requirements by individual site.

Tasracing was proactive in its return to work program which helps injured employees and jockeys re-assimilate with the workforce through the provision of vocational training and personal support. In 2014/15, 98 per cent returned to previous duties.

The company has improved the industry communication on safety at quarterly industry meetings with the addition of an industry alert agenda item regarding safety. This information highlights the importance of safety within all areas of the racing industry and the potentially significant penalties that can apply for non-compliance.

The review of racing regulation and policies continued in 2014/15 with focus placed on achieving better outcomes in relation to safety. Through the introduction of policy alterations in areas such as the education of unraced horses and suitability of inexperienced riders, 31 per cent less claims were received in 2014/15 compared to the previous financial year in relation to workers' compensation costs to Tasracing as detailed in the financial reports.

In line with Tasracing's commitment to safety in the workplace, we continually encourage industry participants to engage on all matters that affect their workplace. This proactive engagement has ensured safety hazards and risks are identified and addressed and has helped to improve the safety record. Strategies to further improve engagement in this area have been developed.

**TASRACING AND SKY GENERATED REVENUE FOR THE INDUSTRY FROM NUMEROUS INTERNATIONAL JURISDICTIONS INCLUDING FRANCE, NEW ZEALAND, SINGAPORE, THE UNITED KINGDOM, THE UNITED STATES AND SOUTH AFRICA.**

## INTERNATIONAL

Tasracing received a record return from Sky Racing's international business in 2014/15, with the industry receiving \$473k. This represents growth of 191 per cent since FY12. The figure is a testament to the close partnership between Sky and Tasracing and the focus both parties place on promoting Tasmanian racing overseas.

Tasracing and Sky generated revenue for the industry from numerous international jurisdictions including France, New Zealand, Singapore, the United Kingdom, the United States and South Africa.



*Singapore was an important new market in FY15*

In early December 2014 the Singapore Turf Club agreed to take thoroughbred night races from Launceston. In the first instance that was the first four races of the meeting but was later expanded to the first five races. In total, 70 races across 14 meetings were covered in Singapore, including the full program for the Tasmanian Derby twilight meeting in Hobart and selected feature races from Launceston Cup day. Tasmanian thoroughbred racing continued to be one of the few regular Australian products broadcast into the French market in 2015. This again highlights Tasracing's commitment to the competitive positioning of the product and focus on driving customer demand.

## CONSULTATION

Tasracing met on a quarterly basis with peak industry groups through 2014/15.

Clearly, the most important discussion item across all codes was the Tasracing / racing industry sustainability funding challenge.



In addition to these important conversations, members provided valuable input into racing rules, policy and programming.

I would particularly like to thank representatives of the Harness Industry Forum, the Thoroughbred Advisory Network and the Greyhound Reference Group for giving up their time and sharing their ideas for the industry with us. It is only through this process of working together that we will truly succeed in the future.

**FINANCIAL REVIEW**

**Statement of Comprehensive Income**

Tasracing recorded a loss for the year of \$1.2m compared to the \$0.3m loss last financial year.

The result was primarily driven by a widening funding gap of \$1.0m, a \$1.7m write-off of obsolete assets and increased superannuation provisions of \$0.4m. This was partially offset by increased wagering revenue of \$0.9m and a final impairment reversal of \$2.2m.

Income increased by \$2.3m or 5.5 per cent to \$43.1m.

Racing revenue increased \$0.9m to \$10m driven by fees related to wagering growth to \$475m and increased international income.

Race field fees increased by \$0.6m or 7.5 per cent to \$8.1m based on another year of strong wagering growth.

Government funding of \$30.2m at CPI less one per cent added \$0.07m to revenue.

The important announcement by the Minister for Racing of the resolution of Tasracing’s sustainability issues resulted in the reversal of the remaining impairment of \$2.2m as noted previously.

This was \$1.2m more than the 2013/14 reversal and has now removed all impairment charges from the balance sheet.

Expenses increased by \$3.4m or 8.2 per cent to \$44.37m.

Prize money and industry funding increased by 4.1 per cent or \$1m to \$24.2m. Prize money increased by 2.5 per cent or \$0.4m.

As part of the annual review of Tasracing’s assets, \$1.7m of obsolete assets were identified and written off the balance sheet in the financial year against nil for the previous year.

Marketing expenses, which include sales, club sponsorship and general marketing, increased by \$0.2m to \$0.8m. The increase was due to digital media spend which is a key driver to the increase in wagering growth.

Overseas travel by the Chairman, Directors and the CEO is integral to Tasracing’s customer and export goals. In FY15 there were no overseas trips taken by the Chairman, Directors or CEO. In FY14 there were four trips taken at a cost of \$44,401. Cabinet has approved the executive Total Annual Remuneration (TAR) that were above the current relevant bands; CEO 18 per cent higher and CFO five per cent higher.

Employee benefits expenses increased by \$0.4m to \$6m. This was primarily due to additional track maintenance activity during the year.

**STATEMENT OF FINANCIAL POSITION**

Despite the loss position in the statement of comprehensive income, the cash balance for the company increased by \$0.6m to \$8.6m.

This was as a result of positive cashflows of \$2.3m, partially offset by \$1.7m of capital expenditure. Non-current assets have decreased by \$1.5m reflecting the \$2.2m impairment reversal and the \$1.7m asset write-down.

Borrowings have reduced by \$0.6m as principal repayments on the \$9.7m loan continued through the year.

These principal, interest and guarantee fees were reimbursed by the Tasmanian Government under the support provisions in the Funding Deed.

**STATEMENT OF CASH FLOWS**

Net cash flows from operating activities were \$2.3m, down from \$3.3m in 2013/14.

Capital expenditure for the year was \$1.7m compared with \$0.6m in 2013/14.

Despite the \$1.22m loss for the year, the net cash movement was a positive \$0.6m.

*Racing industry participants are traditionally very resilient, and I am confident that we will find a way to adapt and prosper into the future.*

CONCLUSION

As noted by Acting Chairman Dean Cooper before the Chairman’s message in this Annual Report, on Wednesday 26 August the Tasmanian racing industry lost one of its greatest contributors and Tasracing lost its Chairman when Brian Speers sadly passed away.

He was a terrific person and a strong, passionate and committed leader of the company and the industry. He was committed to solving, once and for all, the funding gap issue that has impacted Tasracing since it was established.

Tasracing acknowledges the significance of the funding reset decision for industry participants and remains sympathetic to their concerns.

Racing industry participants are traditionally very resilient, and I am confident that we will find a way to adapt and prosper into the future.

For our part, Tasracing will maintain a disciplined commercial focus and continue to drive growth for the ultimate benefit of the industry and the state. In closing, I would like to acknowledge the Minister for Racing, Jeremy Rockliff, who we have worked very closely with across a range of difficult and challenging issues throughout the reporting period. His support of the industry, and of Tasracing in particular, has been very much appreciated. I would also like to thank the Directors and all employees at Tasracing for their support and hard work over the 2014/15 financial year.

DR ELIOT FORBES  
Chief Executive Officer

Management Team



**Clockwise from top left:**  
Max Lomax – WHS Manager; Dr Eliot Forbes – Chief Executive Officer; Mark Tarring – Chief Financial Officer; David Manshanden – Racing Manager; Daron Heald – Finance Manager; Sam Steven – Sales and Marketing Manager; Leanne Flood – Human Resources Manager; (Absent) Neil Gardner – Assets and Facilities Manager

## BOARD OF DIRECTORS



### *Brian Speers* Chairman

Chairman of Human Resources and Remuneration Sub-Committee. HRA Executive Committee. Experienced insurance broker. Most recently Chairman of the Tasmanian Board of Marsh Pty Ltd International Insurance Brokers. Director of various private companies. Former committee member of the Brighton Jockey Club, former Chairman, Treasurer and Committee member of the Tasmanian Racing Club, former Deputy Chairman and Board member of the Tasmanian Thoroughbred Racing Council and former TOTE Tasmania Director.



### *Dean Cooper* Vice Chairman

Member of the Assets and Safety Sub-Committee. Member of the Racing Policy and Rules Sub-Committee. Barrister and solicitor with Tasmanian firm Phillips Taglieri.

Long standing interest in harness racing as an owner and administrator. Honorary Legal Counsel for Harness Racing Australia (HRA). Chairman HRA Rules Committee. Former Tasmanian Integrity and Assurance Board Chairman. Former Harness Racing Tasmania Chairman. Former TOTE Tasmania Director. Graduate of the Australian Institute of Company Directors.



### *Trevor Leis*

Chairman of the Assets and Safety Sub-Committee. Member of the Racing Policy and Rules Sub-Committee. Attends Harness Industry Forum meetings. Retired veterinarian with more than 30 years experience breeding and racing standardbred horses. Retired Chairman of United Milk Tasmania, TT-Line Company Pty Ltd and Stanley Cool Stores. Former Director of Private Forests Tasmania. Past Fellow Australian Institute of Company Directors.

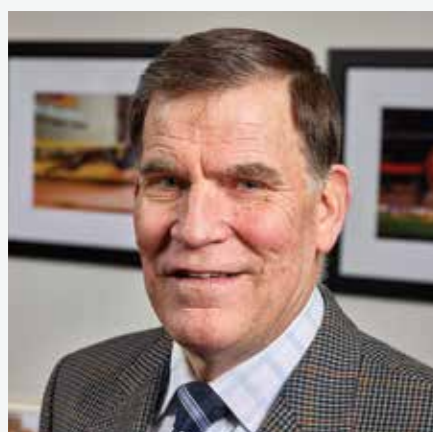
### *Tania Price*

Member of the Human Resources and Remuneration Sub-Committee. Member of the Nomination Sub-Committee. Attends Greyhound Reference Group meetings. Experienced communications professional. Former Vice President Media and Communications BHP Billiton. Former Manager Public Affairs WMC Resources. Former Director with Gavin Anderson issues management consultants. Former Public Affairs Manager Tourism Victoria. Former principal press secretary / media adviser to Victorian Premier Jeff Kennett.



### *Justin Crawford*

A qualified CPA who consults to mining sector companies, sits on Tasracing's Greyhound Reference Group and is former treasurer and committee member of the North West Greyhound Racing Club. Chief Financial Officer of Maintenance Systems Solutions Pty Ltd. Member of Audit and Risk Sub-Committee.



### *Des Gleeson*

Director of Racing Australia. Chairman of Racing Policy and Rules Sub-Committee. Attends Tasracing/ Thoroughbred Advisory Network meetings. Highly respected administrator and steward. Former Chairman of Stewards for Victoria Racing Club. Former Director Integrity Services and Chairman of Stewards for Racing Victoria. Australian delegate at numerous Asia Racing Conferences between 1997 and 2007. Appointed to a three-man panel with Hon. Judge Barry Thorley and Hon. Ian Armstrong to appoint the Racing New South Wales Board.

### *Danny McCarthy*

Chairman of the Audit and Risk Sub-Committee. Chairman of the Nomination Sub-Committee. Partner of Wise, Lord & Ferguson since 1989, specialising in audit and financial consulting. Experience in economic research, financial modelling and business risk assessments. Director of Motor Accidents Insurance Board, Director of DJ Motors Pty Ltd.



# THOROUGHBREDS



## *A highlight of the 2014/15 thoroughbred season were the performances of Tasmanian horses interstate*

Wagering turnover on Tasmanian thoroughbreds increased by 4.4 per cent in the 2014/15, building on the wagering growth experienced in the past two financial years of six per cent and 11.6 per cent respectively.

Wagering growth was driven by the attractiveness of our product, programming strategies, winter product, customer approval of the hybrid program of benchmark and class-based races and promotional strategies.

A highlight of the 2014/15 thoroughbred season were the performances of Tasmanian horses at racing's highest level interstate.

This was perhaps best demonstrated when Tasmanian-bred Mongolian Khan became the first horse since Bonecrusher to win the Australian and New Zealand Derby. The colt was born and raised by Graeme and Christine McCulloch at Grenville Stud at Whitmore in northern Tasmania.

**TASMANIAN-BRED MONGOLIAN KHAN BECAME THE FIRST HORSE SINCE BONECRUSHER TO WIN THE AUSTRALIAN AND NEW ZEALAND DERBY**

During the 2014 Victorian Spring Carnival, the popularity of The Cleaner and his trainer Mick Burles led to a national cult-like following for the Longford horse. On the way the The Cleaner won the Group 2 Dato Tan Chin Nam Stakes and Group 3 JRA Cup before contesting the Group 1 Cox Plate and placing in the Group 1 Emirates Stakes.

Banca Mo (Group 3 Mornington Cup), Genuine Lad (Group 3 Launceston Cup), Like A Carousel (placed Group 1 Sydney Cup) and Admiral (fifth in the Australian Guineas) all contributed to Tasmania's breeding profile.

***Geegees Blackflash became the first horse to earn \$1 million in Tasmania.***

In Tasmania, the 2015 Betfair Hobart Cup saw Geegees Blackflash, shortly after becoming the first horse to earn \$1 million solely in Tasmania, beat a determined Genuine Lad with Banca Mo finishing third.

The same trio finished first, second and third in the 2015 Betfair Launceston Cup – this time Genuine Lad beat Banca Mo into second and Geegees Blackflash third.



*Geegees Blackflash*

The Tasmanian Derby meeting was conducted as a Friday twilight program for the first time during the 2015 Betfair Tasmanian Summer Racing Carnival (TSRC). Outsider Geegees Classicboy won the evening’s major race.

The last feature race of the TSRC, the \$100,000 George Adams Stakes, saw The Cleaner just beaten by star 3YO Admiral.

More than \$1.7m in prize money in Group and Listed races, and more than \$3m across all 11 carnival meetings, was won during the TSRC.

MORE THAN 80% OF FEATURE RACES OF THE SUMMER CARNIVAL WERE WON BY TASMANIAN HORSES

More than 80 per cent of features were won by Tasmanian horses, collecting more than \$2.2m in stakes.

This result compares favourably to last year when about 70 per cent of carnival stakes stayed in Tasmania for the benefit of the industry and the economy.



The Tasmanian Magic Millions Yearling Sale at the Inveresk Showgrounds in Launceston enjoyed another successful year with 89 lots sold at a gross of \$1.543 million - up more than 50 per cent on last year’s successful auction. An average price of \$17,337, up 32 per cent on 2014, was achieved in 2015.

The three quarter brother to star galloper The Cleaner topped the sale. The colt sold for a record price of \$0.1m to leading Victorian syndicator Rob Slade, of Slade Bloodstock.

Complementing the Magic Millions Yearling Sale and affirming Tasracing’s commitment to the breeding industry in Tasmania, the year marked the third season for the tasBonus incentive scheme.

It was highlighted by more than \$0.3m in tasBonus payments paid to winners throughout the state, including prominent gallopers Siorca, Valiant Warrior, Geegees Double Jay and Geegees Golden Girl.

This season saw a 12 per cent increase in base stakes in maiden, Class 1 and Benchmark 62 races to \$14,000.

Wednesday night racing in Launceston consolidated its position as a first-class product, showcased by live coverage on SKY 1 and Sky Thoroughbred Central featuring trackside interviews and pre-race mounting yard analysis, which assisted a 16 per cent revenue increase. It also contributed strongly to the continued expansion of Tasmanian racing in international markets.

Tasracing, with the assistance of Victorian registered training organisation Skillsinvest, continued the training of Tasmanian apprentices within the Certificate IV jockey program. It was pleasing to see eight apprentices graduate with Certificate IV qualifications during the year. It also introduced a pilot program for elite jockey coaching through the Coaching Space and Dr. Ian Snape. The program assists the progression of experienced apprentices into senior riding ranks.



Craig Williams mentoring Tasmanian apprentices

Tasracing acknowledges the efforts of members of the Thoroughbred Advisory Network (TAN) who met with Tasracing on a quarterly basis. In particular the efforts of former TAN chairman David Adams, who

worked tirelessly on behalf of the industry, needs to be recognised. Tasracing has welcomed a new chairman, Robyn Whishaw, and looks forward to continuing to work with TAN members to strengthen and improve thoroughbred racing in Tasmania.

Tasracing’s Off the Track (OTT) program for retired racehorses continued its important work during 2014/15. In consultation with equestrian groups, Tasracing has developed a program in which OTT thoroughbreds are recognised for their outstanding performances within equestrian disciplines. Highlights of these events were

showcased on the popular Tasracing OTT Facebook page.

Tasracing continued to facilitate operational race day functions for both the Devonport Racing Club and Tasmanian Racing Club. Racing-related functions of the Tasmanian Turf Club will also be assumed by Tasracing in 2015/16. The structure will continue to deliver efficiencies across all venues and allow for a coordinated, centralised approach that will complement Tasracing’s statewide responsibility for tracks and assets.

THOROUGHBRED AWARDS 2015

The annual racing awards recognised the outstanding year of Tasmanian racehorses on the local and national stage, as well as the achievements of the state’s leading participants and breeders.

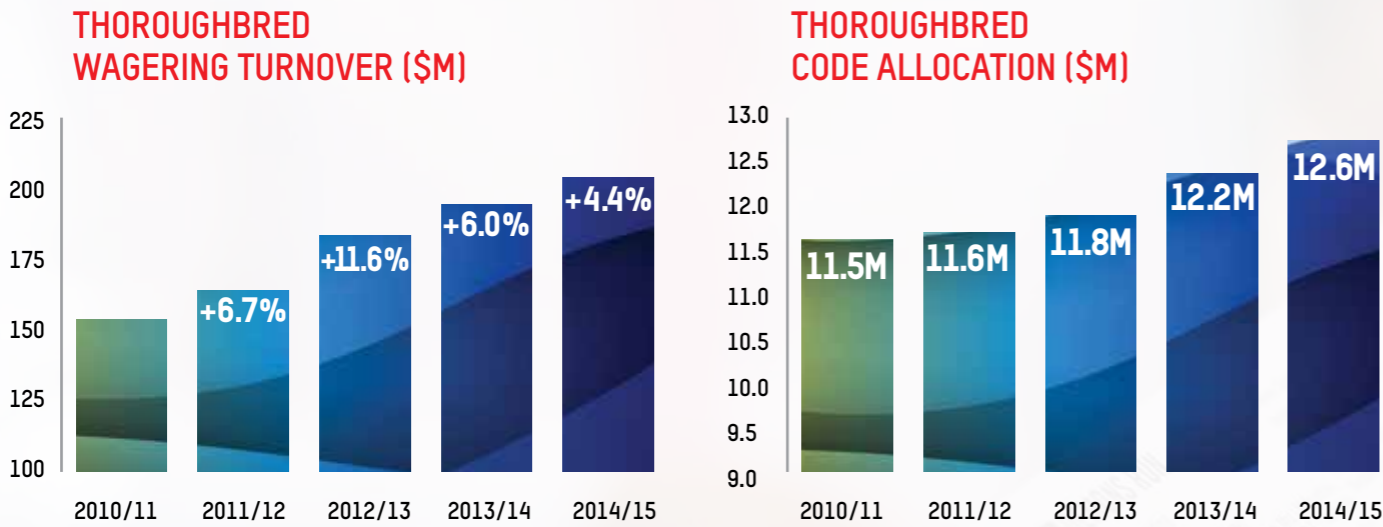


ANNUAL THOROUGHBRED AWARD WINNERS 2015

Tasmanian Racehorse Owners Association Horse of the Year Award 2014/15	THE CLEANER
Armidaile Stud “Needs Further” Tasbreeders Leading Race Filly or Mare	GEEGEES GOLDENGIRL
STAR Thoroughbreds 3YO Horse of the Year Award 2014/15	ADMIRAL
Magic Millions 2YO Horse of the Year Award 2014/15	GEEGEES TOP NOTCH
Tasbreeders Leading Stallion 2014/15	SAVOIRE VIVRE
Tasbreeders Leading Juvenile Stallion 2014/15	WORDSMITH
Tasmanian Horse Transport Leading Broodmare	CENTAFIT
Tasracing Leading Trainer Award 2014/15	SCOTT BRUNTON
TRC Leading Jockey Award 2014/15	DAVID PIRES
SkillsInvest Leading Apprentice Award	ISMAIL TOKER
Tattersall’s Park Function Centre Leading Owner Award 2014/15	PAUL AND ELIZABETH GEARD
UBET Recognition Award for outstanding achievement 2014/15	GRENVILLE STUD
TAN Industry Recognition Award	MICK BURLES



THIS SEASON SAW A 12% INCREASE IN BASE STAKES IN MAIDEN, CLASS 1 AND BENCHMARK 62 RACES TO \$14,000.



KEY THOROUGHBRED RACING STATISTICS

	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
Meetings	73	74	77	78	77	76
Races Held	588	625	626	622	621	612
Overall Starters	5801	6391	6127	5925	6046	5823
Average Starters/Race	9.9	10.2	9.8	9.5	9.7	9.5



Valient Warrior



THOROUGHBRED WAGERING  
INCREASED BY 4.4%  
TO \$200M



# HARNESS RACING

Australian punters continued to support Tasmanian harness racing, delivering four per cent growth in wagering turnover in 2014/15 to \$82 million.



Tasmanian Erin Holloway guides El Jays Magic home in the HBV Jane Ellen at Melton. Photo: HRV

Australian punters continued to support Tasmanian harness racing, delivering four per cent growth in wagering turnover in 2014/15 to \$82m.

Pleasingly, wagering turnover on Tasmanian harness racing has increased every year since 2008/09.

Total wagering turnover in this period has increased by more than 50%.

The publication of form analysis via the Tasracing and Harness Racing Australia websites played a key role in this growth.

This enhanced promotion helped increase website traffic. Tasracing social media channels were also utilised to grow form distribution.

A 10-minute harness preview segment continued to be broadcast on RadioTAB on Sunday mornings from 7.50 am. A 20-minute harness segment was also included in Tasracing Talk.

Tasmanian horses Beautide (Australian Horse Of The Year) and Barynya (Australian 3YO Filly Of The Year) dominated Australian pacing during 2013/14, and both again featured prominently in 2014/15. Beautide won his second Inter Dominion Final and was second in the Miracle Mile while Barynya smashed the track record winning the \$25k Charlton Cup.

Success by Tasmanian horses interstate was not limited to Beautide and Barynya. Ten Tasmanian horses won metropolitan class races – Bettor Draw, Blue Pointer, Devendra, El Jays Magic, Giuliani, Livin It Lovin It, Melolyn, Modern Ruler, Partyboy Glenwood and The Dip.

Modern Ruler won two free for all races at Menangle, Devendra won a \$50,000 race at the same venue and El Jays Magic won a \$25,000 mares free for all at Melton.

HARNESS RACING



Over the past three years, there have been 29 individual Tasmanian winners of metropolitan class races, and many more have been placed, demonstrating the strength of Tasmanian harness racing.

This interstate success is also an indication of the strength of Tasmanian breeding. Eighteen of the 29 winners are Tasbred and another, Barynya, was foaled in Tasmania.

During 2014/15, Tasracing paid out \$68k for its new breeding initiative – the Tasbred Owners Breeding Incentive (TOBI), an initiative welcomed by breeders.

The TOBI provides \$1,000 to the owners of every Tasbred winner in Tasmania aged four-years-old or older. The \$1,000 can be used for breeding-related activities or to assist with the purchase of Tasmanian yearlings.

In addition, Tasracing continued to support harness breeders in 2014/15 with:

- A Tasbred Bonus distribution of \$0.24m.
- \$0.3m stakes for Tasbred heats and finals.
- Tasbred Breeders Coupon payments of \$110k.
- Payment of foal notification fees on behalf of breeders saving them more than \$26k
- Payment of \$16k for yearling sale first win bonuses.

There were 16 feature races in Tasmania with stake money of \$20k or more.

Star Chamber, trained and driven by Nathan Ford, dominated the open class feature races. The six-year-old gelding’s wins included the Tasmania Cup, The Hobart Pacing Cup and the Devonport Cup.



Old Beach trainer Paul Hill won the major two-year-old races with stablemates Hillview Jake and Chica Bella.

Reinsman Gareth Rattray won a 10th consecutive state driving premiership

Reinsman Gareth Rattray won a 10th consecutive state driving premiership – two more than his father, Barrie, achieved between 1990 and 1997. Gareth is now only three behind legendary Tasmanian driver Jack Stamford in the contest for the most Tasmanian driving titles. Gareth also finished equal third in the inaugural Australian Drivers Championship in Adelaide in October 2014.

Rohan Hillier won his first trainer’s premiership in 2014/15. The 42-year-old from Beauty Point in Tasmania’s north first established himself in the top 10 list of Tasmanian trainers in 2010, and has built towards the win ever since.

Nineteen-year-old Dylan Ford won his third Junior Driver award. Dylan also represented Tasmania in

the 2015 Australasian Young Drivers Championship and finished fifth after a second placing in the same series the previous year.

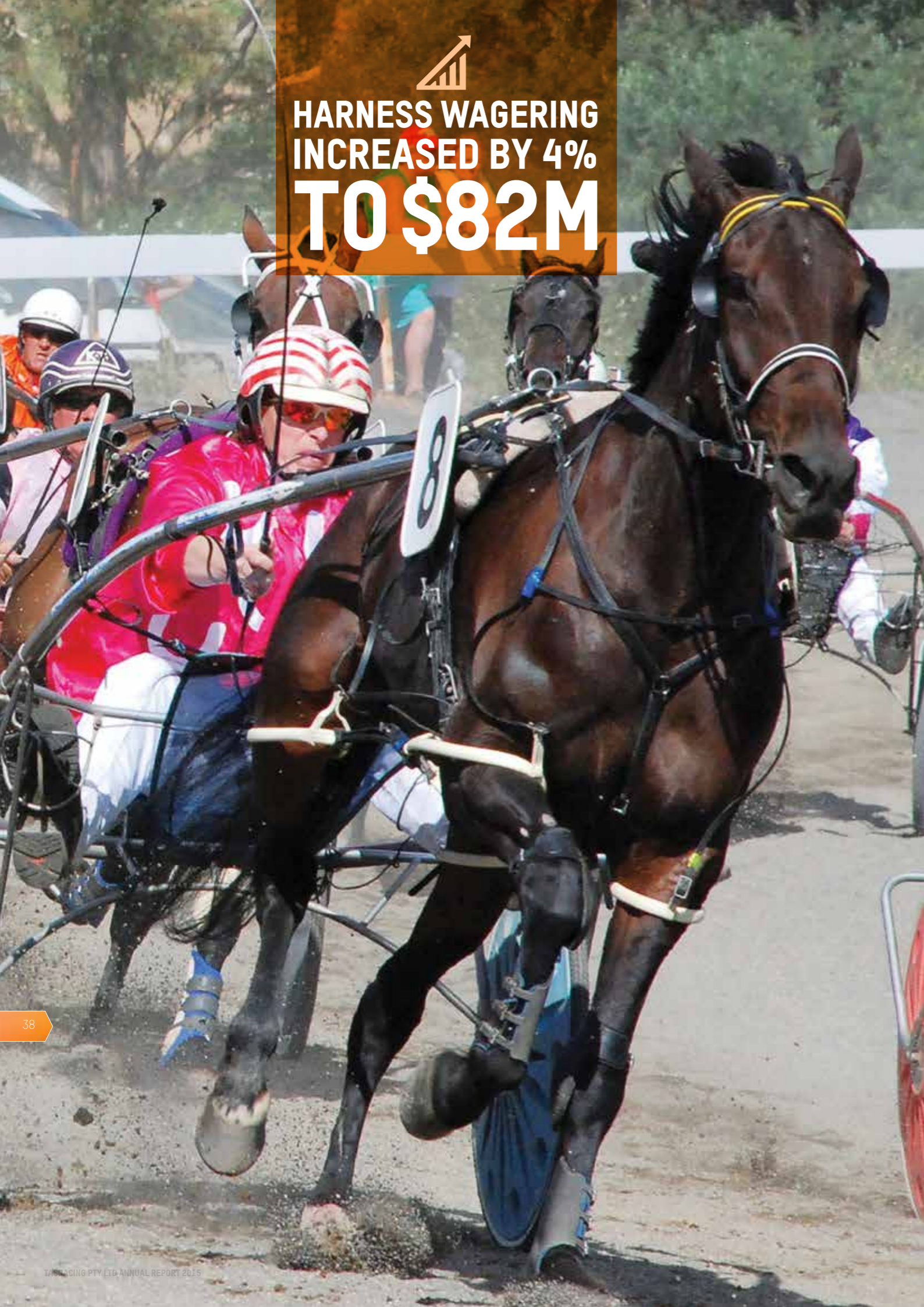
After reviewing the 2014 Tasmanian Premier Harness Yearling Sale, the Harness Yearling Sale Working Group (HYSWG), which comprises members of the Tasmanian harness breeding industry and Tasracing, determined that the Tasracing harness yearling sale would not be conducted in 2015. In its place, the HYSWG endorsed a website facility where breeders could advertise their horses for sale.

Twenty one yearlings were listed on the page with nine vendors represented. While a reserve price was not required until the last seven days, 20 horses were listed with a reserve price five weeks before the sale ended. Nine horses were sold. The online sale will be refined and continued in 2016.

The Harness Industry Forum (HIF) continued to meet quarterly in 2014/15. Regular topics covered included sustainability, safety and welfare, programming, policies, marketing and breeding. Tasracing thanks all HIF members for the time and effort they commit to this important forum.

2014-15 HARNESS AWARD WINNERS

Leading Female Driver Award	TAYLOR FORD
Leading Female Trainer Award	JUANITA MCKENZIE
Junior Driver Award	DYLAN FORD
Leading Driver Award	GARETH RATTRAY
Leading Trainer Award	ROHAN HILLIER
2YO Filly Of The Year Award	CHICA BELLA
2YO Colt Or Gelding Of The Year Award	HILLVIEW JAKE
3YO Filly Of The Year Award	BAROOGA MINNIE
3YO Colt Or Gelding Of The Year Award	MISTER LENNOX
Tasmanian Mare Of The Year Award	EL JAYS MAGIC
Tasmanian 4YO & Older Horse Or Gelding Of The Year Award	BEAUTIDE
Jetsonville Park Tasmanian Broodmare Of The Year Award	GORSE BUSH
Tasmanian Horse Of The Year Award	BEAUTIDE
Halwes Medal (Sponsored by BOTRA Tasmania and Jamie Cockshutt)	GARETH RATTRAY
Young Achiever (Sponsored by BOTRA Tasmania)	TODD RATTRAY
The Edgar Tatlow Medal	JAMES (ART) MEEKER

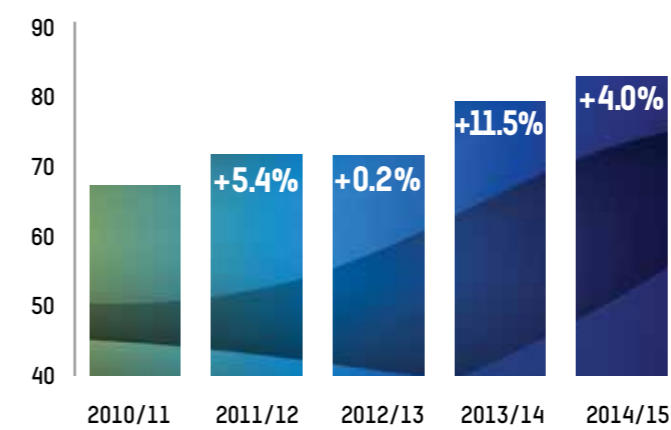


  
**HARNESS WAGERING  
INCREASED BY 4%  
TO \$82M**

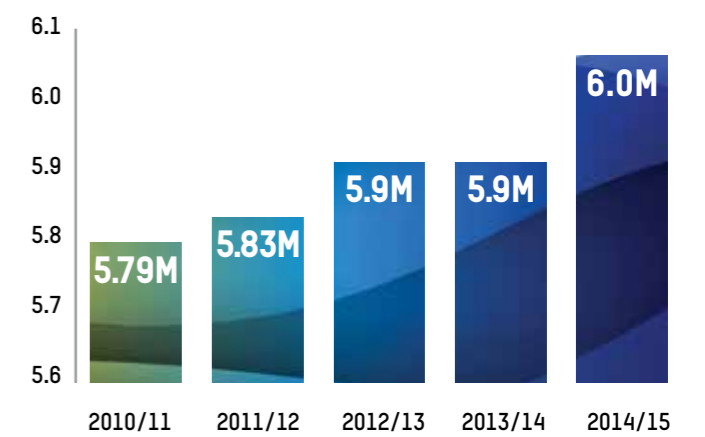
## HARNESS RACING



HARNESS WAGERING TURNOVER (\$M)



HARNESS CODE ALLOCATION (\$M)



## KEY HARNESS RACING STATISTICS

	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
Meetings	85	84	83	86	85	87
Races Held	733	765	778	773	758	725
Overall Starters	6453	7149	7366	7260	6392	6047
Average Starters/Race	8.8	9.3	9.5	9.4	8.4	8.3





# GREYHOUND RACING



The 2014/15 financial year was a difficult and challenging period for the code following the ABC Four Corners exposure of live baiting practices in Victoria, NSW and Queensland.

While no evidence of live baiting was found in Tasmania following an independent investigation by the Director of Racing and the Chief Veterinary Officer, the issue led to unprecedented changes in greyhound racing administration interstate.

Government enquiries were held, including in Tasmania, and sanctions were imposed on those found guilty of live baiting interstate.

Tasracing provided a detailed 125-page submission to the Joint Select Committee established by the Parliament of Tasmania. At time of writing, Tasracing was awaiting the committee's report.

While some in the community were quick to criticise the greyhound industry and its practices, a lot of good work had been completed nationally and locally some months before the Four Corners program was broadcast.

In addition, the Greyhounds Australasia Board was quick to introduce new rules that significantly increased penalties for any participants found guilty of live baiting. Tough new operating guidelines were also introduced for lures and the keeping of small animals on properties where greyhounds are trained.

Animal welfare continues to be an important focus for Tasracing which takes its obligations in this area very seriously.



Tasracing has been an active member of the Greyhounds Australasia National Welfare Working Party that has overseen the introduction of a number of rule amendments in respect to animal welfare.

As part of the strategy, Tasracing concluded the Vaccination/Microchip/Rearing Rebate and the DNA Subsidy rebate. Both were phased out in the early part of the 2015/16 financial year.

Tasracing recognises that community attitudes towards animal welfare and the greyhound code have evolved.

At a national level, the industry acknowledges that it has failed to keep pace with changing community expectations. Tasracing appreciates the legitimate community concerns on the issue.

Importantly, the industry has accepted responsibility for addressing areas of community concern.

Tasracing has implemented a progressive industry skills program that mandates that industry participants must have nationally accredited training credentials in order to be licensed to participate in the industry.

*Animal welfare continues to be a primary focus for Tasracing.*

Granting of licences will now be directly linked to the national standard of competency.

In preparation for this in 2014/15 Tasracing began a process of Recognition of Prior Learning accreditation for all licensed catchers, attendants and trainers. Tasracing has also appointed a training officer to coordinate this important work. The assessments are conducted by experienced greyhound industry participants and all assessments meet with the required Australian Quality Training Framework standard.

Wagering turnover on Tasmanian greyhounds increased by 10.3 per cent in to \$194m. This follows 15 per cent growth last year.

The Greyhound Reference Group met quarterly to discuss industry issues and to make recommendations on rules and policies. All clubs and the Greyhound Owners, Trainers and Breeders Association of Tasmania had strong representation at the meetings. Tasracing extends its thanks to members for their time and efforts.

The Greyhound Adoption Program (GAP) continues to grow given the strong demand for GAP graduates. This has been driven by GAP’s presence at a number of events during the year including the Million Paws Walk, GAP Christmas Party and Greyhounds on the Move events. The number of adoptions increased from 35 in 2013/14 to 63 in 2014/15.



Tasracing introduced direct payment of prizemoney which began operation on 1 August 2015. Advantages of this system include creating efficiencies in administration, enhancing safety of Tasracing employees and helping ensure compliance with Australian Tax Office regulations.

Buckle Up Wes achieved the most notable performance for 2014/15 when he became the first Tasmanian-owned and trained greyhound to contest and win the Topgun in Melbourne, an invitation only race that offers \$150,000 to the winner.

Above All, won the 2014 Group 1 Tattsbet Hobart Thousand by an impressive seven and three quarter lengths from Ride the Rails with favourite Dyna Villa in third place.

The 2015 Group 3 Dowling & McCarthy Hankook Tyres Devonport Cup was won by Tasmanian-owned and trained Dark Vito. The final group race for the season, the 2015 Group 2 A Total Car Rentals Launceston Cup, was also won by a Tasmanian-owned and trained greyhound, Brad Hill Billy.

On a sombre note, Gary Sutton, one of the industry’s most respected administrators and who was inducted into the Hall of Fame in December 2014, passed away in June. His contribution to Tasmanian greyhound racing was long and varied. Gary will be remembered as a significant contributor to the club and the broader industry.

THE LAUNCESTON CUP AND  
2014 ANNUAL AWARDS DINNER

Held in February 2015

Greyhound of the Year –	<b>BUCKLE UP WES</b>
Leading Trainer –	<b>ANTHONY BULLOCK</b> (166 winners)
Leading Owner –	<b>DEBBIE CANNAN</b> (82 winners)
Most Consistent Greyhound –	<b>SEÑOR SLAMMA</b> (19 wins, 2 seconds and 2 thirds from 37 starts in Tasmania)
Leading Broodbitch –	<b>WOOREDDY</b> (Owned by The Island Syndicate, Wooreddy’s progeny won 38 races)
Leading Sire –	<b>COLLISION</b> (Owned by Tony Lockett in New South Wales, Collision’s progeny won 126 races in Tasmania)



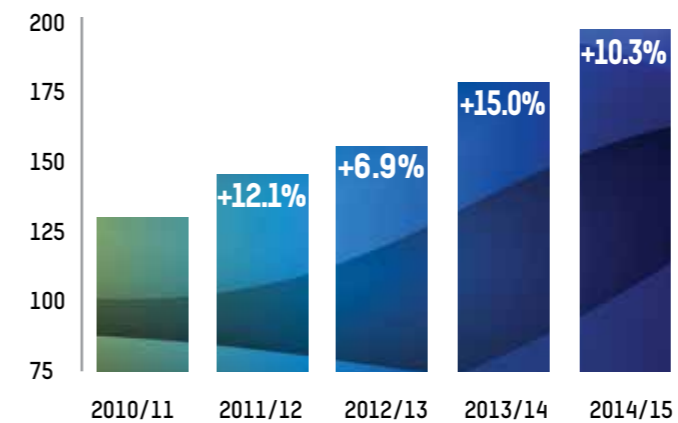


**GREYHOUND WAGERING  
INCREASED BY 10.3%  
TO \$194M**

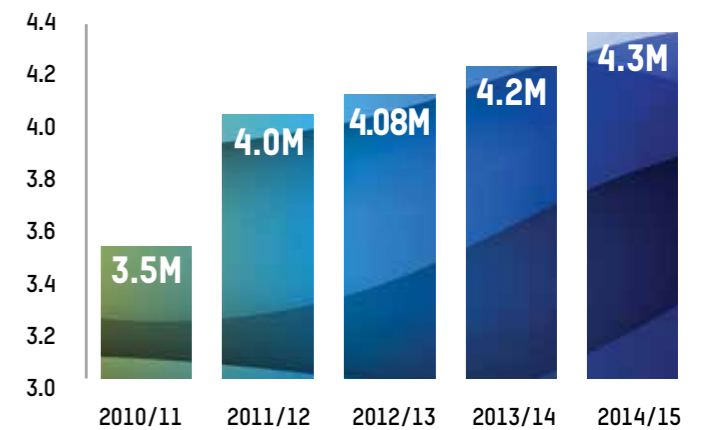
## GREYHOUND RACING



GREYHOUND WAGERING TURNOVER (\$M)



GREYHOUND CODE ALLOCATION (\$M)



## KEY GREYHOUND RACING STATISTICS

	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
Meetings	157	156	157	157	157	157
Races Held	1567	1567	1628	1637	1601	1615
Overall Starters	12193	12219	12663	12814	12336	12477
Average Starters/Race	7.8	7.8	7.8	7.8	7.7	7.7



# FINANCIAL STATEMENTS

For the year ending 30 June 2015

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## TASRACING PTY LIMITED

# DIRECTORS' REPORT

For the year ending 30 June 2015

The directors present their report together with the financial report for the year ended 30 June 2015 and the independent auditor's report thereon.

## DIRECTORS

The names of directors of the company in office during or since the end of the financial year are:

**BRIAN SPEERS** – Chairman

**GEOFF BAXTER** – resigned 1 July 2014

**DEAN COOPER**

**DES GLEESON**

**TREVOR LEIS**

**DANNY MCCARTHY**

**TANIA PRICE**

**JUSTIN CRAWFORD** – appointed 24 November 2014

## PRINCIPAL ACTIVITIES

The principal activities during the course of the financial year were the administration, oversight and funding of racing in Tasmania.

## REVIEW OF OPERATIONS

For the year ended 30 June 2015, the company recorded a total comprehensive loss of \$1,224,136 (2014: loss of \$252,395). No dividends were paid to members during the year (2014: nil). The company had no options or unissued shares during the current or previous year.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS DURING THE YEAR

There were no significant changes in the state of the company's affairs during the financial year.

## ENVIRONMENTAL REGULATIONS

The company is not subject to any environmental regulations under a law of the Commonwealth or the state of Tasmania.

## SUBSEQUENT EVENTS

On 23 July 2015, Stakeholder Minister for Racing announced a package of measures that resolved the company's structural funding gap issues. No other matters or circumstances have occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly this information has not been disclosed in this report.

## INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the company paid a premium of \$6,106 (2014 - \$6,836) in respect of insurance for directors and officers liability. The company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 92 of the financial statements.

Signed in accordance with a resolution of the Board of Directors:



**MR BRIAN SPEERS**

Chairman

7 August 2015

## TASRACING PTY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 June 2015

	NOTE	2015 \$	2014 \$
<b>REVENUE AND OTHER INCOME</b>			
Racing revenue	3	10,004,919	9,064,968
Government grant		30,238,499	30,169,344
Interest revenue		680,153	680,695
Impairment reversal	4	2,231,760	1,002,283
<b>TOTAL REVENUE AND OTHER INCOME</b>		<b>43,155,331</b>	<b>40,917,290</b>
<b>EXPENSES</b>			
Prizemoney and industry funding		24,238,234	23,174,749
Raceday and racing expenses	5	5,397,001	5,350,186
Depreciation and amortisation expense	6	3,619,242	3,663,543
Expenses for obsolete property, plant & equipment	13	1,793,049	-
Marketing		838,822	618,098
Employee benefits expense	7	6,032,331	5,657,880
Finance and leasing costs	8	1,122,360	1,185,530
Other expenses	9	1,329,428	1,342,698
<b>TOTAL EXPENSES</b>		<b>44,370,467</b>	<b>40,992,686</b>
<b>LOSS BEFORE TAX</b>		<b>(1,215,136)</b>	<b>(75,395)</b>
Income tax expense	11	-	-
Loss for the year after tax		(1,215,136)	(75,395)
Other comprehensive income	7	(9,000)	(177,000)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,224,136)</b>	<b>(252,395)</b>

This statement should be read in conjunction with the accompanying notes.

## TASRACING PTY LIMITED

## STATEMENT OF FINANCIAL POSITION

For the year ending 30 June 2015

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		8,563,566	7,962,863
Trade and other receivables	12	1,076,057	1,233,173
Prepayments		296,171	660,925
<b>TOTAL CURRENT ASSETS</b>		<b>9,935,793</b>	<b>9,856,961</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	47,655,092	49,100,691
Intangible assets	14	67,581	126,207
Other financial assets	15	55,949	40,268
<b>TOTAL NON-CURRENT ASSETS</b>		<b>47,778,622</b>	<b>49,267,167</b>
<b>TOTAL ASSETS</b>		<b>57,714,415</b>	<b>59,124,128</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	1,445,986	2,685,746
Borrowings	17	614,879	582,880
Other financial liabilities	18	135,992	126,223
Provisions	19	2,435,811	1,393,113
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,632,668</b>	<b>4,787,962</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	17	10,827,405	11,442,283
Provisions	19	2,261,077	2,259,360
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,088,481</b>	<b>13,701,643</b>
<b>TOTAL LIABILITIES</b>		<b>17,721,149</b>	<b>18,489,605</b>
<b>NET ASSETS</b>		<b>39,993,266</b>	<b>40,634,523</b>
<b>EQUITY</b>			
Contributed equity	20	56,418,747	55,835,867
Accumulated losses	21	(16,425,481)	(15,201,345)
<b>TOTAL EQUITY</b>		<b>39,993,266</b>	<b>40,634,523</b>

This statement should be read in conjunction with the accompanying notes.

## TASRACING PTY LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June 2015

	NOTE	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	TOTAL
		\$	\$	\$
<b>BALANCE AS AT 30 JUNE 2013</b>		<b>55,283,315</b>	<b>(14,948,949)</b>	<b>40,334,366</b>
Equity contribution		552,552	-	552,552
Profit /(Loss) for the year	21	-	(75,395)	(75,395)
Other comprehensive income	21	-	(177,000)	(177,000)
Total comprehensive income for the year		-	(252,395)	(252,395)
<b>BALANCE AS AT 30 JUNE 2014</b>		<b>55,835,867</b>	<b>(15,201,345)</b>	<b>40,634,523</b>
Equity contribution	20	582,880	-	582,880
Profit /(Loss) for the year	21	-	(1,215,136)	(1,215,136)
Other comprehensive income	21	-	(9,000)	(9,000)
Total comprehensive income for the year		-	(1,224,136)	(1,224,136)
<b>BALANCE AS AT 30 JUNE 2015</b>		<b>56,418,747</b>	<b>(16,425,481)</b>	<b>39,993,266</b>

This statement should be read in conjunction with the accompanying notes.

## TASRACING PTY LIMITED

## STATEMENT OF CASH FLOWS

For the year ending 30 June 2015

	NOTE	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		39,198,130	39,761,877
Payments to suppliers & employees		(36,637,892)	(36,200,457)
Interest received		693,253	673,844
Interest & other costs of finance paid		(951,486)	(983,516)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>23 (b)</b>	<b>2,302,007</b>	<b>3,251,748</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for non-current assets		(1,676,304)	(634,495)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(1,676,304)</b>	<b>(634,495)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(582,880)	(552,552)
Equity contribution	20	582,880	552,552
Loan	15	(25,000)	(75,000)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>(25,000)</b>	<b>(75,000)</b>
Net Increase in cash and cash equivalents		600,703	2,542,253
Cash and cash equivalents at the beginning of the year		7,962,863	5,420,610
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>23 (a)</b>	<b>8,563,566</b>	<b>7,962,863</b>

This statement should be read in conjunction with the accompanying notes.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

1. GENERAL INFORMATION

Tasracing Pty Ltd (Tasracing) was incorporated on 1 July 2009 and is domiciled in Tasmania, Australia. Tasracing is a state owned company.

Tasracing was established by the Racing (Tasracing Pty Ltd) Act 2009 and is governed by the Racing Regulation Amendment Act 2008. The Principle Act is the Racing Regulation Act 2004. The responsible Minister is the Minister for Racing. Section 11 of the Racing Regulation Act 2004 sets out the Tasracing’s responsibilities as follows:

- 1 Developing a vision for the racing industry;
- 2 Promoting Tasmanian racing locally, nationally and internationally;
- 3 Promoting the development of an efficient and effective racing industry;
- 4 Promoting the development of an efficient and effective horse and greyhound breeding industry;
- 5 Corporate governance, strategic direction and funding;
- 6 Providing advice to the Minister and making appropriate policy recommendations for the development of racing;
- 7 Attracting sponsorship income;
- 8 Allocating race dates;
- 9 Race programming;
- 10 Developing and maintaining racing and training venues under its control;
- 11 Making (by drawing up its own local rules and by adopting Australian Rules of racing) the Rules of Racing, having regard to the recommendations of the Director of Racing;

- 12 Setting licence and registration standards and criteria, having regard to the recommendations of the Director of Racing;
- 13 Monitoring, coordinating and setting standards, in consultation with the Director of Racing, for the training of people employed or otherwise engaged in the racing industry other than:
  - (i) Persons appointed under section 51; or
  - (ii) persons employed in that industry appointed under the State Service Act 2000;
- 14 Representing the Tasmanian racing industry on national and international controlling bodies and in national and international forums;
- 15 Publishing industry journals;
- 16 Approving, in a manner not inconsistent with the Corporations Act 2001, the operating budgets of racing clubs;
- 17 Assisting racing clubs with the promotion and marketing of major race meetings and race carnivals;
- 18 Determining a fee for race field information publication approval for each code of racing;
- 19 Developing a code of conduct to be complied with by Tasracing and its employees;
- 20 Controlling race nominations, acceptances, field selections, handicapping, barrier draws and scratchings in thoroughbred racing;
- 21 Negotiating with broadcast providers scheduling and revenue-sharing arrangements for the broadcast of Tasmanian racing, both nationally and internationally; and

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

- 22 Such other functions as may be conferred or imposed on it by or under this or any other Act.

Tasracing’s registered office and principal place of business is 6 Goodwood Road, Glenorchy TAS 7010.

Tasracing’s principal activity is the administration, oversight and funding of racing in Tasmania.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and comply with other requirements of law. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (“IFRS”).

The financial report was authorised for issue by the directors on 7 August 2015.

Basis of preparation

The financial report has been prepared on the basis of historical cost and on a going concern basis. The Company’s existence to undertake its current activities is further explained at Note 2 (n). Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Tasracing’s accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment review of property, plant and equipment

Estimates have been made in impairment calculations regarding forecast cash flows and discount rates. Note 13 includes disclosure on key assumptions.

Defined benefit superannuation fund obligations

Various actuarial assumptions are utilised in the determination of the Tasracing’s defined benefit superannuation fund obligations. These assumptions are discussed in Note 19.

Employee entitlements

Judgement is applied in determining the key assumptions used in the calculation of the following:

- long service leave;
- workers compensation; and
- superannuation entitlements.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

tasBonus

The expected future bonus payments have been reviewed in the context of the level of nomination fees, the bonus structure and the empirical win percentages. The provision for future payments in relation to tasBonus is disclosed in Note 19.

Asset economic lives

As part of the introduction of the strategic assets management system, a set of default economic lives has been adopted. Depreciation in FY15 has been calculated using remaining economic lives which is the default life over the amount of time owned. The remaining economic lives have been

assessed for each asset through a physical inspection of each asset’s condition.

Changes in Accounting Policies

(a) Accounting standards adopted

In the current year Tasracing has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. Tasracing has reviewed and where relevant adopted the following standards:

AASB AMENDMENT	AFFECTED STANDARD	NATURE OF CHANGE TO ACCOUNTING POLICY
AASB 2013-9 and AASB 2014-1	Conceptual Framework and Accounting Standards	Makes amendments standards to delete references to AASB1031 Materiality (which is being withdrawn). This has no impact on the financial statements.
AASB 15	AASB 132 Financial Instruments	Addresses inconsistencies when applying the offsetting criteria in this standard. This has no material impact to the financial statements.
AASB 2013-3	AASB 136 Impairment	Small scope amendments regarding the disclosure of recoverable amounts of impairments on disposal of assets. This has no material impact to the financial statements.
AASB 2014-1	AASB 119 Employee Benefits	Narrow scope adjustment to apply contributions from employees or third parties to defined benefit plans simplifying the accounting treatment for contributions. This has no material impact to the financial statements.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

(b) Future Pronouncements

The following standards and amendments were available for early adoption but have not been applied by Tasracing in these financial statements:

AASB AMENDMENT	AFFECTED STANDARD	NATURE OF CHANGE TO ACCOUNTING POLICY	EFFECTIVE DATE	APPLICATION DATE FOR TASRACING
AASB 2014-4	AASB 116 Property Plant & Equipment and AASB 138 Intangible Assets	Amending Standard - provides additional guidance on how depreciation or amortisation should be calculated. This standard will not have a material impact on the financial statements	1 January 2016	30 June 2017
AASB 15	Revenue from contracts with customers	New standard that replaces AASB 118 Revenue. Requires revenue to be recognised in line with contractual obligations. This is generally current practice for Tasracing.	1 January 2017	30 June 2018
AASB 9	Financial instruments	The final version of AASB9 replaces AASB 139 Financial Instruments: Recognition and Measurement. This version adds a new expected impairment model and limited amendments to classification and measurement for financial assets.	1 January 2018	30 June 2019

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial

statements of Tasracing. However the introduction of AASB 15 Revenue from Contracts with Customers will see significantly increased disclosure requirements.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

CHANGE IN ACCOUNTING ESTIMATES

Employee Benefits

A study commissioned by the Group of 100 (G100) and conducted by Milliman Australia in 2015 has concluded that a deep market in high quality corporate bonds now exists in Australia. Milliman Australia was then commissioned by G100 to generate a standardised set of discount rates to be made publicly available for the purpose of discounting employee benefit liabilities under AASB 119 Employee Benefits. This discount rates are based on a blended yield curve for AA and AAA rated corporate bonds.

As a result, Tasracing used market yields on high quality corporate bonds to discount its defined benefit plan and long service leave obligations as required by AASB 119 Employee Benefits for the first time in the current year. Previously, discount rates based on market yields on government bonds were used. This change in estimate resulted in a decrease compared to the year ended 30 June 2014 to the superannuation liability by \$348,000.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Property, plant and equipment

Property, plant and equipment and leasehold improvements are stated at cost less accumulated depreciation, amortisation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the

event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The asset capitalisation threshold adopted by the company is \$1,000. Assets valued at less than \$1,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total). The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

The following useful lives are used in the calculation of depreciation and amortisation:

Leasehold improvements	Term of the lease or life of the asset
Plant and equipment	5 to 20 years
Racecourse plant and equipment	5 to 20 years

(b) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

The following useful lives are used in the calculation of amortisation:

Website and systems development	3 years
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(c) Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which it belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses are allocated prorata across assets in the cash generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) 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 (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. The impairment reversal is allocated prorata across assets in the cash generating unit.

(d) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(e) Financial assets

All Financial Assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of any transaction costs.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Financial assets are classified into the following specified category: ‘Loans and receivables’. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets ‘at fair value through profit or loss’.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘Loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

The carrying amount of financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Derecognition of financial assets

Tasracing derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Tasracing neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

(g) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual agreement. Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

Financial liabilities

Financial Liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Derecognition of financial liabilities

Tasracing derecognises financial liabilities when, and only when, the company’s obligations are discharged, cancelled or they expire.

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Tasracing’s main source of income is in the form of state government funding.

Government grants

Government grants are not recognised until there is reasonable assurance that Tasracing will comply with the conditions attaching to them and the grants will be received.

Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in the Comprehensive Income Statement as operating income when the grant becomes receivable and Tasracing gains control of the underlying assets

Tasracing is funded by government appropriations provided each year, over a twenty year period from 1 July 2009 and subject to the conditions of a funding deed.

Rental income

Revenue from operating leases is recognised in accordance with Tasracing’s accounting policy outlined in Note 2(k).

Interest

Interest revenue is recognised when it is probable that the economic benefits will flow to Tasracing and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Racefield information publication fees

Revenue collected from racefield information publication fees is recognised when the amount of revenue can be measured reliably.

Nomination fees for tasBonus scheme

Nomination fees for the tasBonus scheme are deferred on receipt and recognised in the Comprehensive Income Statement as races nominated under the scheme are scheduled and run.

(i) Borrowing costs

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs are recognised in profit and loss in the period in which they are incurred.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by Tasracing in respect of services provided by employees up to reporting date.

Classification of employee benefits

An employee benefit liability is classified as a current liability if there is no unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in profit or loss in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of the plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(k) Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

TASRACING PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Tasracing as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Tasracing as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Income tax equivalent

Tasracing as a state owned company is registered under the National Tax Equivalent Regime. Income tax expense represents the sum of the tax currently payable and deferred tax.

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax

(GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(n) Events after balance date

On 23 July 2015, Stakeholder Minister for Racing announced a package of measures that resolved the company’s structural funding gap issues. No other matters or circumstances have occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>3. RACING REVENUE</b>		
Racefield revenue	8,085,388	7,045,152
Sponsorship income	430,475	413,153
Rental income	194,089	223,323
Other income	1,294,967	1,383,340
	<u>10,004,919</u>	<u>9,064,968</u>
<b>4. IMPAIRMENT REVERSAL</b>		
Impairment of non-current assets		
Racecourse leasehold improvements	2,231,760	996,537
Plant and equipment	-	5,746
	<u>2,231,760</u>	<u>1,002,283</u>
<b>5. RACEDAY AND RACING EXPENSES</b>		
Training and racing facilities	2,897,685	2,999,010
Race day & other racing expenses	1,474,154	1,433,551
Insurance	1,025,162	917,626
	<u>5,397,001</u>	<u>5,350,186</u>
<b>6. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Plant & equipment	266,806	317,228
Racecourse leasehold improvements	3,288,822	3,283,464
Intangibles	63,614	62,851
	<u>3,619,242</u>	<u>3,663,543</u>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>7. EMPLOYEE BENEFITS EXPENSE</b>		
<b>Recognised in profit/(loss) for the year</b>		
Wages and salaries	5,109,144	4,754,243
Other associated personnel expenses	413,032	333,703
Contributions to defined contribution superannuation funds	456,616	418,819
Service cost of defined benefit scheme (excludes interest cost)	(67,228)	45,308
Increase in liability for annual leave	78,770	38,814
Increase in liability for long service leave	41,998	66,991
	<u>6,032,331</u>	<u>5,657,880</u>
<b>Recognised in other comprehensive income for the year</b>		
Actuarial (gains)/losses	66,000	174,000
Actual return on plan assets less interest income	(57,000)	3,000
	<u>9,000</u>	<u>177,000</u>
<b>Total measurement recognised in other comprehensive income</b>	<u>9,000</u>	<u>177,000</u>
<b>8. FINANCE AND LEASING COSTS</b>		
<b>Finance costs</b>		
Interest cost in relation to defined benefit obligation (see Note 19)	87,000	78,000
Interest expense	951,486	1,018,248
	<u>1,038,486</u>	<u>1,096,248</u>
<b>Leasing Costs</b>		
Occupancy lease rentals	70,764	79,666
Plant & equipment lease rentals	13,111	9,616
	<u>83,875</u>	<u>89,282</u>
	<u>1,122,360</u>	<u>1,185,530</u>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>9. OTHER EXPENSES</b>		
Insurance	400,671	426,934
Administration	736,291	657,943
Other	192,466	257,822
	<u>1,329,428</u>	<u>1,342,698</u>
<b>10. REMUNERATION OF AUDITORS</b>		
Auditing the Accounts (i)	<u>37,170</u>	<u>36,430</u>
(i) The auditor is the Tasmanian Audit Office		

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>11. INCOME TAX EXPENSE</b>		
Tax expense comprises:		
Current tax expense/(income) in respect of the current year	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax expense/(revenue) relating to continuing operations	<u>-</u>	<u>-</u>
The expense for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) from continuing operations	(1,215,136)	(75,395)
Income tax equivalent expense calculated at 30%	(364,541)	(22,619)
Effect of expenses that are not deductible in determining taxable profit	1,243	3,494
Effect of concessions and other allowances	-	-
Current Income tax benefit not recognised in profit or loss	363,298	19,125
Current income tax expense/(income) in respect of the current year	<u>-</u>	<u>-</u>
<b>Deferred tax balances</b>		
Deferred tax assets not recognised		
Deferred tax assets not recognised at the reporting date:		
Tax losses (revenue)	3,364,008	3,113,052
Temporary differences	9,836,463	6,179,153
	<u>13,200,471</u>	<u>9,292,205</u>

Deferred tax assets are not recognised as it is currently anticipated that future taxable profits will not be available to offset existing temporary differences

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	OPENING BALANCE	NOT RECOGNISED IN PROFIT AND LOSS	RECOGNISED DIRECTLY IN EQUITY	CLOSING BALANCE
	\$	\$	\$	\$
<b>2015</b>				
<b>Temporary differences</b>				
Property, plant and equipment	4,884,631	3,619,242	-	8,503,873
Employee entitlements	1,277,025	37,254	-	1,314,279
Doubtful debts	10,874	815	-	11,689
Accrued audit fees	6,623	-	-	6,623
	<u>6,179,153</u>	<u>3,657,310</u>	<u>-</u>	<u>9,836,463</u>

**Unused tax losses and credits**

Tax losses	3,113,052	250,956	-	3,364,008
	<u>9,292,205</u>	<u>3,908,266</u>	<u>-</u>	<u>13,200,471</u>

**DEFERRED TAX BALANCES****2014****Temporary differences**

Property, plant and equipment	3,250,810	1,633,821	-	4,884,631
Employee entitlements	1,167,824	109,201	-	1,277,025
Doubtful debts	5,956	4,918	-	10,874
Accrued audit fees	6,623	-	-	6,623
	<u>4,431,213</u>	<u>1,747,940</u>	<u>-</u>	<u>6,179,153</u>

**Unused tax losses and credits**

Tax losses	2,548,185	564,867	-	3,113,052
	<u>6,979,398</u>	<u>2,312,807</u>	<u>-</u>	<u>9,292,205</u>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>12. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables (i)	1,108,106	1,249,406
Provision for impairment	(38,957)	(36,241)
	<u>1,069,149</u>	<u>1,213,165</u>
Interest receivable	6,908	20,008
	<u>1,076,057</u>	<u>1,233,173</u>

(i) For receivables the average credit period on these items is 30 days with a large number of smaller debtors reducing the risk. No interest is charged on receivables. A provision for impairment has been made for estimated irrecoverable trade receivable amounts arising from past transactions, determined by reference to past default experience.

**Ageing of past due but not impaired**

30-60 Days	52,182	21,071
60-90 Days	7,819	4,471
90-120 Days	7,582	1,923
120+ Days	300,974	230,500

Included in the trade receivables balance are debtors with a carrying amount of \$368,557 (30 June 2014: \$257,964) which are past due at the reporting date which the company has not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. Tasracing does not hold any collateral over these balances.

**Movement in the allowance for impaired debts**

Opening balance	(36,240)	(19,848)
Amounts recovered during the year	(11,880)	-
Amounts written off as uncollectable	9,165	(16,392)
<b>BALANCE AT END OF YEAR</b>	<u>(38,956)</u>	<u>(36,240)</u>

**Ageing of impaired trade receivables**

30-60 Days	(821)	-
60-90 Days	(887)	-
90-120 Days	(777)	-
120+ Days	(36,472)	(36,240)

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

13. PROPERTY, PLANT AND EQUIPMENT	RACECOURSE LEASEHOLD IMPROVEMENTS	PLANT & EQUIPMENT	PROPERTY UNDER CONSTRUCTION	TOTAL
	\$	\$	\$	\$
<b>Gross Carrying Amount</b>				
Balance as at 30 June 2013	71,735,470	4,854,517	125,616	76,715,604
Additions	-	-	634,495	634,495
Disposals	-	-	-	-
Reclassification	296,600	177,106	(473,707)	-
Balance as at 30 June 2014	<u>72,032,070</u>	<u>5,031,624</u>	<u>286,405</u>	<u>77,350,099</u>
Additions	-	-	1,666,256	1,666,256
Disposals	-	-	-	-
Reclassification	940,344	452,952	(1,393,296)	-
Balance as at 30 June 2015	<u>72,972,415</u>	<u>5,484,575</u>	<u>559,365</u>	<u>79,016,355</u>
<b>Accumulated Depreciation / Amortisation</b>				
Balance as at 30 June 2013	22,120,682	3,530,315	-	25,650,997
Depreciation & amortisation	3,283,464	317,228	-	3,600,692
Expense for obsolete assets	-	-	-	-
Impairment reversal	(996,537)	(5,746)	-	(1,002,283)
Balance as at 30 June 2014	<u>24,407,609</u>	<u>3,841,797</u>	<u>-</u>	<u>28,249,406</u>
Depreciation & amortisation	3,323,518	227,049	-	3,550,567
Expense for obsolete assets	1,793,049	-	-	1,793,049
Impairment reversal	(2,231,760)	-	-	(2,231,760)
Balance as at 30 June 2015	<u>27,292,416</u>	<u>4,068,846</u>	<u>-</u>	<u>31,361,263</u>
<b>Net Book Value</b>				
Cost	71,735,470	4,854,517	125,616	76,715,604
Accumulated depreciation	(18,893,605)	(3,524,569)	-	(22,418,174)
Provision for impairment	(3,227,077)	(5,746)	-	(3,232,823)
As at 30 June 2013	<u>49,614,788</u>	<u>1,324,202</u>	<u>125,616</u>	<u>51,064,607</u>
Cost	72,032,070	5,031,624	286,405	77,350,099
Accumulated depreciation	(22,177,069)	(3,841,797)	-	(26,018,866)
Provision for impairment	(2,230,540)	-	-	(2,230,540)
As at 30 June 2014	<u>47,624,461</u>	<u>1,189,827</u>	<u>286,405</u>	<u>49,100,692</u>
Cost	72,972,415	5,484,575	559,365	79,016,355
Accumulated depreciation	(27,293,636)	(4,068,846)	-	(31,362,483)
Provision for impairment	1,220	-	-	1,220
As at 30 June 2015	<u>45,679,998</u>	<u>1,415,729</u>	<u>559,365</u>	<u>47,655,092</u>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

## Impairment review

Tasracing has experienced indicators of impairment including continued losses. An impairment calculation has been performed based on the Corporate Plan 2016-2020. The impairment calculation demonstrated that non-current assets were not impaired. An impairment charge of \$5,706,428 was recognised in FY12, \$2,472,385 was reversed in FY13, \$1,002,283 was reversed in FY14. A further reversal of \$2,231,759 has been recognised in FY15. The company has one cash generating unit comprising the racing and training venues. The discount rate used was 9.00% (2014 - 9.38%). The terminal value of the cash flow in the final year of the forecast was derived using a perpetuity rate of 9.0% (2014 10.7%).

Implementation of Strategic  
Asset Management System

The company has undertaken the implementation of a strategic asset management plan. The implementation has included a comprehensive review and verification of all of the company's assets. During this process, the company identified a number of assets that were transferred from TOTE Tasmania which no longer accurately attributed a useful economic life. The carrying value of these assets of \$1,793,049 was reduced to nil in FY15.

## Sensitivity

The value in use calculations are sensitive to the discount factor. A 0.5% alteration in the discount factor varies the value in use by \$2.8m. A \$0.5m alteration in the key income or expenses such as race field revenue or workers compensation costs varies the value in use by \$4.7m.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	WEBSITE AND SOFTWARE \$
<b>14. INTANGIBLE ASSETS</b>	
<b>Gross Carrying Amount</b>	
Balance as at 2013	244,483
Additions	-
Balance as at 2014	244,483
Additions	4,988
<b>Balance 30th June 2015</b>	<b>249,470</b>
<b>Accumulated Amortisation</b>	
Balance as at 30 June 2013	55,424
Amortisation	62,851
Impairment	-
Balance as at 30 June 2014	118,275
Amortisation	63,613
Impairment	-
<b>Balance as at 30 June 2015</b>	<b>181,889</b>
<b>Net Book Value</b>	
As at 30 June 2013	189,058
As at 30 June 2014	126,207
<b>As at 30 June 2015</b>	<b>67,581</b>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015 \$	2014 \$
<b>15. OTHER FINANCIAL ASSETS</b>		
Loan Principal	100,000	75,000
Less fair value adjustment on initial recognition	(44,051)	(34,732)
	<b>55,949</b>	<b>40,268</b>

Tasracing has provided a loan to a racing club. The loan is at a fixed interest rate plus relevant guarantee fee rates as published by the Tasmanian Department of Treasury and Finance which is currently 7.37%. The loan is provided for a maximum of 5 years and interest is payable on the outstanding loan balance. The loan is unsecured. The facility has a limit of \$100,000.

	2015 \$	2014 \$
<b>16. TRADE &amp; OTHER PAYABLES</b>		
Trade Payables - unsecured (i)	1,445,986	2,685,746
(i) The company has financial risk management policies in place to ensure that all payables are paid within credit timeframes		

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

2015	2014
\$	\$

**17. BORROWINGS**

This note provides information about the contractual terms of Tasracing's interest bearing loans and borrowings.

For more information about the entity's exposure to interest rate risk, see Note 25.

**Current:**

Loan	(i)	169,249	159,550
Credit foncier loan	(ii)	445,630	423,330
		<u>614,879</u>	<u>582,880</u>

**Non-Current:**

Loan	(i)	2,375,351	2,544,601
Credit foncier loan	(ii)	8,452,053	8,897,683
		<u>10,827,405</u>	<u>11,442,283</u>

All loans are transacted through the Tasmanian Public Finance Corporation (Tascorp).

The funding deed provides that the State Government will provide debt support in the form of principal and interest repayments subject to the conditions of the deed. This support applies to the bond, the overnight deposit and the credit foncier loan.

- (i) Loan - principal and interest is payable every 6 months. Interest is fixed at 5.99% per annum to 30 June 2016 at which time a rate review will be conducted by Tascorp. The State Government has agreed to provide support for principal and interest repayments for the two years commencing 1 July 2015. The principal support is treated as an equity contribution.
- (ii) Credit foncier - the overnight deposit and \$9m loan were refinanced into a credit foncier loan on 28 June 2013. Six monthly repayments of principal and interest will be made through to expiry (2029). Interest has been fixed for ten years at 5.13% per annum. The State government has agreed to provide support for principal and interest repayments for the two years commencing 1 July 2015. The principal support is treated as an equity contribution.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

2015	2014
\$	\$

**18. OTHER FINANCIAL LIABILITIES**

Rental bonds	135,992	126,223
	<u>135,992</u>	<u>126,223</u>

**19. PROVISIONS****Current:**

Employee	2,157,790	1,095,728
Other	278,021	297,385
	<u>2,435,811</u>	<u>1,393,113</u>

**Non-Current:**

Employee	2,261,077	2,259,360
	<u>2,261,077</u>	<u>2,259,360</u>

**Total provisions**

	<u>4,696,887</u>	<u>3,652,473</u>
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The company has a workers compensation insurance policy for the year ending 31 January 2016.

The premium varies between a minimum of \$600,000 and a maximum of \$1,990,000. At 30 June 2015, the injuries incurred in the insurance year were less than the minimum premium. The company is exposed to a potential cost of up to \$1,390,000 in the current insurance year being the difference between the maximum and minimum premiums and this is dependant upon the nature and extent of the injuries that occur.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

EMPLOYEE BENEFIT DISCLOSURES

Liability for Defined benefit obligation (DBO)

Tasracing makes contributions to one defined benefit plan that provides pension benefits for employees upon retirement.

Defined benefit members receive lump sum benefits on resignation, and lump sum or pension benefits on retirement, death or invalidity. The defined benefit section of RBF is closed to new members. All new members and employees receive accumulation only benefits. The scheme operates under the Retirement Benefits Act 1993 and the Retirement Benefits Regulations 2005.

Although the scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the scheme in accordance with the spirit of the SIS legislation.

As an exempt public sector superannuation scheme (as defined in the SIS legislation), the scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 such that the fund’s taxable income is taxed at a concessional rate of 15%. However RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the RBF Board elects) up to the amount of “untaxed” benefits paid to the members in the year.

The RBF Board is responsible for the governance of the Scheme. As Trustee, the RBF Board has a legal obligation to act solely in the best interests of Scheme beneficiaries. The RBF Board has the following roles:

- Administration of the Scheme and payment to

the beneficiaries when required in accordance with the Scheme rules;

- Management and investment of the Scheme Assets; and
- Compliance with the Heads of Government Agreement referred to above.

There are a number of risks to which the Scheme exposes Tasracing. The more significant risks relating to defined benefits are:

- **Investment risk** - the risk that investment returns will be lower than assumed and Tasracing will need to increase contributions to offset this shortfall.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions.
- **Inflation risk** - the risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions.
- **Benefits options risk** - the risk that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.
- **Pensioner mortality risk** - the risk that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- **Legislative risk** - The risk that legislation changes could be made which increase the cost of providing the defined benefits.

There were no plan amendments, curtailments or settlements during the year.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2015 by Dr David Knox, Fellow of the Institute of Actuaries of Australia.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015	2014
	\$	\$
<b>Reconciliation of the Defined Benefit Obligation</b>		
Present value of defined benefit obligations at beginning of the year	2,422,000	2,142,000
Current service cost	19,000	46,000
Interest cost	98,000	89,000
Contributions by plan participants	13,000	12,000
Actuarial (gains)/losses arising from changes in demographic assumptions	-	100,000
Actuarial (gains)/losses arising from changes in financial assumptions	(227,000)	83,000
Actuarial (gains)/losses arising from liability experience	293,000	(9,000)
Benefits paid	(78,000)	(38,000)
Taxes, premiums & expenses paid	(2,000)	(3,000)
<b>Present value of defined benefit obligations at end of the year</b>	<b>2,538,000</b>	<b>2,422,000</b>
<b>Reconciliation of the Fair Value of Scheme Assets</b>		
Fair value of scheme assets at the beginning of the year	276,000	267,000
Interest Income	11,000	11,000
Actual return on scheme assets less interest income	57,000	(3,000)
Employer contributions	56,000	29,000
Contributions by scheme participants	13,000	12,000
Benefits paid	(78,000)	(38,000)
Taxes, premiums & expenses paid	(2,000)	(2,000)
<b>Fair value of scheme assets at the end of the year</b>	<b>333,000</b>	<b>276,000</b>
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>		
Defined benefit obligation	2,538,000	2,422,000
Fair value of plan assets	(333,000)	(276,000)
Net superannuation liability/(asset)	2,205,000	2,146,000
<b>Current net liability</b>	<b>176,000</b>	<b>67,000</b>
<b>Non-current net liability</b>	<b>2,029,000</b>	<b>2,079,308</b>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Fair Value of Scheme Assets As at 30 June 2015 ^	Total	Quoted prices in active markets for identical assets - Level 1	Significant observable inputs - Level 2	Unobservable inputs - Level 3
ASSET CATEGORY	(A\$'000)	(A\$'000)	(A\$'000)	(A\$'000)
Cash and cash equivalents	58	58	-	-
Equity instruments	227	103	100	24
Debt instruments	44	12	18	14
Derivatives	1	-	1	-
Real estate	3	-	3	-
Investment funds	-	-	-	-
Asset-backed securities	-	-	-	-
Structured debt	-	-	-	-
<b>TOTAL</b>	<b>333</b>	<b>173</b>	<b>122</b>	<b>38</b>

^ Estimated based on assets allocated to Tasracing as at 30 June 2015 and the asset allocation of the RBF Scheme as at 30 June 2014.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

## Fair Value of Entities Own Financial Instruments

The fair value of Scheme assets includes no amounts relating to:

- any of Tasracing's own financial instruments
- any property occupied by, or other assets used by Tasracing

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of each reporting entity's fund liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, we have used a discount rate of 3.7%, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

## SIGNIFICANT ACTUARIAL ASSUMPTIONS AT THE REPORTING DATE

FINANCIAL YEAR ENDED	30 JUNE 2015	30 JUNE 2014
<b>Assumptions to determine defined benefit cost and start of year DB0</b>		
Discount rate (active members)	4.10% p.a	4.25% p.a
Discount rate (pensioners)	4.10% p.a	4.25% p.a
Expected rate of increase of compulsory preserved amounts	4.50% p.a	3.75% p.a
Expected salary increase rate	3.00% p.a	3.00% p.a
Expected pension increase rate	2.50% p.a	2.50% p.a

FINANCIAL YEAR ENDED	30 JUNE 2015	30 JUNE 2014
<b>Assumptions to determine end of year DB0</b>		
Discount rate (active members)	4.80% p.a	4.10% p.a
Discount rate (pensioners)	4.80% p.a	4.10% p.a
Expected salary increase rate	3.00% p.a	3.00% p.a
Expected rate of increase of compulsory preserved amounts	4.50% p.a	4.50% p.a
Expected pension increase rate	2.50% p.a	2.50% p.a

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Sensitivity Analysis

The defined benefit obligation as at 30 June 2015 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

**Scenario A:** 0.5% p.a. lower discount rate assumption

**Scenario B:** 0.5% p.a. higher discount rate assumption

**Scenario C:** 0.5% p.a. lower expected pension increase rate assumption

**Scenario D:** 0.5% p.a. higher expected pension increase rate assumption

	Base Case	Scenario A -0.5% p.a discount rate	Scenario B +0.5% p.a discount rate	Scenario C -0.5% p.a pension rate	Scenario D +0.5% p.a pension rate
Discount rate	4.80% pa	4.30% pa	5.30% pa	4.80% pa	4.80% pa
Pension increase rate	2.50% pa	2.50% pa	2.50% pa	2.00% pa	3.00% pa
Defined benefit obligation (A\$'000)	2,538	2,696	2,395	2,433	2,651

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

Asset-Liability matching strategies

We are not aware of any asset and liability matching strategies adopted by the Fund.

Funding arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

Expected contributions

Financial Year ending	30 JUNE 2016 (A\$'000)
Expected employer contributions	176

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for Tasracing is 12.4 years.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015	2014
	\$	\$

## 20. ISSUED CAPITAL

Fully paid shares (30 June 2015 and 30 June 2014: 2)	<u>56,418,747</u>	<u>55,835,867</u>
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Tasracing is a state owned company. The company's share capital is held on behalf of the State of Tasmania by the Minister for Racing and the Treasurer.

The support received for the loan in note 17(i) is treated as an equity contribution.

	2015	2014
	\$	\$

## 21. ACCUMULATED LOSSES

Balance at the beginning of the year	(15,201,345)	(14,948,949)
Net Profit/(Loss)	(1,215,136)	(75,395)
Other comprehensive income	(9,000)	(177,000)
Balance at the end of the year	<u>(16,425,481)</u>	<u>(15,201,345)</u>

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

	2015	2014
	\$	\$

## 22. EXPENDITURE COMMITMENTS

## (i) Lease Commitments

Commitments relate to property, plant & equipment with terms between 1 and 5 years.

The company does not have the option to purchase assets at the expiry of the lease period.

Non-cancellable operating lease commitments were in place as follows:

- not later than 1 year	246,321	217,826
- later than 1 year but not later than 5 years	535,761	338,886
- later than 5 years	723,959	430,067

Current leases in place are for IT equipment, motor vehicle fleet and leasehold properties and race tracks.

<u>1,506,042</u>	<u>986,779</u>
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## (ii) Capital Expenditure Commitments

Leasehold Improvements

Contractual commitments for the acquisition of property, plant equipment:

- not later than one year	<u>-</u>	<u>-</u>
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## (iii) Other Contractual Commitments

Non-cancellable contracts payable:

- not later than one year	969,278	969,278
- later than 1 year but not later than 5 years	2,024,837	2,980,701
- later than 5 years	-	13,413

Commitments in place are for general property maintenance service agreements.

<u>2,994,115</u>	<u>3,963,393</u>
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## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

2015	2014
\$	\$

## 23. CASH FLOW

## (a) Cash and cash equivalents

Cash on hand and balances with banks	8,563,566	7,962,863
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## (b) Reconciliation of profit for the year to net cash flows from operating activities

Loss for the year	(1,224,136)	(75,395)
Adjustments for:		
Depreciation & amortisation	3,619,242	3,663,543
Impairment	(2,231,760)	(1,002,283)
Expense for obsolete property, plant & equipment	1,793,049	-
Amortisation of DRC loan	9,319	34,732
(Increase)/decrease in receivables	157,116	(231,539)
(Increase)/decrease in prepayments	364,754	454
Increase/(decrease) creditors & accruals	(280,389)	541,833
Increase/(decrease) in provisions	94,813	343,346
Increase/(decrease) other current liabilities	-	(22,943)

Net cash from operating activities	2,302,007	3,251,748
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## (c) Financing facilities

Credit and stand by arrangements		
Business cards		
- amount used	71,500	65,500
- amount unused	38,500	44,500

Facility limit	110,000	110,000
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Tascorp borrowing facilities		
- amount used	11,442,283	12,025,163
- amount unused	30,276,840	30,276,840

Facility limit	41,719,123	42,302,002
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## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

## 24. ECONOMIC DEPENDENCY

A significant proportion of Tasracing's revenue is dependent on a funding deed through to 2029 with the State government which provides base funding of \$28.7m increasing by CPI less 1% annually. In addition, the deed allows for a \$40M debt facility with Tascorp of which Treasury will provide support in the form of principal and interest reimbursements, subject to certain conditions.

## 25. FINANCIAL INSTRUMENTS

## (a) Capital risk management

Tasracing manages its capital to ensure that it will be able to continue as a going concern through the optimisation of the debt and equity balance. The capital structure of Tasracing consists of debt, which includes the borrowings disclosed in Note 17, cash and cash equivalents and equity attributable to equity holders of the entity, comprising contributed equity and retained earnings as disclosed in notes 20 and 21 respectively. Tasracing's policy is to endeavour to fund current and future activities through adequately maintained cash reserves. Where required the company borrows through the Tasmanian Public Finance Corporation, Tascorp.

## (b) Categories of financial instruments

## Financial assets

Cash and cash equivalents	8,563,566	7,962,863
Loans & receivables	1,076,057	1,233,173
Other financial assets	55,949	40,268

## Financial liabilities

Amortised cost		
- Trade and other payables	1,445,986	2,685,746
- Other financial liabilities	135,992	126,223
- Borrowings	11,442,283	12,025,163

## Estimation of fair values

The directors consider that the carrying values of financial assets and liabilities approximate their fair values. The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

## (i) Borrowings

Fair value is calculated based on discounted expected future principle and interest cash flows.

## (ii) Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value. All other receivable / payables are discounted to determine the fair value.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

**Financial risk management objectives**

Tasracing has exposure to the following risks from the use of financial instruments:

- (i) interest rate risk;
- (ii) Credit risk; and
- (iii) Liquidity risk.

**(c) Interest rate risk management**

Interest rate risk is limited to movements in “at call” and “short term fixed” interest rates on Investments.

The majority of Tasracing’s borrowings are at fixed rates of interest.

**Interest Rate sensitivity analysis**

IMPACT ON PROFIT/LOSS			
100 BASIS POINTS INCREASE \$		100 BASIS POINTS DECREASE \$	
30-Jun-15	187,000	30-Jun-15	(187,000)
30-Jun-14	187,000	30-Jun-14	(187,000)

IMPACT ON EQUITY			
100 BASIS POINTS INCREASE \$		100 BASIS POINTS DECREASE \$	
30-Jun-15	187,000	30-Jun-15	(187,000)
30-Jun-14	187,000	30-Jun-14	(187,000)

**(d) Credit risk management**

Credit risk represents the loss that would be recognised if debtors failed to meet their obligations under a contract or arrangement. The major exposure to credit risk arises from receivables. Tasracing has a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk.

The average credit period on these items is 30 days with a large number of smaller debtors reducing the risk. No interest is charged on receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from past transactions, determined by reference to past default experience. Further details are disclosed in Note 12.

**(e) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Tasracing’s short, medium and long term funding and liquidity management requirements. Tasracing manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

The table below shows the contractual maturities of financial liabilities and expected maturities of financial assets.

	< 1 YEAR	1-2 YEARS	2-5 YEARS	> 5 YEARS	TOTAL	Weighted Average Effective Interest Rate
30 JUNE 2015	\$	\$	\$	\$	\$	
<b>Financial Assets</b>						
Cash and cash equivalents	8,563,566	-	-	-	8,563,566	1.64%
Trade & other receivables	1,076,057	-	-	-	1,076,057	
Other financial assets	55,949	-	-	-	55,949	
Total Financial Assets	9,695,571	-	-	-	9,695,571	1.64%
<b>Financial Liabilities</b>						
Trade and other payables	1,445,986	-	-	-	1,445,986	
Other financial liabilities	135,992	-	-	-	135,992	
Borrowings	2,990,230	469,104	1,013,640	6,969,310	11,442,283	5.38%
Total Financial Liabilities	4,572,208	469,104	1,013,640	6,969,310	13,024,261	5.38%
<b>30 JUNE 2014</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	7,962,863	-	-	-	7,962,863	2.20%
Trade & other receivables	1,233,173	-	-	-	1,233,173	
Other financial assets	40,268	-	-	-	40,268	
Total Financial Assets	9,236,304	-	-	-	9,236,304	2.20%
<b>Financial Liabilities</b>						
Trade and other payables	2,685,746	-	-	-	2,685,746	
Other financial liabilities	126,223	-	-	-	126,223	
Borrowings	582,880	2,990,230	1,482,744	6,969,310	12,025,163	5.38%
Total Financial Liabilities	3,394,849	2,990,230	1,482,744	6,969,310	14,837,133	5.38%

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

## 26. KEY MANAGEMENT PERSONNEL COMPENSATION

## Key Management Personnel

Tasracing's remuneration policy has been designed to align key management personnel objectives with business objectives by providing a fixed remuneration component and offering specific incentives based on key performance areas where applicable. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives, shareholders and other key stakeholders.

The Board's policy for determining the nature and amount of remuneration for the Company's key management personnel is as follows:

- Remuneration is approved by the remuneration committee and then approved by the Board after professional advice is sought from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as position, competency, length of service and experience), superannuation and other benefits.
- Performance incentives (if applicable) are generally only paid once predetermined key performance indicators have been met. No performance incentives exist for the current members of the executive.
- The remuneration committee reviews key management personnel packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

Consistent with legislated requirements, key management personnel receive a superannuation guarantee contribution, which is currently 9.50%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. All transactions with key management personnel, including the payment of prizes, including payments to syndicates, were conducted on an arm's length basis in the ordinary course of business and on commercial terms and conditions.

## Non-executive directors

The Board's policy is to remunerate non-executive directors in accordance with guidelines and sizing statements provided by The Department of Treasury and Finance and Department of Premier and Cabinet respectively.

## Remuneration Details for the Year Ended 30 June 2015

The key management personnel of Tasracing Pty Ltd during the year were:

## Board of Directors

B. Speers	(Chairman, non-executive director)
D. Gleeson	(non-executive director)
D.Cooper	(non-executive director)
G.Baxter	(non-executive director) resigned 1 July 2014
T.Leis	(non-executive director)
T.Price	(non-executive director)
D. McCarthy	(non-executive director)
J.Crawford	(non-executive director) started 24 November 2014

## Executive Management

E. Forbes	(Chief Executive Officer)
M.Tarring	(Chief Financial Officer) Started 10 February 2015
C. Brookwell	(Chief Financial Officer) Resigned 7 January 2015

## TASRACING PTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

## Table of Benefits and Payments for the Year Ended

The aggregate compensation made to directors and other members of key management personnel of the company is set out in figure on right:

## (a) Director Remuneration

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial years:

CONSOLIDATED		
	2015 \$'000	2014 \$'000
Short-term employee benefits	601	622
Post-employment benefits	51	53
Other long-term benefits	-	-
Termination Benefits	-	-
	<u>652</u>	<u>675</u>

Board Remuneration 30 June 2015	Directors' Fees \$'000	Committee Fees \$'000	Superannuation \$'000	Other \$'000	Total 2015 \$'000
Mr Brian Speers - Chairperson	51	-	5	1	56
Mr T Leis	28	-	3	4	35
Mr D Gleeson	27	-	3	-	30
Ms T Price	27	-	3	-	30
Mr D Cooper	27	-	3	-	30
Mr D McCarthy*	30	-	-	-	30
Mr G Baxter (resigned June 30 2014)	-	-	-	-	-
Mr J Crawford (From 24 November 2014)	16	-	2	-	18
<b>Total</b>	<b>207</b>	<b>-</b>	<b>17</b>	<b>6</b>	<b>229</b>

Board Remuneration 30 June 2014	Directors' Fees \$'000	Committee Fees \$'000	Superannuation \$'000	Other \$'000	Total 2014 \$'000
Mr Brian Speers - Chairperson	51	-	5	-	56
Mr T Leis	28	-	3	3	33
Mr D Gleeson	28	-	3	-	30
Ms T Price	28	-	3	-	30
Mr D Cooper	28	-	3	-	30
Mr D McCarthy*	30	-	-	-	30
Mr G Baxter	28	-	3	-	31
<b>Total</b>	<b>220</b>	<b>-</b>	<b>18</b>	<b>4</b>	<b>241</b>

\* Paid by contract to employing firm.

TASRACING PTY LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2015

(b) Executive Remuneration

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and two previous financial years:

Executive Remuneration 30 June 2015

	Salary \$'000	Short Term Incentive Payments \$'000	Termination Benefits \$'000	Super- annuation \$'000	Vehicles \$'000	Other Benefits \$'000	Other non- monetary benefits \$'000	Total 2015 \$'000
Dr Eliot Forbes	213	-	-	20	27	-	4	263
Christopher Brookwell (To 7 Jan '15)	82	-	-	8	-	-	-8	83
Mark Tarring (From 10 Feb '15)	63	-	-	6	-	-	7	76
Total	359	-	-	34	27	-	3	423

Executive Remuneration 30 June 2014

	Salary \$'000	Short Term Incentive Payments \$'000	Termination Benefits \$'000	Super- annuation \$'000	Vehicles \$'000	Other Benefits \$'000	Other non- monetary benefits \$'000	Total 2014 \$'000
Dr Eliot Forbes	212	-	-	20	26	-	12	268
Christopher Brookwell	149	-	-	16	-	-	1	166
Total	361	-	-	36	26	-	12	434

Other non monetary benefits relate solely to movement in annual and long service leave entitlements.

27. TRANSACTIONS OR BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

Account	Opening Balance \$	Net Transactions during 2014/15 \$	Closing Balance \$
Apprentice Trust Accounts	7,345	30,218	37,563

TASRACING PTY LIMITED

# DIRECTORS' DECLARATION

For the year ending 30 June 2015

1. The directors declare that:
- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
  - (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the company;
  - (c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2 to the Financial Statements.
2. Whilst not a requirement, the directors have been given the declarations as set out in Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors



B SPEERS  
Chairman

Tasracing Pty Limited  
Hobart, 7 August 2015

TASRACING PTY LIMITED  
AUDITOR’S INDEPENDENCE DECLARATION

7 August 2015

The Board of Directors  
Tasracing Pty Ltd  
6 Goodwood Road  
GLENORCHY TAS 7010



Dear Board Members

AUDITOR’S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, I provide the following declaration of independence.

As the auditor of the financial report of Tasracing Pty Ltd for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

In accordance with the Corporations Act 2001 a copy of this declaration must be included in the Directors’ report.

Yours sincerely

A handwritten signature in black ink, appearing to read "ER De Santi".

E R De Santi  
Deputy Auditor-General  
Delegate of the Auditor-General

TASRACING PTY LIMITED  
INDEPENDENT AUDITOR’S REPORT

Independent Auditor’s Report  
To the Members of Tasracing Pty Ltd  
Financial Report for the Year Ended 30 June 2015



Report on the Financial Report

I have audited the accompanying financial report of Tasracing Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors’ declaration.

Auditor’s Opinion

In my opinion:

- (a) the Company’s financial report is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of its financial position as at 30 June 2015 and its financial performance for the year ended on that date
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

The Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 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. In Note 2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Auditor’s Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

TASRACING PTY LIMITED

## INDEPENDENT AUDITOR'S REPORT



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. The Audit Act 2008 further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

I confirm that the independence declaration required by the Corporations Act 2001, was provided to the Directors on the same date as this audit opinion and is included in the Directors' report.

Tasmanian Audit Office

A handwritten signature in white ink, appearing to read "E R De Santi".

E R De Santi


Deputy Auditor-General

Delegate of the Auditor-General

Hobart

7 August 2015





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