



RACING AUSTRALIA

ANNUAL REPORT 2016



RACING
AUSTRALIA

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Cover photo: Courtesy of Racing Photos and Magic Millions



BOARD OF DIRECTORS

As at 30 June 2016



JOHN MESSARA AM CHAIRMAN

Racing NSW
Nominated Director
Appointed: 13/04/2015

Current positions

- Chairman, Racing NSW
- Chairman and Founder, Arrowfield Group Limited
- Vice-Chairman, Asian Racing Federation
- Member, Australian Pattern Committee

Previous positions

- Chairman, Australian Racing Board
- Chairman, Aushorse Marketing
- President, Thoroughbred Breeders Australia Ltd
- Chairman, Stargames Ltd
- Member, Sydney Stock Exchange

Awarded Member of the Order of Australia in 2008 for service to the thoroughbred horseracing industry, particularly through the introduction of best practice initiatives in the areas of reproduction and stud management.



FRANCES NELSON QC DEPUTY CHAIRMAN

Thoroughbred Racing SA
Nominated Director
Appointed: 13/04/2015

Current positions

- Chair, Thoroughbred Racing SA
- Chairman, Parole Board of South Australia

- Member of the Sentencing Advisory Council

Leading figure in the South Australian legal establishment.

Previous positions

- Principal Director, Australian Racing Board



DAVID MOODIE

Racing Victoria
Nominated Director
Appointed: 20/05/2015

Current positions

- Chairman, Racing Victoria Limited
- Director, VicRacing Pty Ltd
- Member, Australian Pattern Committee
- Member, Racing Victoria and Country Racing Victoria Steering Committee
- Member, Racing Victoria Member Consultative Committee
- Member, Racing Victoria Media Rights and Wagering Sub-Committee
- Chairman, Thoroughbred Owners and Breeders Advisory Panel

- Founder and Director of the Contract Group of Companies
 - Contract Control Services Pty Ltd
 - Contract Control Constructions Pty Ltd
 - Contract Racing Pty Ltd
 - Contract Properties Pty Ltd
 - Hobsons Lodge Racing Stables Pty Ltd

Previous positions

- Chairman, Thoroughbred Racehorse Owners Association
- Member, Thoroughbred Owners and Breeders Advisory Panel
- Member, Victorian Industry Black Type Committee.



STEVEN WILSON AM

Racing Queensland
Nominated Director
Appointed: 01/04/2016

Current positions

- Chairman, Racing Queensland
- Director and Co-Founder, Pinnacle Investment Management Group Ltd
- Chairman, Russo Business School
- Director, The Centre for Independent Studies
- Committee, Brisbane Development Association
- Trustee, University of Queensland Rugby Union Foundation
- Director, Australian Oil Shale Holdings Ltd

Previous positions

- Chairman, Southbank Corporation
 - Founding Chairman, Hyperion Asset Management
 - Director, Telstra Corporation
 - Councilor, Queensland University of Technology
 - Chairman, Queensland Rugby Union
 - Chairman, St John's Cathedral Completion Fund
 - Member, Brisbane Stock Exchange
- Awarded Member of the Order of Australia in 2011 for service to business, and to the financial services industry in Queensland, and to the community through leadership roles in cultural heritage, sport, and social welfare organisations.



ROBERT PEARSON

Racing and Wagering WA
Nominated Director.
Appointed: 13/04/2015

Current positions

- Deputy Chairman Racing and Wagering Western Australia
- Chairperson and Managing Director Statewide Oil Distributors
- Vice Patron of East Perth Football Club

Previous positions

- Principal Director, Australian Racing Board
- Chairman, Australian Racing Board
- Director, Racing Information Services Australia
- President, East Perth Football Club
- Committee Member, WATC
- Director, WA Betting Control Board
- Director, WA Swimming Association
- Director, WA TAB Board
- Executive Director Asian Racing Federation



DESMOND GLEESON

Canberra Racing Club,
Thoroughbred Racing NT,
Tasracing
Nominated Director.
Appointed: 13/04/2015

Current positions

- Director, Tasracing

Previous positions

- Member Match Review Panel, AFL
- Director Integrity Services / Chairman of Stewards, Racing Victoria

DIRECTORS

The following person was a director of Racing Australia Limited during the financial:

Racing Queensland
Nominated Director
Ian Hall (Resigned 31/04/2016)

COMPANY SECRETARY

The following person was company secretary of Racing Australia Limited during the financial year:

Myles Foreman (Appointed 13/06/2006)

ALTERNATIVE DIRECTORS

The following persons were alternative directors of Racing Australia Limited during the financial:

Racing Queensland
Alternative Director
Samuel Adams (Appointed 27/04/2016)
Thoroughbred Racing SA
Alternative Director
James Watters (Appointed 18/05/2015)
Racing and Wagering WA
Alternative Director
John Yovich (Appointed 09/09/2015)

CHAIRMAN'S REPORT



Integrity and a drug free racing environment are critical to public confidence in the thoroughbred racing and breeding industry. Equally important is ensuring the health and welfare of our horses. It is our aim that Australia's Rules of Racing represent world's best practice and meet community standards.

John Messara AM,
Chairman

I am pleased to report to industry participants, stakeholders and racing enthusiasts that Racing Australia is realising its vision of a single national body with sufficient resources and power to regulate and enhance the thoroughbred racing and breeding industry.

Importantly, the consolidation of the assets of Racing Information Services Australia (RISA) and the Australian Stud Book (ASB) two years ago has provided Racing Australia with substantial income to achieve its goals and objectives.

The merger has enabled us to implement significant operational changes and undertake commercial initiatives, resulting in the strengthening of our financial position.

I can report that Racing Australia recorded a consolidated surplus of \$2,936,055 for the financial year ended 2015/16. These are funds that can be allocated to Racing Australia's key objectives of integrity, animal welfare and jockey safety.

As at 30 June 2016, the company had borrowings of \$10,267,512 resulting from the purchase of the Australian Stud Book and Australian Genetic Testing Pty Ltd and cash reserves of \$5,832,597. The company is well positioned to make accelerated loan repayments in order to retire debt early and make continued investment in the business to further underpin its growth.

The major reform to be completed in 2017, after several years of development and implementation across jurisdictions, is the Single National System. The Single National System will usher in the most significant modernisation in business practice within the industry since the introduction of computerisation in the 1980's.

The Single National System has, throughout the year, begun to provide substantive benefits to the industry and industry participants. A number of paper based business processes are now offered online, providing industry participants such as trainers and owners the option of self-service at any time. Moving online provides a significantly enhanced user experience and a reduction in the time it takes to undertake industry functions.

During the year the Board met on five occasions. Principal Racing Authority Chief Executive Officers were also in attendance providing valuable input into Racing Australia's directions and policies taken on a national basis for the national good.

Directors and Chief Executive Officers, along with specialist contributors, play an active role in each of Racing Australia's Committees. These Committees deal with complex and specialised issues ensuring Racing Australia has a robust review and recommendation process before measures are brought to the Board for final review and decision. Racing Australia Committees operating throughout the year were: the Australian Pattern Committee, Chairman of Stewards Committee, Veterinary & Analysts Committee, Integrity & Welfare Executive Committee, Finance Governance & Remuneration Committee, Retirement of Racehorses Committee and Australian Classifications Committee.

Integrity and a drug free racing environment are critical to public confidence in the thoroughbred racing and breeding industry. Equally important is ensuring the health and welfare of our horses. It is our aim that Australia's Rules of Racing represent world's best practice and meet community standards.

Racing Australia has introduced the most significant integrity and animal welfare reforms in modern racing history in respect of full traceability of all horses. Racing Australia worked with industry participants to clarify and introduce the new Rules of Racing relating to traceability.

These new Rules ensure that there is traceability of all thoroughbred horses from birth until retirement when they are no longer active in the thoroughbred racing industry. Further, the ownership of all horses will be registered from birth. The requirement for traceability and declaration of ownership greatly strengthens animal welfare and integrity oversight and enforcement.

Scheduled for release in early 2017 after comprehensive review, is the modernisation and re-write of the Australian Rules of Racing. This has been undertaken to provide a robust framework for securing the integrity of the racing industry.

Also to take effect in 2017, will be the Trainer and Owner Reforms (TOR) which will modernise industry practice by standardising the arrangements between owners and trainers, and also agreements between co-owners. The TOR will provide greater clarity and certainty between owners and trainers as well as between co-owners. For the first time there will be a compulsory Standard Training Agreement between trainers and owners which will set out the rights and obligations of both parties. Importantly, safeguards are built into the Standard Training Agreement whereby a trainer and owner each have the right to refer disputes in relation to fees and disbursements to an independent Training Disputes Tribunal. Too often Co-owners operate informally and this can lead to numerous misunderstandings and disputes to the detriment of the industry. The new Co-owners Agreement gives co-owners access to a set of terms to help regulate their horse ownership venture including co-owners racing a horse together, selling all or some of an interest in a horse, or conducting breeding activities in relation to a horse.

These reforms are the result of comprehensive and lengthy consultation with stakeholders and will do much to reduce disputation within our industry.

On behalf of the Board I thank and acknowledge the Chief Executive Officer Peter McGauran and Operations Chief Executive Officer Myles Foreman for successfully leading the company during a year of consolidation, reform and commercial growth.

In particular I pay tribute to Peter who will leave the organisation for another position allied with racing in December 2016. As Chief Executive Officer of the Australian Racing Board and its successor Racing Australia for almost five years, Peter has led major reforms and development at a national level including the establishment of Racing Australia and the introduction of significant integrity and welfare reforms which will have a lasting benefit for the industry.

Finally, I would like to thank all of the Racing Australia staff for their dedication, enthusiasm and commitment to the continued evolution of first-class services and support to the thoroughbred racing and breeding industry across Australia.



John Messara AM
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



Integrity is the foundation of public and punter confidence in the industry and the Government's actions will significantly enhance racing's integrity in the ever evolving online world.

Peter McGauran,
Chief Executive Officer

Racing Australia has successfully introduced a number of lasting integrity and animal welfare reforms in 2015/16. Principal amongst them has been traceability and ownership rules for all thoroughbreds from birth until retirement as a racehorse. This will enable authorities to know the location, and, if need be, the condition of every thoroughbred whereas previously a horse only came under the Australian Rules of Racing at the time of its registration as a racehorse, usually at two years of age. There are few, if any, other breeding and racing jurisdictions in the world with this level of accountability and transparency.

1. NEW RULES ENSURING INTEGRITY OF RACING AND THE WELFARE OF HORSES

Having completed an extensive consultation period and given consideration to feedback from stakeholders, the Racing Australia Board unanimously agreed that new Australian Rules of Racing and Stud Book Rules be introduced to make acceptance into the Stud Book conditional on foals being registered within 30 days of foaling and their beneficial owners being declared within a further 60 days. In doing so, foals and owners will come under the Australian Rules of Racing.

Owners and breeders filing Foal Ownership Declarations (to the extent that they are not already bound by the Rules of Racing as a result of the lodgement of any other form, the making of any other declaration or the operation of any of the Rules), agree to be bound by the Rules of Racing which relate to welfare, traceability, banning of steroids and prohibited substances in racehorses

Racing Australia believes that these reforms will strengthen ownership transparency and traceability

to improve integrity and animal welfare in the Thoroughbred industry.

Stewards will only have access to studs and farms for anabolic androgenic steroids in young horses, prohibited substances in racehorses and to monitor the health and welfare of horses generally.

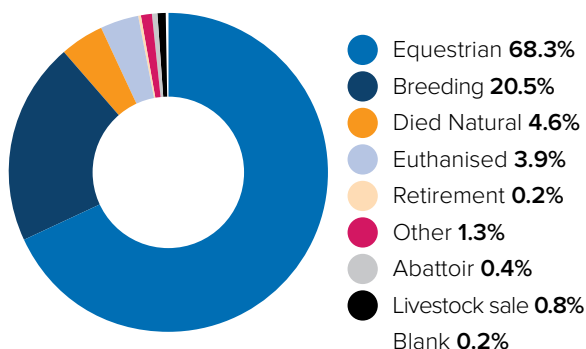
2. RETIREMENT OF RACEHORSES

The Australian Rules of Racing (AR.64JA) require owners and trainers to inform Racing Australia of the date of the retirement of horses and their retirement destination via the Retirement and Death Notification Form.

Data collated from the forms submitted reveals that 92% find homes including 68.3% entering equestrian programs and 20.5% going into breeding.

Compliance with AR.64JA is being undertaken by the Principal Racing Authorities and enhancements to the Retirement and Death Notification Form are being considered to improve the analysis of the data.

Destination of retired racehorses 2015/16



3. TRAINER & OWNER REFORMS

To modernise industry practices, Racing Australia is introducing new reforms to standardise the arrangements between owners and trainers, and also agreements between co-owners. These new measures will be known as the Trainer and Owner Reforms (TOR).

Racing Australia believes that many trainers/owners and co-owners operate informally and don't have access to a document setting out where they stand. This leads to numerous misunderstandings and disputes to the detriment of the industry. There has long been a need for standard documents which state the rights and obligations of trainers and owners and co-owners.

The TOR will provide greater clarity and certainty between owners and trainers as well as between co-owners.

The new TOR will be provided for by the Australian Rules of Racing and commence on 1 March 2017.

There are three key features to the TOR:

(a) Standard Training Agreement (STA)

The set of standard contractual terms to apply to all owners and trainers will be known as the "Standard Training Agreement" (the STA).

The STA will be compulsory for owners and trainers. However, to preserve flexibility in relation to the contractual arrangements between trainers and owners, the STA can be varied so long as certain terms are not excluded or limited. The terms that cannot be varied will be defined in the Australian Rules of Racing.

The STA will expressly impose some basic requirements on trainers. For example, trainers will be required to set out in a document called a "Fees Notice" the training fees and disbursements the trainer plans to charge. A Fees Notice will need to be issued within 14 days of a trainer being appointed by an owner. The STA will also require that trainers meet basic standards for caring for and training a horse, and to report to the owner from time to time about the welfare and progress of a horse. The STA will formalise services many trainers already provide their owners.

The STA is specifically designed to facilitate and encourage trainers getting paid training fees and disbursements promptly by owners.

Principal Racing Authorities (PRAs) will have powers under the Rules of Racing to facilitate payment to trainers (including powers to reject the registration of an interest in a horse where fees are due and payable to a trainer, to freeze prizemoney, and to direct payment of prizemoney to trainers in some circumstances).

(b) Training Disputes Tribunal (TDT)

Of course safeguards are built into the STA, including that an owner may dispute an invoice by serving a "Dispute Notice". Once a Dispute Notice is lodged, a trainer and owner will each have the right to elect an independent tribunal convened and arranged by each PRA called a Training Disputes Tribunal (TDT).

The TDT will determine disputes in relation to fees and disbursements for training services. Those hearings will take place in a practical and informal forum so that if there is a dispute, it can be brought to a head promptly. The TDT process will fairly balance the rights and interests of both trainers and owners.

(c) Co-owners Agreement (COA)

The Co-owners Agreement (COA) will apply to multiple ownerships except for co-owners who have acquired shares in a horse offered by a promoter approved by a PRA and licenced under the Corporations Act (Cth) and/or offered pursuant to an ASIC instrument or Class Order in relation to shares in horses.

If groups of owners already have in place separate contracts or deeds governing their venture, they can agree for them to operate side by side with the COA, as long as they do not conflict with and/or are not inconsistent with the COA.

Co-owners will also be able to add to or vary the COA (except that they cannot exclude or limit a requirement of the rules of racing).

CHIEF EXECUTIVE OFFICER'S REPORT continued

4. ILLEGAL OFFSHORE WAGERING

Throughout 2014 and 2015 Racing Australia engaged with the Federal Government to utilise Commonwealth powers to tackle the growing integrity and revenue threat posed by illegal Asian bookmakers. This resulted in the Government announcing on 7 September 2015 a Review into Illegal Offshore Wagering to be headed by former NSW Premier The Hon Barry O'Farrell. Racing Australia made both public and private submissions to the Review and was pleased that the Government subsequently adopted all of the major recommendations made by Mr O'Farrell.

The Federal Government has been as good as its word and legislation to amend the Interactive Gambling Act 2001 was introduced into Parliament on 10 November 2016 to implement the key recommendations 3 and 17 of the Review. The amendments are to:

- Strengthen the law to make it clear that it is illegal for overseas gambling companies to offer gambling products to Australians unless the person or company holds a licence under the law of an Australian State or Territory. Currently, the law is ambiguous as to whether or not it is illegal for offshore wagering companies to provide gambling products to Australians if they are not licensed in Australia.
- Empower the Australian Communications and Media Authority (ACMA) with new civil penalties, complementing the existing criminal penalties, powers held by the Australian Federal Police, and allow ACMA to be responsible for the entire complaint handling process from receipt to enforcement.
- Introduce other disruption measures to curb illegal offshore gambling activity, such as placing company directors or principals of offending gambling companies on the Movement Alert List so any travel to Australia can be disrupted.
- Prohibit "click to call" in-play betting services.
- Establish a register of unlicensed and illegal interactive gambling services to be published on the ACMA website to raise awareness amongst Australian consumers.
- Provide the ACMA the ability to notify international regulators of operators providing prohibited interactive gambling services to Australians.

- Allow persons to make complaints to the ACMA about, and allowing the ACMA to investigate, the provision and advertising of all unlicensed or prohibited interactive gambling services.

Integrity is the foundation of public and punter confidence in the industry and the Government's actions will significantly enhance racing's integrity in the ever evolving online world.

Whilst grateful for the Government's decisive action to date, Racing Australia will continue to work with relevant Ministers on two other key recommendations being:

- Consultation with banks and credit card providers to potentially introduce strategies such as "payment blocking" to limit the transactions that illegal offshore wagering operators may undertake.
- Consultation with Internet Service Providers to assess potential options to reduce their availability to Australian consumers.

5. NORFOLK ISLAND GAMING AUTHORITY

Racing Australia also engaged effectively with the Federal Government on another threat to racing's integrity which arose from an unexpected source.

Racing Australia learnt on 22 March, 2015 that the Norfolk Island Gaming Authority (NIGA) had approved a white-label agreement between BethQ and Asia's largest illegal bookmaker Citibet. It was a staggering act of regulatory recklessness which potentially exposed Australian racing to corrupt influences. Racing Australia made urgent representations to the Federal Government calling for NIGA be wound up as it could never operate as a competent and reliable regulator.

The Minister for Territories acted decisively and issued a Direction on 7 April, 2015 prohibiting the NIGA from issuing any further licences until an independent audit of its functions and operations had been undertaken.

On 5 November, 2016 the Federal Government announced the winding up of NIGA after receipt of the audit which found that the internal controls of NIGA were inadequate and could give rise to fraud and corruption. The audit further found:

- "The Authority has been operating in a non-transparent way with little to no reporting or communication with the Administration."
- "The Authority has been grossly under-resourced. Basic control elements are not in place, such as: governance and reporting structures, a risk register, contracts with key personnel, segregation of duties, controls to prevent conflicts of interest, staff remuneration processes and policies and procedures."
- "The Authority and the former Administration have been more concerned about raising revenue from gaming licences than having due regard to its regulatory functions."
- "We found the Authority in its current form to be barely viable."

In its announcement the Government acknowledged the concerns of Racing Australia, Racing Victoria and Racing NSW around NIGA's poor performance and lack of probity checks on new licence applications.

6. ASIC CLASS ORDER – HORSE RACING SYNDICATES

The Australian Securities and Investments Commission (ASIC) announced in November 2014 that it was undertaking a review into whether the Horse Syndication Class Order should continue beyond its sunset date of 1 October, 2016 and, if so, under what conditions.

Racing Australia engaged in constructive discussions with ASIC representing all Principal Racing Authorities which are lead regulators for the approval of syndications. There were numerous interactions with ASIC as various options for reforming the Class Order were considered. Racing Australia made many submissions to ASIC on the complex policy, legal and administrative issues under consideration.

On 31 August, 2016 ASIC announced a new legislative instrument to replace three Class Orders on Horse racing syndicates and Horse breeding schemes that were due to expire in 2016.

Racing Australia welcomed ASIC's announcement as it incorporated most if not all of Racing Australia's key policy objectives.

ASIC's major changes to Horse racing syndicates will:

1. Raise the investment limit for a horse racing syndicate from \$250,000 to \$500,000;
2. Increase the maximum number of members for a horse racing syndicate from 20 to 50; and
3. Impose additional content requirements for a Product Disclosure Statement for a horse racing syndicate.

Racing Australia believes ASIC's reforms will encourage greater participation in horse ownership with enhanced transparency.

The increase to 50 members in a syndicate will make racing a horse a more affordable option with purchasers able to acquire a smaller percentage share in a horse. The cost to purchase and race a horse has increased since the inception of the original Class Order in 2002. The increase to 50 members will encourage greater participation by small owners.

Approved syndicators will also benefit from the new \$500,000 cap as they will have greater purchasing choices and opportunities at the major yearling sales. This will also allow participants to purchase a more affordable share in a well-bred horse.

CHIEF EXECUTIVE OFFICER'S REPORT continued

7. NEW RULE ON SECRET COMMISSIONS

Recent cases involving secret commissions have served to bring racing into disrepute. Although Australian Rule of Racing 175(a) makes it an offence to engage in a “dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing”, Racing Australia believes that a specific rule outlawing secret commissions is required to maintain public confidence in the industry.

Accordingly, the Board of Racing Australia has introduced a new rule that will apply to the selling and trading of all Thoroughbreds. The new rule will be in line with proposed measures to bring forward transparency of ownership from birth of a foal to capture all those involved in the dealing of Thoroughbreds.

CONCLUSION

As this is my last Annual Report following my resignation as CEO on 16 December, 2016, I wish to take the opportunity to thank my colleagues and staff for their support over almost 5 years. It has been an entirely enjoyable and productive workplace where all have striven to implement the vision conceived in the Australian Racing Board and executed through Racing Australia. There are far too many to individually name but I do want to acknowledge the invaluable contribution of my senior colleagues Operations CEO Myles Foreman and Owners and Breeders Services Manager Jacqueline Stewart towards Racing Australia's success.

I also wish to thank Racing Executive Mary Capuano and Manager (Regulation and Policy) Brent Leisemann for their support and commitment. We worked closely and harmoniously as a team at first the Australian Racing Board (ARB) and then Racing Australia.

I wish to acknowledge and thank Chairman John Messara AM for his unfailing support and guidance. He is a chairman who leads from the front and never wavered in his vision of Racing Australia ushering in a new era of integrity and animal welfare standards. He brought great dedication and conviction to his chairmanship and was a consistent source of inspiration for staff and Directors alike. I am grateful to him for his counsel and friendship.

I also wish to acknowledge the support and encouragement given to me by Racing Australia Directors and State and Territory Principal Racing Authorities. They were generous and forthcoming at all times with their counsel, advice and resources.

It has been a privilege to lead the organisation in its formative years and I wish it well into the future.



Peter McGauran
Chief Executive Officer

OPERATIONS CHIEF EXECUTIVE OFFICER'S REPORT



With the SNS project nearing its conclusion, consolidation of the merger completed, consistently strong financial performance and service standards exceeding targets, Racing Australia is well positioned for continued innovation and financial growth.

Myles Foreman,
Operations Chief Executive Officer

1. FINANCIALS

The 2015-2016 financial year completed the first full financial year of Racing Australia operations following the purchase of the Australian Stud Book, Australian Genetics Testing and the merger of the Australian Racing Board and Racing Information Services Australia to form Racing Australia Limited in April 2015.

In the previous financial year (2014-2015) the revenue and costs of the Australian Stud Book and Australian Genetics Testing were included for nine months only. The costs of the Australian Racing Board were included for three months of the 2014-2015 financial year only.

For the full twelve months of the 2015-2016 financial year consolidated revenue increased by \$416,541 from \$12,658,325 in 2014-2015 to \$13,074,866 in 2015-2016.

Excluding extraordinary revenue of \$1,000,000 in 2014-2015 from the settlement of the McHugh Artificial Insemination case, the actual full year increase in consolidated revenue was \$1,416,541.

Consolidated expenses increased by \$220,820 from \$9,917,991 in 2014-2015 to \$10,138,811 in 2015-2016.

Racing Australia's consolidated surplus for the year was \$2,936,055.

For the full financial year revenue from combined commercial activities (Copyright Licence and Supply Agreements, Publishing and Connect) represented 33% (\$4,332,308).

Whilst revenue from Copyright Licence and Supply Agreements, and Connect grew, revenue from publishing represented 2% (\$311,400) of total revenue. This small decrease of \$34,142 in publishing is the result

of fewer racebooks being published by race clubs leading to a decline in pre-press racebook services being delivered by Racing Australia.

Prior to this financial year despite global trends of print publications pre-press performed against this trend with Racing Australia expanding its services through investment in infrastructure and people to provide more customisable racebook options. The decline now starting to be experienced in 2015-2016 is expected to continue in future years as more and more race clubs transition from established racebook print to alternative print or digital solutions.

To offset the expected decline in print, Racing Australia has continued to innovate and provide a range of low cost print and digital solutions.

Industry based bureau services including the Trainers & Racing Service Centre responsible for nominations and acceptances for all race meetings across Australia (excluding Western Australia) was static at 8% (\$1,109,357). The Registrar of Racehorses (responsible for the registration and naming of all thoroughbreds) was also static at 12% (\$1,543,861) of Racing Australia's revenue.

The Australian Stud book and Australian Genetics Testing revenue increased from 27% (\$3,353,631) for the nine months of 2014-2015 to 38% (\$4,947,706) for the full twelve months 2015-2016.

Connect revenue (an SMS and email communications portal used by race clubs and other industry participants to communicate with members, owners etc) represents 2% (\$248,634) and other revenue represented 5% (\$581,600) of total 2015-2016 consolidated revenue.

OPERATIONS CHIEF EXECUTIVE OFFICER'S REPORT continued

Throughout the financial year a new commercial arrangement for the supply of parentage testing services was negotiated with transitioning commencing in June 2016. The financial impact of the new arrangements will materialise in the 2016-2017 financial year significantly reducing the Australian Stud Books' cost base while maintaining fully accredited services delivered at the highest standards possible.

Racing Australia's surpluses are currently being utilised for the purpose of accelerated loan repayments for the purchase of the Australian Stud Book and Australian Genetic Testing.

During 2015-2016 the loan balance decreased by \$3,128,755 from \$13,396,267 to \$10,267,512. The loan reduction was in part due to the scheduled principal repayments and a one-off accelerated loan repayment of \$1,000,000.

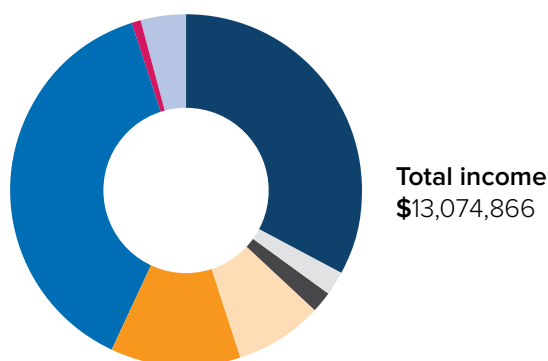
Based on scheduled loan repayments, a further \$2,500,000 will be paid off the loan during 2016-2017 reducing the balance to \$7,767,512 by 30 June 2017. A renegotiation of the terms of the loan is due in September 2017 when consideration will be given to making a further accelerated loan repayment.

The company continues to focus attention on leveraging the synergies from its acquisitions and mergers to drive future growth and efficiency savings. A number of actions have been taken throughout the year which will take effect next financial year.

An extensive commercial review was undertaken in the latter half of the year to identify opportunities to maximise Racing Australia's assets and people to drive further commercial growth.

The consolidated budgeted surplus for 2016-2017 is budgeted to increase by \$1,696,107 to \$4,632,162.

Racing Australia revenue diversification



- Copyright Licence and Supply** 33% (\$4,332,308)
 Includes Copyright Licence & Supply of racing materials to commercial clients and race clubs
- Publishing** 2% (\$311,400)
 Includes race club pre press services and website design and hosting
- Connect** 2% (\$248,634)
 Connect communication and send fees
- TRSC** 8% (\$1,109,357)
 Includes nomination fees
- Registrar of Racehorses** 12% (\$1,543,861)
 Includes registration and syndicate applications, change of name, horse ID, subpoena fees
- Australian Stud Book** 38% (\$4,947,706)
 Includes live foal, non live foal, stallion returns, declaration of service, export, import and late fees
- Interest** 1% (\$76,816)
 Includes bank interest
- Other** 4% (\$504,784)
 Includes SNS funding

2. DIGITAL

(i) Racing Australia website and mSite

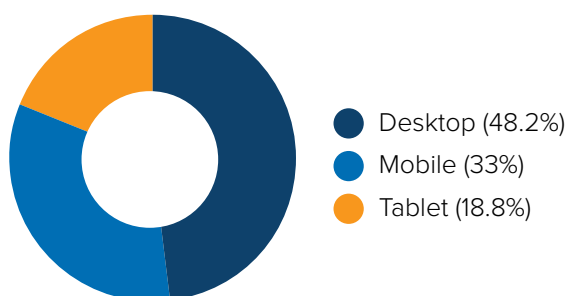
Within Racing Australia's competitive set the Racing Australia website and mSite continue to be the number one industry owned and operated online source of national Racing Materials. (Source Experian Hitwise)



Racing Australia website and mSite continue to be the number one industry owned and operated online source of national Racing Materials.

The average number of page views to these sites increased by 865,900 per month from 7,650,000 in 2014-2015 to 8,515,900 per month in 2015-2016. With in excess of 102,190,800 page views for the full twelve months these sites continued the important role of providing Racing Materials and services to the industry.

The transition of traffic from desktop continued with 48.2% via desktop and 51.8% via mobile and tablet devices.



Source: Google Analytics

(ii) Racing Australia website and mSite trusted sources of Racing Materials

The reliability and timeliness of Racing Materials flowing to the websites continued to be a key focus for Racing Australia. During the last 12 months the websites were available 99.99% of the time. Over 365 days the websites were unavailable for just 1 hour and 10 minutes due to unplanned outages. The major outage occurred on one occasion due to a state wide telecommunications outage.

During the last 12 months the websites were available 99.99% of the time.

Notwithstanding website availability of 99.99% over the twelve months, as part of Racing Australia's ongoing investment, further upgrades to the Racing Australia infrastructure supporting the websites were completed throughout the year. These upgrades ensured additional capacity was put in place to support the ongoing growth in traffic to the websites.

Racing Australia's role as the compiler of Racing Materials across Australia via the nominations, acceptance, scratching and stable return process (excluding WA) means that the timeliness and accuracy of the Racing Materials being displayed on the Racing Australia websites is also dependent on our people and processes.

Key functions of the Trainers and Racing Services Centre such as the release of Nominations, Acceptances, Riders and Scratchings are monitored on a daily basis with the monthly service standards published on the Racing Australia website. In all cases service standards were exceeded across the year. For example the release of scratchings is a particularly time critical publication on which many industry participants are reliant. The most common example of this is the close of scratchings at 7.30am with final scratchings to be released by 7.45am. Over the year scratchings were released 98.93% of the time in accordance with the service standard of 7.45am.

OPERATIONS CHIEF EXECUTIVE OFFICERS REPORT continued



(iii) Racing Jobs website

RacingJobs.com.au is a web-based platform that allows employers within the racing industry to advertise positions. It has also been developed to assist job seekers looking for employment within the racing industry. The main aim of RacingJobs.com.au is to promote, encourage and strengthen employment within the racing industry and to assist both industry employers and job seekers.

Each position is individually reviewed, to confirm that the position is relevant to the racing industry to ensure that a high level of information is provided and that the position is not inappropriate, misleading or promotes a product or service.

Consistent with a strategy to maximise Racing Australia's digital products and assets throughout the year an optional premium listing service was successfully launched and embraced by employers.

16% of job listings are now via the new paid premium listing service.

(iv) Google AdSense

Racing Australia's strategy of maximising its capacity to generate income from its digital products and assets was boosted throughout the year via the introduction of Google AdSense to the Racing Australia and Racing Jobs websites. Following extensive testing and analysis strict controls were established on the Google AdSense advertisements which are permitted to be displayed on Racing Australia websites. Traditional premium advertising was retained based upon existing controls. Since being introduced late in the financial year 18% of advertising revenue is now derived from Google AdSense.

(v) Design and Hosting Services

Throughout the year Racing Australia has continued to work closely with the industry to develop and maintain a diverse range of websites, mSites and enhanced digital functionality.

In many cases the extent of Racing Australia's involvement in building and maintaining websites and mSites is not clearly identifiable. Working quietly in the background to reinforce and build the brand of our client and to help build the relationship between the website and mSite user and brand is paramount for Racing Australia.

Racing Australia leverages extensive experience in developing and hosting full websites for clients such as race clubs and racing carnivals. Where a client has an existing website but is looking to integrate enhanced Racing Materials (such as Fields, Form, Results), Racing Australia offers an iFrame and other custom solutions.

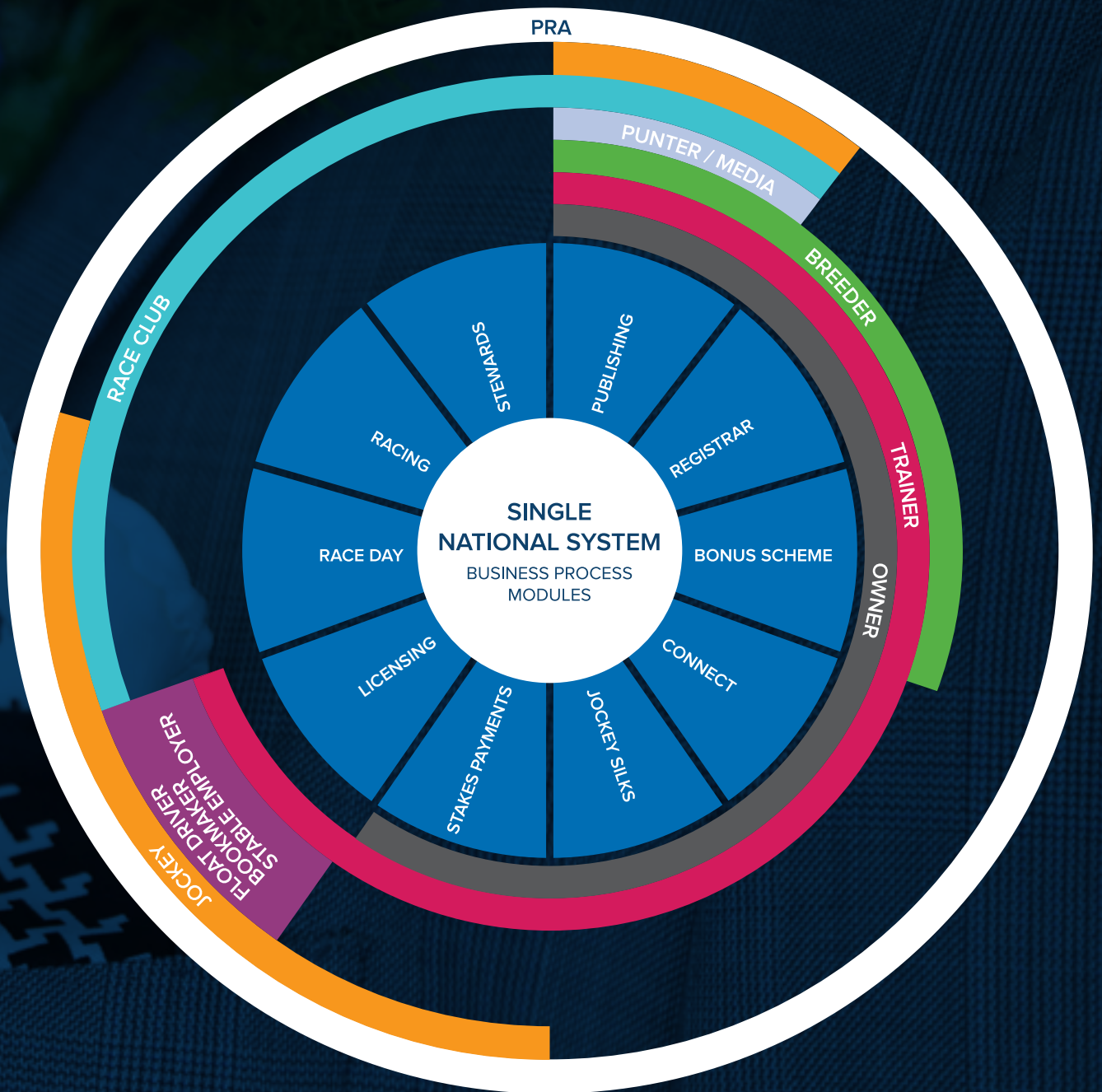
3. SINGLE NATIONAL SYSTEM

During the course of the year development and implementation of the Single National System (SNS) project has delivered to the industry the capacity to provide participants with a significantly enhanced experience when interacting with core industry functions and processes.

Importantly the SNS is not about changing who performs the business process rather providing a set of unified tools which also empower industry participants to transact online rather than completing paper based forms.

Nearing its completion the SNS encompasses every aspect of Principal Racing Authority and Racing Australia racing related activities, delivering an unparalleled opportunity for greater efficiencies, removal of duplications in infrastructure in each State and Territory and substantive benefits for industry participants including but not limited to licensing, ownership/horse registration, stakes payments and bonus scheme administration. Stewards and Handicappers along with Racing Departments are amongst key industry stakeholders who will also benefit from access to the SNS.

The premise of the Single National System has been, and remains, the view that it will provide a level of consistency, efficiency and integrity to the thoroughbred racing industry across Australia.



SINGLE NATIONAL SYSTEM

Core industry functions now being serviced by the SNS

PUBLISHING

Racing Magazine extracts
Race book extracts
Website extracts
Print extracts
Broadcast extracts

REGISTRAR

Foal Ownership Declaration
Transfers
Horse Naming
Transfers
Lease
Syndicates

BONUS SCHEME

Bonus Schemes
Bonus Nominations

CONNECT

Integrated and personalised SMS and email communications

JOCKEY SILKS

Jockey Silks

STAKES PAYMENTS

Prizemoney Payments
Bonus Scheme Payments
Reports

LICENSING

Trainer Licence
Jockey Licence
Stable Employee
Float Drivers
Bookmaker
Bookmaker Clerk
Apprentice Jockey
Rider Agents
Trainer Partnerships

RACE DAY

Scales
Race Results

RACING

Race Programing
Nomination
Acceptance
Scratching
Stable Return
Handicapping
Barrier Draw
Online Print Package

STEWARDS

Incident
Worksheets
Inspections
Reporting
Swabs Arid Incident

OPERATIONS CHIEF EXECUTIVE OFFICERS REPORT continued

The central vision for the Single National System from which all other objectives emanate is the principal of the creation of a unique identification for all industry participants.

Principal Racing Authorities and industry participants are now benefiting nationally from the SNS. Recent examples of inefficient paper based processes which are now available online include: (1) Trainer Licence Renewals, (2) Jockey Licence Renewals, (3) Syndicate Renewals; (4) Jockey Silk Renewals and (5) Stable Employee Licence Renewals.

Individual Principal Racing Authorities are progressively making these online renewals available. Development of Horse Naming, Transfers and Leases has been completed and is ready to go live with Foal Ownership Declarations in early 2017.

The final completion date of the SNS was reviewed and reset several times throughout the year due to other significant Racing Australia related projects.

In early 2017 the transition of the one remaining original Principal Racing Authority and the Registrar function will complete transition onto the SNS.

Racing and Wagering Western Australia (RWWA) which committed to the SNS later will complete the vision of a truly national database in 2017.

4. BUREAU SERVICES

Racing Australia provides well established centralised bureau services to the industry which reduce the cost of service delivery to participants by one national investment in people and infrastructure. Expansion of these bureau services has long been a core strategy of Racing Australia where Racing Australia provides financial benefit to Principal Racing Authorities through expanded service standards to industry participants.

Throughout the year the implementation of the Single National System has progressively provided new centralised tools to manage industry services. Racing Australia has been working to expand its existing bureau service offering by introducing services which manage on behalf of Principal Racing Authorities, Licensing (for final approval by Principal Racing Authorities), Bonus Scheme Registration, Jockey Silk registration, and the functions of the Deputy Registrar, Transfers and Leases.

Following extensive development of the SNS and resourcing, Racing Australia will commence providing these expanded bureau services to Principal Racing Authorities from early 2017.

5. SUMMARY

Racing Australia's growth continues to be built upon the dedication and commitment of our people. Racing never stops and neither do our people as our products and services are relied upon 24 hours per day 365 days of the year. In order to support these products and services Racing Australia continues to attract and retain a diverse group of individuals with a broad range of racing and non racing experience and skills.

Our culture thrives on challenging the norm and on ongoing innovation. As our role is to support the industry our best innovation is often not even identifiable as being delivered by Racing Australia.

Having consolidated the merger of the Australian Stud Book (ASB) and the Registrar of Racehorses (ROR) the next twelve months will deliver the most significant and beneficial change to the operation of the Registrar and Deputy Registrar functions ever with Owners able to transact and complete functions online via the SNS.

Integrity, timeliness and accuracy of our products and services are central to our policies, procedures and culture. We are focused upon delivering the highest quality of service which is monitored and reported against our service performance standards.

With the SNS project nearing its conclusion, consolidation of the merger completed, consistently strong financial performance and service standards exceeding targets, Racing Australia is well positioned for continued innovation and financial growth.



Myles Foreman
Operations Chief Executive Officer

OWNERS AND BREEDERS SERVICES



Assessment criteria has been developed requiring research proposals to be innovative with a clear hypothesis and research methodology which will produce tangible outcomes that lead to improved health, welfare or performance of Thoroughbred horses in Australia.

Jacqueline Stewart,
Owners and Breeders Services Manager (Keeper of the Stud Book)

The principal activity of Owners and Breeders Services is to operate the Australian Stud Book ensuring the integrity of Thoroughbred breeding in Australia in accordance with the Australian Stud Book Rules, together with the Registrar's role to record the initial registration, ownership and naming of all Thoroughbreds in accordance with the Australian Rules of Racing.

In addition, each Principal Racing Authority (PRA) employs a Deputy Registrar. This Deputy Registrar is responsible for:

- subsequent changes in ownership (Transfer or Lease) of horses based in their respective states
- registration of colours
- registration of Syndicates of owners
- the regulation of licensed promoters (Syndicators)

RACING AUSTRALIA RESEARCH AND DEVELOPMENT FUND

\$20 from each Registration Application fee is allocated to the Racing Australia Research & Development Fund for the purposes of research and development directly associated with the Thoroughbred.

Racing Australia has established a Research and Development Grant Assessment panel to review proposals and recommend on funding to the Racing Australia Board. Assessment criteria has been developed requiring research proposals to be innovative with a clear hypothesis and research methodology which will produce tangible outcomes that lead to improved health, welfare or performance of Thoroughbred horses in Australia.

In addition to the research project approved in 2015 for 'The detection of gene doping in Thoroughbred racehorses', the Board of Racing Australia has committed to funding five further research projects:

University of Melbourne Tools for reducing injury and breakdown in training and racing	\$49,950 per year for 3 years
University of Melbourne Adaption and repair of sesamoid bones in training	\$93,367 per year for 3 years
Racing Analytical Services Detection of anabolic steroids in equine hair and Development of anti-EPO antibody assay	\$57,341 one-off grant
Murdoch University Exercise induced pulmonary haemorrhage	\$50,002 one-off grant
Dr A Brownlow Exertional heat illness	\$19,490 one-off grant



Photos: Courtesy of TRSA

Racing Australia Research and Development Fund

Actual Balance of Fund June 2016	\$622,874
Committed expenditure 2016-2017	(\$403,356)
Forecast contributions 2016-2017	\$249,595
Forecast balance remaining 2016-2017	\$469,113

SERVICES

Our Service Standards have mostly met expected targets with the following throughput by the team:

- 14,712 foals and imported horses parentage verified within 3 days;
- 1,542 horses exported with export certificates and export passports produced in accordance with our obligations under the International Agreement on Breeding, Racing and Wagering;

- 1,506 horses imported, formally identified and accepted for racing and/or breeding purposes;
- 11,613 horse names approved from 34,929 name options submitted;
- Where all information is provided and the naming can proceed 100% of name applications are processed within the published 10 day turnaround of which 64% were processed within 48 hours;
- 11.7% of applications were processed the same day that they were received in the office as urgent to allow the horse to either nominate or trial the same or following day.

The final phase of the Single National System is the roll out of the functions performed by the Registrar and Deputy Registrars (Naming, Transfers, Leases and Syndicates).

Extensive development and testing has been ongoing and it is expected to be in full service in early 2017, providing efficiency and significant improvement to the current paper-based functions.

OWNERS AND BREEDERS SERVICES continued

BREEDING

The 2015 foal crop is estimated to increase to 13,616 foals with late mare returns submitted from the current number of 12,871, a decrease of 3.3% from the previous seasons foal crop.

State distribution of 2015 born foals

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Foals	5,806	3,067	1,968	1,213	567	240	9	1	12,871
%	45%	24%	15%	9%	5%	2%	0%	0%	100%

In the 2015 covering season, 19,280 mares had recorded coverings by 628 stallions, a decrease of 0.46% on the previous year's coverings.

1. Number of stallions standing

2015 Covering Season	2014 Covering Season	Variance
628	665	-37 (-5.89%)

2. Number of mares covered

2015 Covering Season	2014 Covering Season	Variance
19,280	19,369	-89 (-0.46%)

3. State distribution of mares covered

Covering Season	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015	9,181	4,920	2,690	1,512	624	351	-	2	19,280
2014	9,502	4,763	2,456	1,715	644	288	-	1	19,369
Variance	-321	+157	+234	-203	-20	+63	-	+1	-89

The 2016 foal crop has been estimated to be 13,600 a decrease of 0.12% of the 2015 foal crop estimate of 13,616, which is a marginal decrease in the context of the current economic conditions and worldwide trends.



Jacqueline Stewart

Owner and Breeders Services Manager (Keeper of the Stud Book)



ADDITIONAL FACTS

28

shuttle stallions covered 3,031 (15.7%) of the mares compared to 4,593 (23.7%) in 2014.

444

(70%) were Australian-bred stallions compared with 367 (72%) in 2014.

16

of the top 20 stallions by coverings were Australian-bred.

261

(42%) stallions covered less than 10 mares compared to 230 (45%) in 2014.

21

(3%) stallions covered more than 150 mares compared to 25 (5%) in 2014.

ABOUT RACING AUSTRALIA

RACING AUSTRALIA LIMITED – THE COMPANY

In September 2014 Racing Information Services Australia Pty Ltd (RISA) purchased the assets of the Australian Stud Book (ASB) and the shares in capital of Australian Genetics Testing Pty Ltd (AGT).

Subsequently on 13 April 2015, RISA along with its assets the ASB and AGT merged with the Australian Racing Board (ARB) to form one entity named Racing Australia Pty Ltd. On 18 September 2015, Racing Australia Pty Ltd ultimately converted from a proprietary company to a public company named Racing Australia Limited.

The primary objective of the Company is to encourage and promote the Thoroughbred industry which includes the following:

- a) adopting, administering and amending the Australian Rules of Racing and the Rules of the Australian Stud Book;
- b) ensuring the integrity of Thoroughbred breeding in Australia by maintaining the officially published records of Thoroughbred bloodlines in Australia in the form of the Australian Stud Book contemplated by the Australian Rules of Racing;
- c) establishing and conducting a national consolidated Racing Materials and information services business to service the Australian horse racing industry and other users of horse Racing Materials, including:
 - (i) developing a consolidated national uniform and standard system for the collection, processing, storage, dissemination and protection of Racing Materials;
 - (ii) establishing and maintaining participation in such a consolidated national uniform and standard Racing Materials system by the Principal Racing Authorities and all others integral to the successful conduct of such system; and
 - (iii) developing procedures to maximise the integrity, and minimise duplication and data cleansing costs, with respect to all Racing Materials collected, processed and disseminated in the conduct of such a system;
- d) maintaining information regarding the ownership and identity of Thoroughbred racehorses for racing in Australia and for export including acting as the Registrar of Racehorses contemplated by the Australian Rules of Racing;
- e) to conduct an efficient low-cost operation; and
- f) the allocation of surplus funds by way of grants to the Principal Racing Authorities in accordance with the principles of allocation set out in the Racing Australia Constitution for the purposes of encouraging and promoting horse racing in each of the States and Territories of Australia under the control of the various Principal Racing Authorities.

RACING AUSTRALIA – OUR ROLE

INDUSTRY GOVERNANCE AND NATIONAL COORDINATION

Rules

Administer and amend the Australian Rules of Racing and the Rules of the Australian Stud Book in adherence to world's best practice standards of integrity and animal welfare.

Government

Foster strong working relationships at political and departmental levels, including participation in government/industry partnerships, ensuring that the Commonwealth and State Governments are at all times aware of the views and objectives of the Australian Thoroughbred Racing Industry.

Industry

Maintain and build upon effective lines of consultation and communication which will inform industry stakeholders and customers of Racing Australia's aims and objectives.

Media

Promote a better understanding, knowledge and media coverage of Thoroughbred racing as a local, regional and national industry and sport.

International

Build on Racing Australia's position as a globally-recognised influencer and standard setter of Thoroughbred Racing with the capacity to promote Australia's interests internationally.

Racing Australia is a member of:

IFHA – International Federation of Horseracing Authorities
www.horseracingintfed.com

ARF – Asian Racing Federation
www.asianracing.org

ISBC – International Stud Book Committee
www.internationalstudbook.com

INDUSTRY SERVICES AND COMMERCIALISATION

Racing never stops and neither does Racing Australia. Its key Trainers and Racing Service is open seven days a week and other specialist services operate whenever racing is taking place. Racing Australia's support services are available 24/7, 365 days. Racing Australia's website provides access and the ability to transact specific industry functions at any time.

With established products and services and a team of committed people, Racing Australia is Australia's leading provider of innovative low cost services to the Racing Industry.

Importantly, Racing Australia commercialises the industry's racing materials on a national basis, through the sale of a variety of products and services such as Fields, Form and Results to a diverse range of print and digital publishers domestically and internationally.

Racing Australia continues to develop and expand the number of integrated products and services available to Principal Racing Authorities, race clubs, owners, breeders, trainers, jockeys, punters and racing enthusiasts.

OWNERS AND BREEDERS SERVICES

Stud Book

The Australian Stud Book is the official record and publication of Thoroughbred bloodlines for horses born in Australia. Its core responsibility is the maintenance, accuracy, quality and integrity of these records. The Australian Stud Book operates under the Rules of the Australian Stud Book and the Australian Rules of Racing and International Stud Book Rules.

Registrar of Racehorses

The Registrar of Racehorses maintains the official register of ownership and naming of Thoroughbred racehorses for racing in Australia and for export. The Registrar of Racehorses operates under the Australian Rules of Racing.

TRAINERS AND RACING SERVICES

Compilation of Race Fields

Via a 1800 service available seven days a week or via the online alternative Stable Assist, Racing Australia is the official entity which in conjunction with PRAs compiles, distributes and publishes Race Fields, for all States and Territories (except WA). Via these services trainers lodge; nominations, acceptances, scratchings and stable returns. Trainers and Racing Services operates under the Australian Rules of Racing.

Race Results

Maintenance of the official race results database for all States and Territories as well as the past performance (Form) database which Racing Australia distributes and publishes.

Form Comments

Creation and publication of unique Form Comments for all TAB Race Meetings across Australia to be used in conjunction with Racing Australia Fields and Form products.

Connect

High-functionality, web-based messaging service providing a low-cost communications system for the Thoroughbred industry via SMS, email, voice and fax. Messages can be formatted in keeping with the user's existing communications branding. The system can be fully self-service or Racing Australia can send messages on the user's behalf.

PRINT SERVICES

On-course Racebooks

Racing Australia racebooks engage both the casual and regular racegoer and are created with the intention of stimulating interest in racing and turnover. Racing Australia offers a range of innovative options and can prepare customisable racebooks to suit individual race club's needs combining the strength of pre-press tools and extensive experience. The on-course racebook can also be complemented by an online flip book version.

Other print publications

With full design capabilities Racing Australia has assisted many in the industry with the design of other print products such as breeding booklets, catalogues, flyers, business cards and promotional banners.

DIGITAL SERVICES

Website development and hosting

Racing Australia has extensive experience in developing and hosting full websites for clients such as race clubs and racing carnivals. Where a client has an existing website but is looking to integrate enhanced Racing Materials (such as Fields, Form, Results), Racing Australia offers an iFrame solution which is used by a number of Principal Racing Authorities, race clubs, trainers and industry associations. Leveraging on this experience, Racing Australia also builds and hosts a number of specialist mobile sites for Principal Racing Authorities and race clubs.

TECHNICAL SERVICES

National System

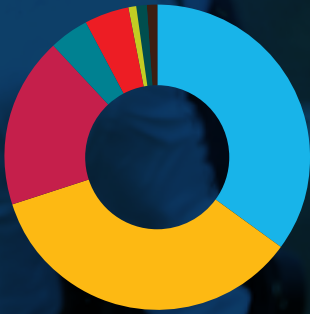
In a significant milestone for the Thoroughbred Racing Industry, Racing Australia has developed a unified Single National System following the ratification and agreement by all of RISA's shareholders, the Principal Racing Authorities (PRAs).

The Single National System (SNS) heralds an unparalleled and unique opportunity for the industry to consolidate its many core technology platforms into one system. The SNS is already creating opportunities for greater efficiencies, removal of duplications in infrastructure in each State and Territory and substantive benefits for industry participants in many of their core interactions including but not limited to licensing, ownership/horse registration, stakes payments and bonus scheme administration. Stewards and Handicappers along with Racing Departments are amongst key industry stakeholders who will also benefit from access to the SNS. Importantly, the SNS is not about changing who performs the business process, but rather about providing a set of unified tools.

The final phase of the SNS will be completed in 2017 including the release of a unique identification profile for each industry participant irrespective of where they reside or what role they may play in the industry. The unique profile will be used to provide industry participants with the capacity to engage and transact online with the Thoroughbred Industry in the digital age.

OUR SHAREHOLDERS

SHAREHOLDER BREAKDOWN %



- Racing NSW
- Racing Victoria
- Racing Queensland
- Racing and Wagering Western Australia
- Thoroughbred Racing South Australia
- Tas Racing
- Canberra Racing Club
- Thoroughbred Racing Northern Territory

4.5%

1%

18%

4.5%

35%

35%

1%

1%



Photo: Courtesy of Victoria Racing Club (Getty)

RELATED COMPANIES

THOROUGHBRED TRAINERS SERVICE CENTRE LIMITED (TTSC)



ACN 112 056 032 - AFSL 288 213

Racing Australia is the sole member of the Thoroughbred Trainers Service Centre Limited (TTSC) (ACN 112 056 032).

The TTSC holds an ASIC issued Australian Financial Services Licence (AFSL No. 288-213).

The service assists trainers, breeders and prospective Syndication companies comply with all of ASIC's compliance obligations when shares are listed for sale in thoroughbreds to the public.

RISA purchased the TTSC in 2007 and when RISA was renamed Racing Australia in April 2015 the ownership of the TTSC was retained.

Chief Executive Officer – Myles Foreman
ASIC approved "Responsible Manager" – David Connell
TTSC Syndication Consultant – Michele Cullen

Horses offered	Shares offered	Money held in trust
18	289	\$757,000



AUSTRALIAN GENETICS TESTING PTY LTD (AGT)



Racing Australia holds 100% of the shares in capital of Australian Genetics Testing Pty Ltd (ACN 83 138 140 762).

The AGT conducts equine research and related genetic research and testing.

RISA purchased the shares in capital of AGT in September 2014 as part of the purchase of the Australian Stud Book assets. Following the commencement of Racing Australia in April 2015 the ownership of the AGT was retained.

RELATED BRANDS

RACINGJOBS.COM.AU



RacingJobs.com.au is a web-based platform that allows employers within the racing industry to advertise positions free of charge, or via a premium paid service.

The main aim of RacingJobs.com.au is to promote, encourage and strengthen employment within the racing industry and to assist both industry employers and job seekers.

RacingJobs.com.au is owned and operated by Racing Australia.

Number of job advertisements placed	Average visitors (sessions) per month
1,467	34,383

Registered employer profiles	Average unique users per month
1,201	11,294

Registered job seekers	Average page views per month
524	97,255

KEY STATISTICS



RACING MATERIALS

Racing material content files distributed to clients

~4.4million



TRAINERS & RACING SERVICES

Number of phone calls answered

167,531

Transactions completed via phone

1,587,646

Transactions completed online

819,772

Number of nominations

386,080

Number of acceptances

207,518

Number of stable returns

29,548

Number of gear changes

65,191



PUBLISHING SERVICES

Number of race clubs that receive pre-press files

137

Unique racebooks that received pre-press services

1,286

Estimated number of pre-press pages

105,930

Newspaper formguides – pre-press services

64



SINGLE NATIONAL SYSTEM

Total number of database transactions

47,113,764

WWW.RACINGAUSTRALIA.HORSE

Average number of page views per month

8,515,951



RACING AUSTRALIA – HOSTING WEBSITES

Total number of websites hosted

16

Total number of i-Frames hosted

35



CONNECT

Monthly average e-mails successfully sent

151,594

Number of unique e-mails successfully sent

1,819,128

Monthly average SMSs successfully sent

82,449

Number of unique SMSs successfully sent

989,395

Total number of unique communications successfully sent

2,808,519

Total number of e-mail templates created

47



BREEDING

Stallions standing 2015 covering season

628

Mares covered during spring of 2015

19,280

REGISTRATIONS

Total number of names presented

34,929

Number of names approved

11,613



FORM COMMENTS

Form comments

174,762

Race analysis and tips

5,040



RACING JOBS

Number of registered employer profiles

1,201

Number of job advertisements placed

1,467

Registered number of job seekers

524



RACINGJOBS.COM.AU (WEBSITE TRAFFIC)

Average visitor (sessions) per month

34,383

Average number of unique users per month

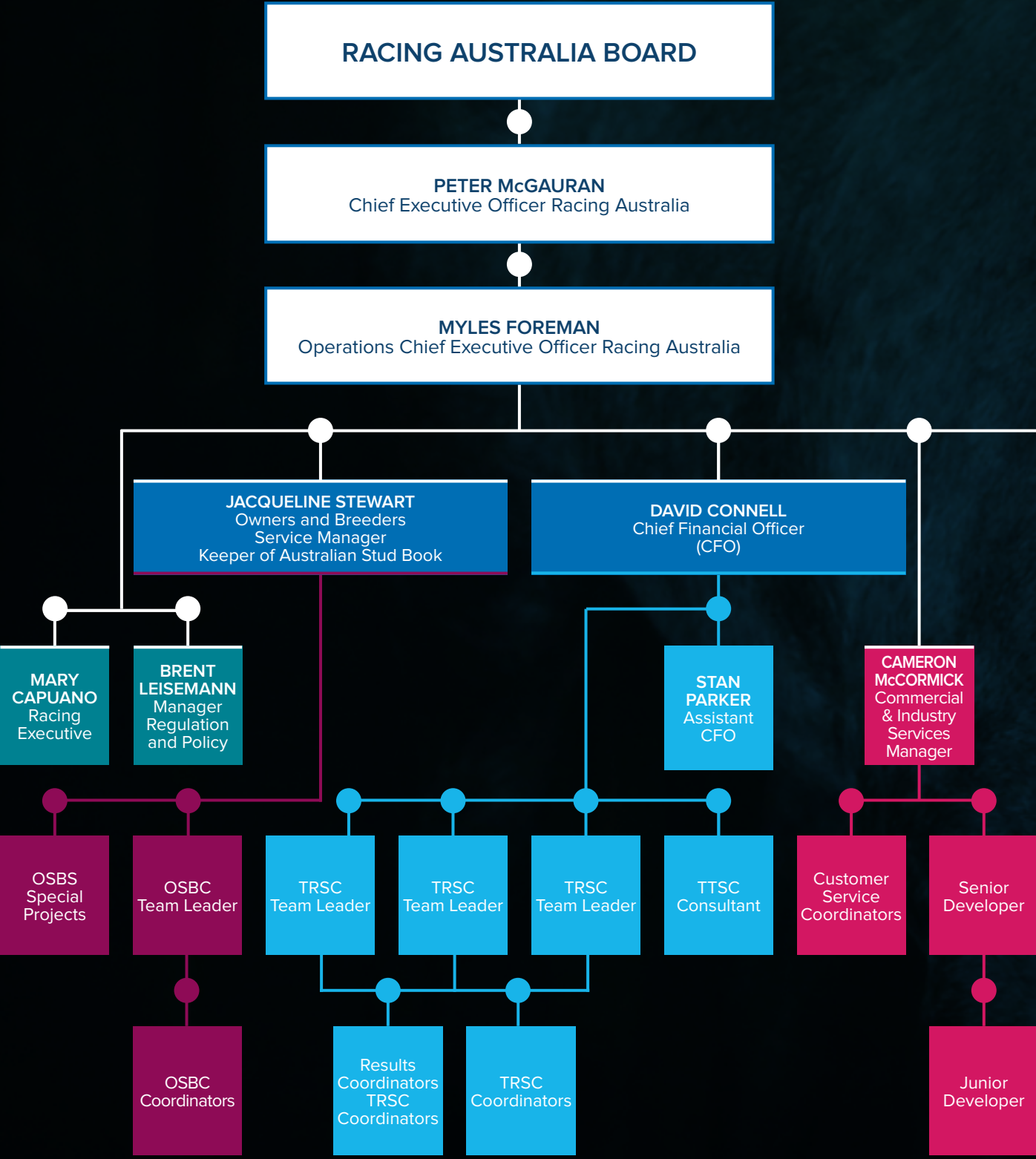
11,294

Average number of pageviews per month

97,255

RACING AUSTRALIA ORGANISATIONAL CHART

As at November 2016



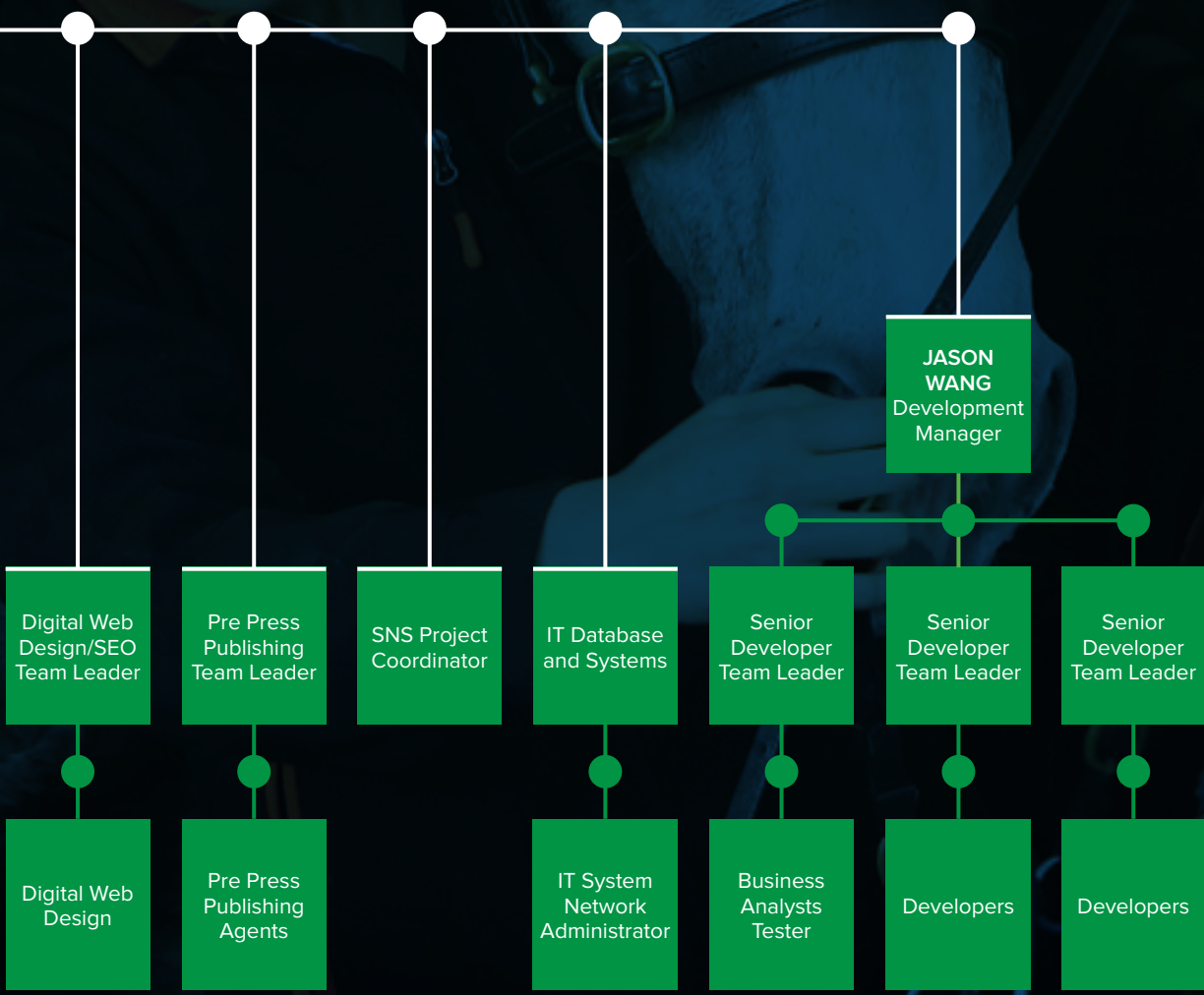
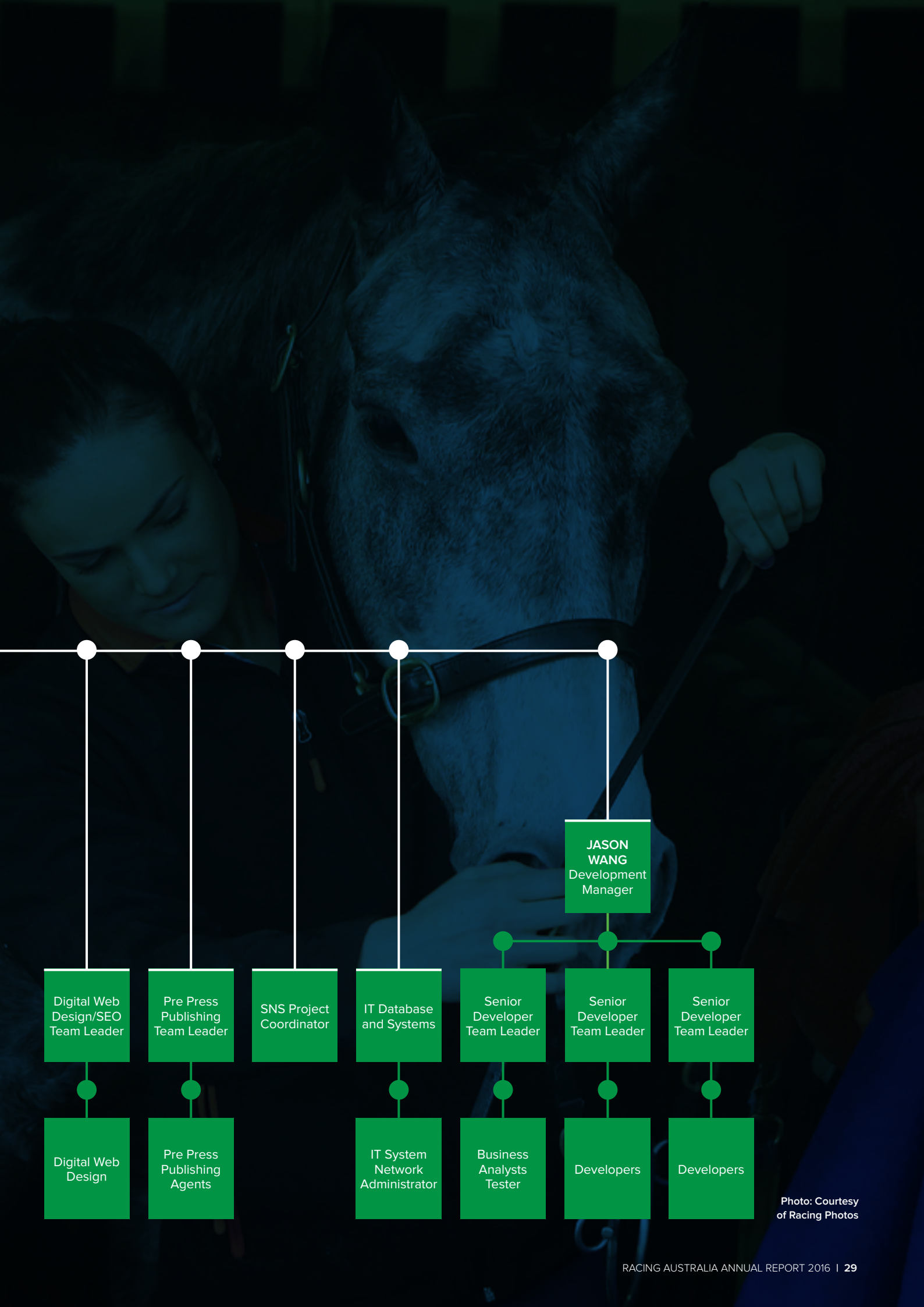


Photo: Courtesy of Racing Photos

SERVICE STANDARD PERFORMANCE REPORT

For the year ended 30 June 2016

Racing Australia has established across the operations of the organisation Service Standard Performance monitoring and reporting.

The service standards are integrated into the training of Racing Australia staff and into the technical infrastructure design.

The monthly results are used as one of the tools to monitor and improve the overall service delivered by Racing Australia to the industry.

The reports are published monthly on the Racing Australia website.

OWNERS AND BREEDERS SERVICES



Horse registrations
Processed (year ended 30 June 2016)

11,545



Change of name
Processed

46

Yearly Calculation	Target Standard	Actual Standard	Variation	Traffic Light	Total June
Registration Applications received and completed for the year ended 30 June 2016					11,545
Registration Applications received year to date where not all information was provided and could not be completed (further follow-up required)					1,225
Registration Applications completed within 5 business days of receipt (completed in 2 business days)	90%	84.59%	-5.41%	●	7,784
DNA kits dispatched within 3 business days, including imports	100%	100%	0%	●	15,126
DNA ID Forms processed/ID card dispatched within 2 business days of receipt, including imports	100%	100%	0%	●	14,712
New Breeder, Brand and Veterinarian applications processed within 2 business days	100%	100%	0%	●	994

- Meeting service standard
- Within negative 1% of service standard
- Below service standard

TRAINERS AND RACING SERVICES



Calls answered

167,531



Transactions online

69%



Transactions by phone

31%

Phase of Service	Service Standard	Service Standard	Actual	Variation	Number of Calls	Traffic Light
Call answer	60% of calls to be answered in less than 60 seconds	60.00%	78.85%	+18.85%	132,909	●
Call answer	30% of calls to be answered between 60 and 120 seconds	30.00%	12.94%	+17.06%	21,332	●
Call answer	10% of calls answered over two minutes	10%	8.21%	+1.79%	13,290	●
Total call time	2 minutes 40 seconds	2.40 Mins	1.34 Mins	1.06 Mins	167,531	●

Phase of Service	Service Standard	Service Standard	Target Standard	Actual	Variance	Traffic Light
Average Yearly Calculation						
Nominations	RA	Nominations to be released within no more than 10 min of official close	98%	98%	Nil	●
Riders	RA	Riders to be released within no more than 18 min of official close	98%	98.92%	+0.92%	●
Acceptances	PRA	Acceptances to be released within no more than 15 min of official close	98%	99%	+0.01%	●
Scratchings	RA	Final scratchings to be released within no more than				
		15 min of official close where no emergencies	98%	98.92%	+0.92%	●
		20 min of official close where emergencies	98%	99.25%	+1.25%	●

SMS AND EMAIL COMMUNICATIONS



Total SMSs sent by Racing Australia

989,501



Total emails sent by Racing Australia

1,818,576

SERVICE STANDARD PERFORMANCE REPORT continued

For the year ended 30 June 2016

RACING AUSTRALIA SYSTEMS

System	Yearly calculation	Target Uptime	Actual Uptime	Variation	Traffic Light
Single National System	70 minutes unplanned downtime in year 525,600 minutes in year	99.90%	99.91%	+0.01%	●
Stable Assist	70 minutes unplanned downtime in year 525,600 minutes in year	99.90%	99.91%	+0.01%	●
Registrar of Racehorses (To be merged with SNS early 2017)	30 minute unplanned downtime in year 525,600 minutes in year	99.90%	100%	+0.10%	●
REINS ASB System (To be merged with SNS 2017)	30 minute unplanned downtime in year 525,600 minutes in year	99.90%	99.74%	-0.16%	●
Racing Australia website	410 minutes unplanned downtime in year 525,600 minutes in year	100%	99.99%	-0.01%	●
Racing Australia Private Label websites	410 minutes unplanned downtime in year 525,600 minutes in year	100%	100%	-	●
SMS and email	60 Minutes unplanned downtime in year 525,600 Minutes in year	99.93%	99.72%	-0.21%	●
Office Local Area Network	120 minute unplanned downtime in year 525,600 minutes in year	99.90%	99.99%	+0.09%	●
Telco and Data Network	60 minute unplanned downtime in year 525,600 minutes in year	99.90%	99.98%	+0.08%	●
PABX	0 minutes unplanned downtime in year 525,600 minutes in year	99.90%	99.94%	+0.04%	●

- Meeting service standard
- Within negative 1% of service standard
- Below service standard



Photo: Courtesy of Victoria Racing Club (Getty)

NATIONAL STATISTICS

RACING	34
Racing Statistics	36
Racing Prizemoney	39
Racehorse of the Year	40
Leading Trainers and Jockeys in Australia	42
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These statistics are for the 2015/16 racing season incorporating the period 1 August 2015 to 31 July 2016. The rest of this annual report incorporates the period 1 July 2015 to 30 June 2016.

RACING



Photo: Courtesy of the Darwin Turf Club

RACING STATISTICS

AUSTRALIAN RACING STATISTICS, STATE BY STATE 2015/16

	NSW	VIC	QLD	SA	WA
Clubs	121	69	115	24	35
Tracks	116	74	107	22	35
Race Meetings	766	550	693	196	297
Flat Races	5,541	4,339	4,540	1,441	2,268
Jumping Races	-	70	-	20	-
Total Races	5,541	4,409	4,540	1,461	2,268
Flat Horses	10,463	8,631	7,336	2,955	3,727
Jumping Horses	-	197	-	53	-
Total Horses (Note 2)	10,463	8,828	7,336	3,008	3,727
Flat Starters	52,374	43,334	42,527	13,724	22,965
Jumping Starters	-	554	-	116	-
Total Starters	52,374	43,888	42,527	13,840	22,965
Jockeys	132	131	147	27	51
Apprentice Jockeys	84	40	82	19	28
Amateur Jockeys	17	32	8	-	23
Total Riders	233	203	237	46	102
Trainers	951	794	804	277	492

Note 1: ACT jockeys are included in the NSW jockey's total.

Note 2: The Total Australian Horses figure represents unique horses that started in each state.

AUSTRALIAN RACING STATISTICS, STATE BY STATE 2015/16 continued

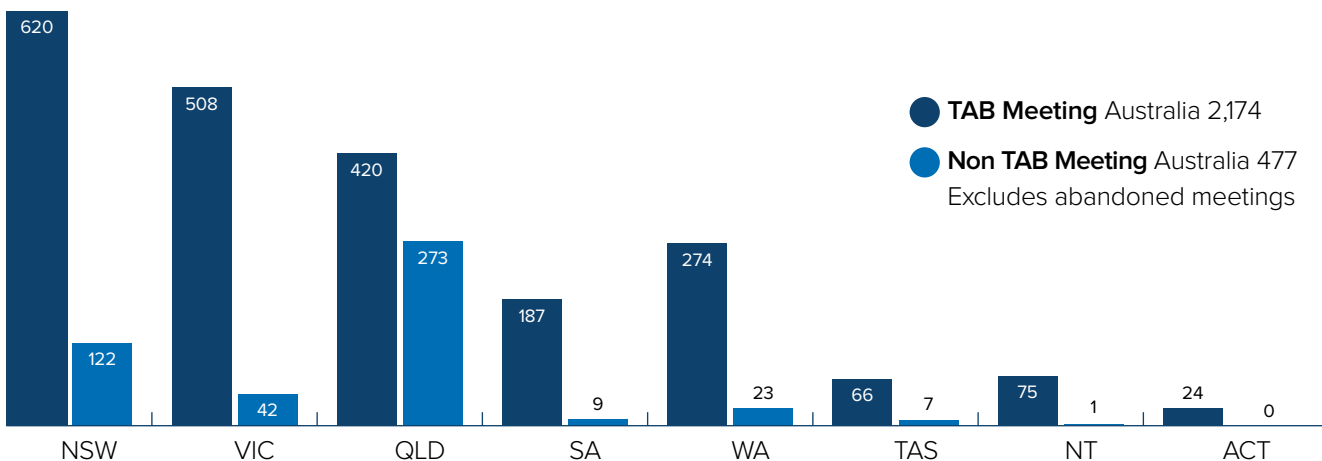
	TAS	NT	ACT	Australia
Clubs	5	5	1	375
Tracks	6	5	2	367
Race Meetings	73	76	24	2,675
Flat Races	570	423	181	19,903
Jumping Races	-	-	-	90
Total Races	570	423	181	19,393
Flat Horses	969	626	939	35,646
Jumping Horses	-	-	-	250
Total Horses (Note 2)	969	626	939	35,896
Flat Starters	5,583	3,302	1,662	185,471
Jumping Starters	-	-	-	670
Total Starters	5,583	3,302	1,662	186,141
Jockeys	15	20	(Note 1)	523
Apprentice Jockeys	18	4	(Note 1)	275
Amateur Jockeys	-	-	(Note 1)	80
Total Riders	33	24	(Note 1)	878
Trainers	92	48	(Note 1)	3,458

Note 1: ACT jockeys are included in the NSW jockey's total.

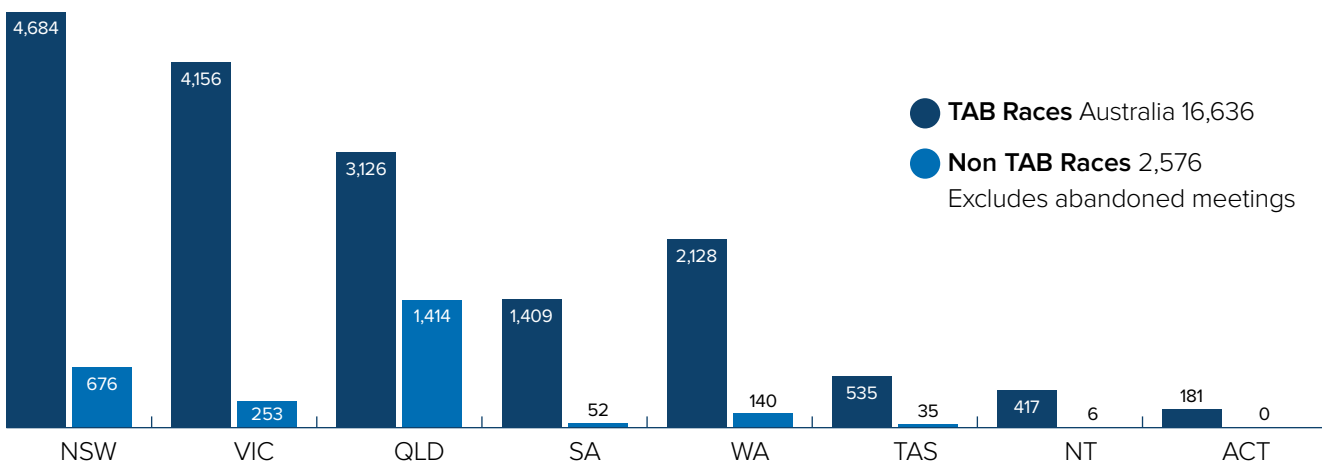
Note 2: The Total Australian Horses figure represents unique horses that started in each state.

RACING STATISTICS continued

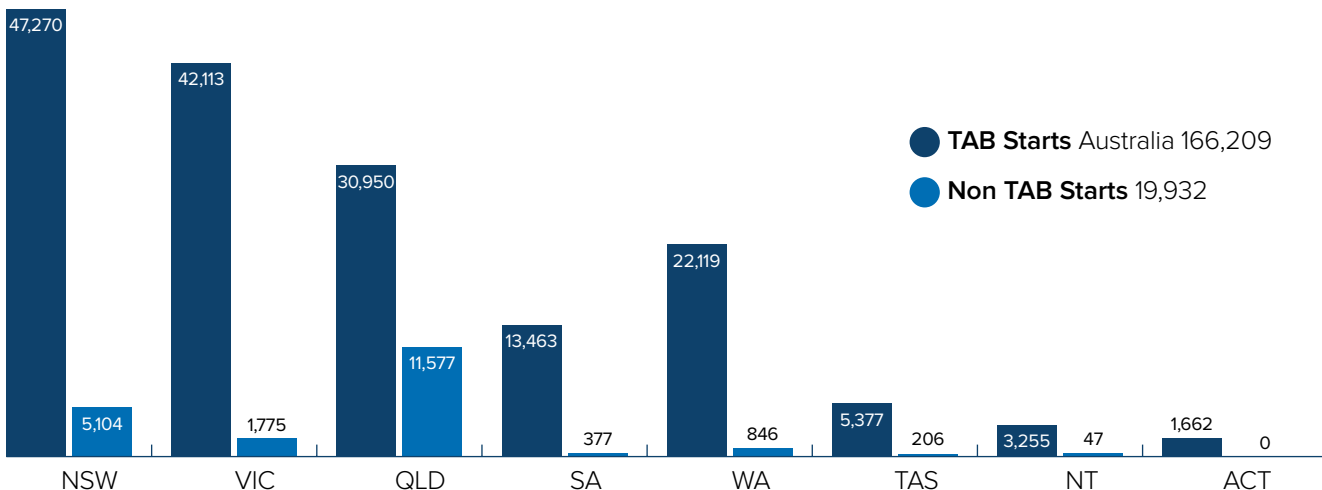
RACE MEETINGS TAB AND NON TAB BY STATE 2015/16



RACES TAB AND NON TAB BY STATE 2015/16



STARTERS TAB AND NON TAB BY STATE 2015/16



RACING PRIZEMONEY

PRIZEMONEY AND INCENTIVE PAYMENTS IN AUSTRALIA 1995/96 – 2015/16

Season	Prizemoney (inc Trophy)	% Change	Incentive Scheme Payouts	% Change
2015/16	\$568,865,514	8.16%	\$32,080,425	1.90%
2014/15	\$525,956,559	3.21%	\$31,481,800	0.88%
2013/14	\$509,592,945	4.27%	\$31,207,412	5.55%
2012/13	\$488,709,074	12.25%	\$29,567,694	6.92%
2011/12	\$435,385,165	1.64%	\$27,653,332	2.05%
2010/11	\$428,339,959	0.26%	\$27,097,630	4.83%
2009/10	\$427,245,771	1.46%	\$25,848,180	7.17%
2008/09	\$421,095,890	18.60%	\$24,118,081	26.19%
2007/08	\$355,043,530	-5.45%	\$19,112,670	5.11%
2006/07	\$375,512,579	2.97%	\$18,183,678	-6.16%
2005/06	\$364,681,731	6.15%	\$19,378,075	5.04%
2004/05	\$343,550,700	5.84%	\$18,448,469	-5.86%
2003/04	\$324,586,453	2.74%	\$19,597,042	26.11%
2002/03	\$315,933,356	3.49%	\$15,539,310	20.86%
2001/02	\$305,293,254	2.24%	\$12,857,434	0.84%
2000/01	\$298,592,625	1.95%	\$12,750,456	3.11%
1999/00	\$292,869,666	7.18%	\$12,365,670	6.95%
1998/99	\$273,249,565	7.21%	\$11,562,106	9.30%
1997/98	\$254,881,377	3.18%	\$10,578,296	12.61%
1996/97	\$247,036,322	5.56%	\$9,393,801	57.82%
1995/96	\$234,020,189	-	\$5,952,192	-

RACEHORSE OF THE YEAR AWARDS



Photo: Courtesy of Racing NSW, Steve Hart

HORSE OF THE YEAR CATEGORY WINNERS 2015/16

Champion Horse of the Year	Winx
Champion Stayer	Preferment
Champion Middle Distance	Winx
Champion Sprinter	Chautauqua
Champion Two Year Old	Capitalist
Champion Three Year Old Filly	English
Champion Three Year Old Colt or Gelding	Tarzino
Champion Jumper	Zanteco

OTHER CATEGORY WINNERS 2015/16

Champion Group 1 Jockey	Hugh Bowman
Champion Group 1 Trainer	Chris Waller
Champion Sire	Street Cry

Above: Champion Horse of the Year 2015/16, Winx
 Right: Champion Two Year Old of the Year 2015/16, Capitalist



Photo: Courtesy of Racing Queensland

LEADING TRAINERS AND JOCKEYS IN AUSTRALIA

LEADING GROUP RACE TRAINERS BY GROUP WINS IN AUSTRALIA 2015/16

Trainer	Winners				Stakes
	Group 1	Group 2	Group 3	Total	
Chris Waller	15	12	16	43	\$13,672,500
Darren Weir	6	4	13	23	\$6,959,600
John O'Shea	3	16	9	28	\$4,106,000
Michael, Wayne & John Hawkes	3	4	1	8	\$3,150,000
Mick Price	3	2	3	8	\$2,730,000
Robert Hickmott	3	2	0	5	\$2,250,000
Murray Baker	3	1	0	4	\$2,770,000

LEADING TRAINERS BY WINS IN AUSTRALIA 2015/16

Trainer	Win/Place			Strike Rate	Runners	Total Prizemoney without trophy
	1st	2nd	3rd			
Darren Weir	348	265	251	15.75%	2,209	\$21,541,563
Chris Waller	281	242	218	14.89%	1,887	\$30,034,407
David Hayes & Tom Dabernig	189	165	144	14.70%	1,286	\$10,923,888
John O'Shea	183	195	184	16.04%	1,141	\$15,267,262
Peter & Paul Snowden	138	108	93	18.67%	739	\$11,191,182



Chris Waller Australia's leading Group 1 trainer.

Photos: Racing Photos



Darren Weir Australia's leading trainer by wins.

LEADING GROUP RACE JOCKEYS BY GROUP WINS IN AUSTRALIA 2015/16

Jockey	Winners				Stakes
	Group 1	Group 2	Group 3	Total	
Hugh Bowman	10	12	8	30	\$11,453,000
Kerrin McEvoy	5	4	8	17	\$4,361,000
Tommy Berry	5	2	1	8	\$4,394,000
Glyn Schofield	5	0	3	8	\$1,770,000
James McDonald	4	9	15	28	\$4,546,000
Damien Oliver	4	4	10	18	\$5,370,000
Dwayne Dunn	4	3	6	13	\$3,104,800
Craig Newitt	4	2	0	6	\$3,150,000

LEADING JOCKEYS BY WINS IN AUSTRALIA 2015/16

Jockey	Win/Place			Strike Rate	Rides	Total Prizemoney without trophy
	1st	2nd	3rd			
William Pike	222	140	100	25.28%	878	\$8,012,828
Dean Yendall	165	126	114	18.97%	870	\$3,842,408
Brenton Avdulla	144	117	120	15.48%	930	\$8,154,924
James Orman	143	121	133	12.38%	1,155	\$4,002,025
Greg Ryan	130	98	76	19.17%	678	\$2,004,815



Hugh Bowman Australia's leading Group 1 jockey.



William Pike Australia's leading jockey by wins.

BREEDING STATISTICS



Photo: Courtesy of
Magic Millions

BREEDING DISTRIBUTION IN AUSTRALIA

BREEDING FIGURES 2014/15

Season	Stallions Returned	Mares Returned	Mares Covered	Live Foals	Live Foals / Mares Returned %
2014/15	664	20,632	19,369	12,871	62%

SHUTTLE STALLIONS IN AUSTRALIA 2011/12 – 2015/16

Season	Number of Shuttle Stallions	Total Stallions	% Shuttles to Total Stallions	No. of Mares Covered by Shuttles	Total Mares Covered	% Mares Covered by Shuttles	Av Book Per Shuttle Stallion
2011/12	38	794	4.79%	4,228	22,585	18.7%	111
2012/13	36	757	4.76%	3,478	21,463	16.2%	97
2013/14	42	692	6.07%	4,561	20,361	22.4%	109
2014/15	39	664	5.87%	4,593	19,369	23.7%	118
2015/16	28	628	4.46%	3,031	19,281	15.7%	108

BREEDING DISTRIBUTION BY STATE 2014/15

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Stallions	229	151	157	76	30	20	0	1	664
% of total	34%	23%	24%	11%	5%	3%	0%	0%	100%
Broodmares	7,671	5,153	3,776	2,232	1,114	501	160	25	20,632
% of total	37%	25%	18%	11%	6%	2%	1%	0%	100%
Mares Covered	9,502	4,763	2,456	1,715	644	288	0	1	19,369
% of total	49%	25%	13%	9%	3%	1%	0%	0%	100%
Foals	5,806	3,067	1,968	1,213	567	240	9	1	12,871
% of total	45%	24%	15%	9%	5%	2%	0%	0%	100%
Live Foals to Mares Returned	76%	60%	52%	54%	51%	48%	6%	4%	62%
Average Book per Stallion	41.5	31.5	15.6	22.6	21.5	14.2	0.0	0.0	29.1

Source: Australian Stud Book

Please note: All figures are correct as of 15 October 2016.

BREEDING DISTRIBUTION IN AUSTRALIA_{continued}

STALLION DISTRIBUTION BY STATE 2014/15

Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014/15	229	151	157	76	30	20	0	1	664

BROODMARE DISTRIBUTION BY STATE 2014/15

Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014/15	7,671	5,153	3,776	2,232	1,114	501	160	25	20,632

FOAL DISTRIBUTION BY STATE 2014/15

Year	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014/15	5,806	3,067	1,968	1,213	567	240	9	1	12,871

Source: Australian Stud Book

Please note: All figures are correct as of 15 October 2016.



Photo: Courtesy of Racing Photos – Rosemont Stud

AUSTRALIA'S LEADING SIRES

LEADING SIRES OF SEASON 2015/2016 BY PRIZEMONEY

Stallion	Runners	Winners Total	Winners Stakes	Wins Total	Wins Stakes	Earnings	Top Season Earner
Street Cry (IRE)	173	85	12	144	22	\$12,974,854	Winx \$5,627,500

LEADING FIRST CROP SIRES OF SEASON 2015/2016 BY PRIZEMONEY

Stallion	Runners	Winners Total	Winners Stakes	Wins Total	Wins Stakes	Earnings	Top Season Earner
Smart Missile	49	7	0	7	0	\$454,705	Jericho \$60,275

LEADING BROODMARE SIRES OF SEASON 2015/2016

Stallion	Runners	Winners Total	Winners Stakes	Wins Total	Wins Stakes	Earnings	Top Season Earner
Encosta de Lago	598	248	15	400	19	\$16,697,352	Happy Clapper \$1,164,500

LEADING 2 YO SIRES OF SEASON 2015-2016

Stallion	Runners	Winners Total	Winners Stakes	Wins Total	Wins Stakes	Earnings	Top Season Earner
Written Tycoon	24	10	3	21	6	\$4,271,706	Capitalist \$3,508,700

AUSTRALIA'S LEADING SIRES continued

AUSTRALIAN SIRES BY SERVICE FEE 2015/16

Stallion	Advertised Service Fee (AUD)*	Mares Served	Stud	State Standing
Exceed And Excel (AUS) 2000	\$110,000	137	Darley	NSW
Redoute's Choice (AUS) 1996	\$110,000	128	Arrowfield Group Pty Ltd	NSW
Medaglia D'Oro (USA) 1999	\$110,000	97	Darley	NSW

AUSTRALIAN SIRES BY MARES SERVED 2015/16

Stallion	Advertised Service Fee (AUD)*	Mares Served	Stud	State Standing
Deep Field (AUS) 2010	\$22,000	257	Newgate Operations Pty Ltd	NSW

* All Service Fees include GST

Source: Australian Stud Book

Please note: All figures are correct as of 15 October 2016.



Photo: Courtesy of Racing Photos – Rosemont Stud

REGISTRATIONS

AUSTRALIAN THOROUGHBRED
REGISTRATIONS 2015/16
(FIGURES FOR RACING SEASON)

11,613

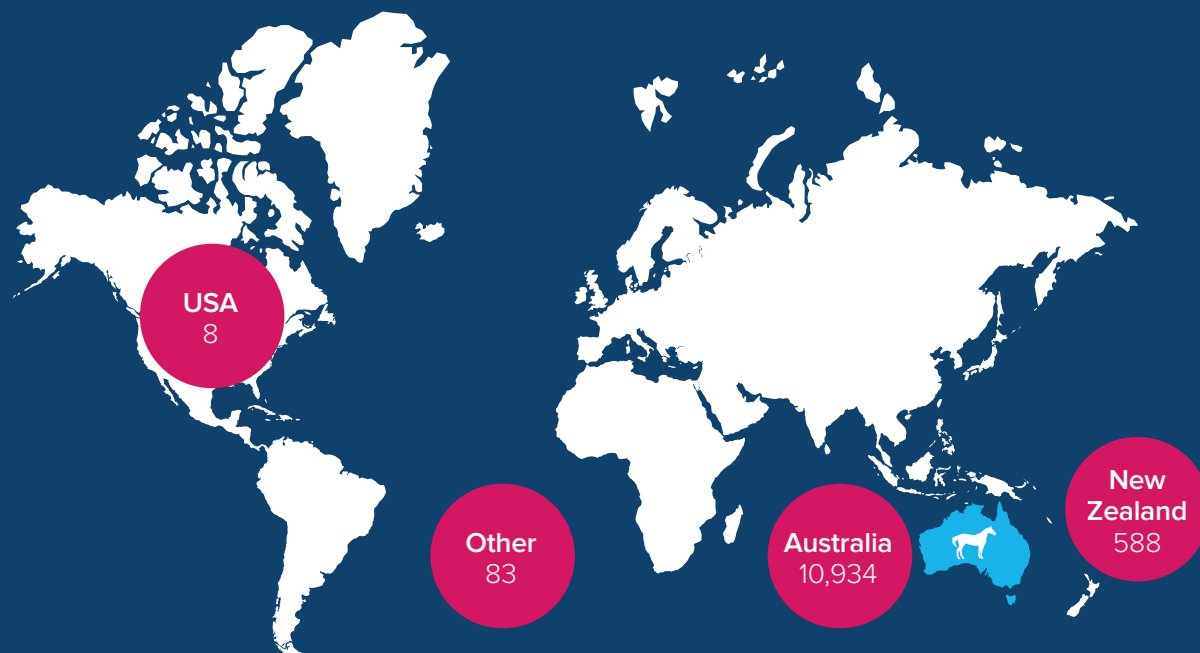
Total Registrations 2015/16



Photo: Courtesy of Magic Millions

AUSTRALIAN REGISTRATIONS

REGISTRATIONS IN AUSTRALIA BY COUNTRY OF BIRTH 2015/16



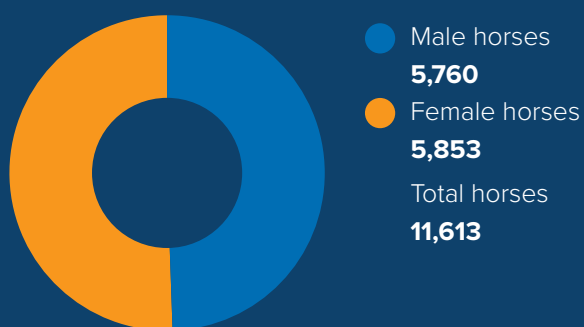
NUMBER OF THOROUGHBREDS REGISTERED BY STATE 2015/16

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Other	Total
3,642	3,074	2,037	1,447	625	271	84	34	399	11,613

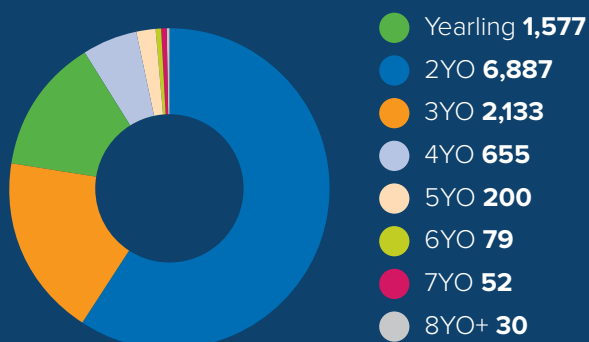
NUMBER OF OWNERS PER THOROUGHBRED 2015/16

One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten +
4,418	2,329	882	742	464	410	274	232	223	1,639

REGISTRATIONS BY HORSE SEX 2015/16



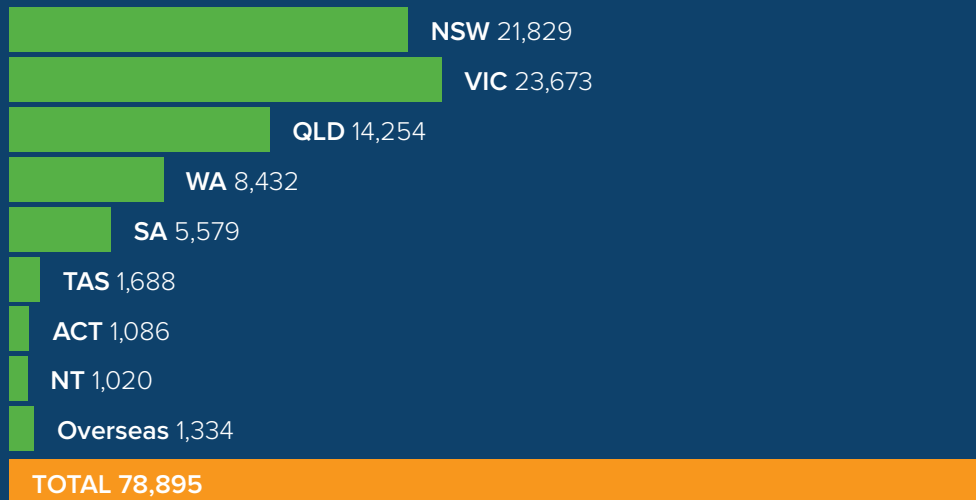
REGISTRATIONS BY HORSE AGE 2015/16



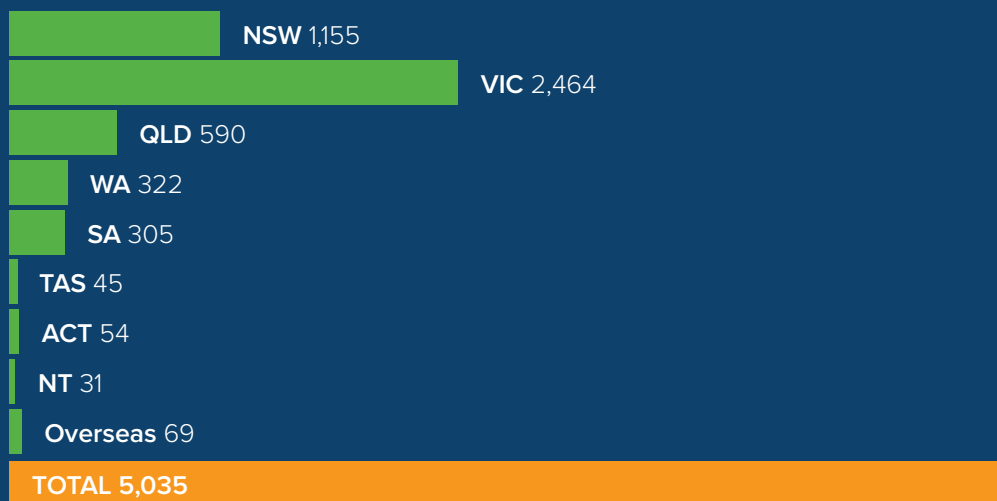
Source: Registrar of Racehorses

AUSTRALIAN OWNERSHIP AND SYNDICATION

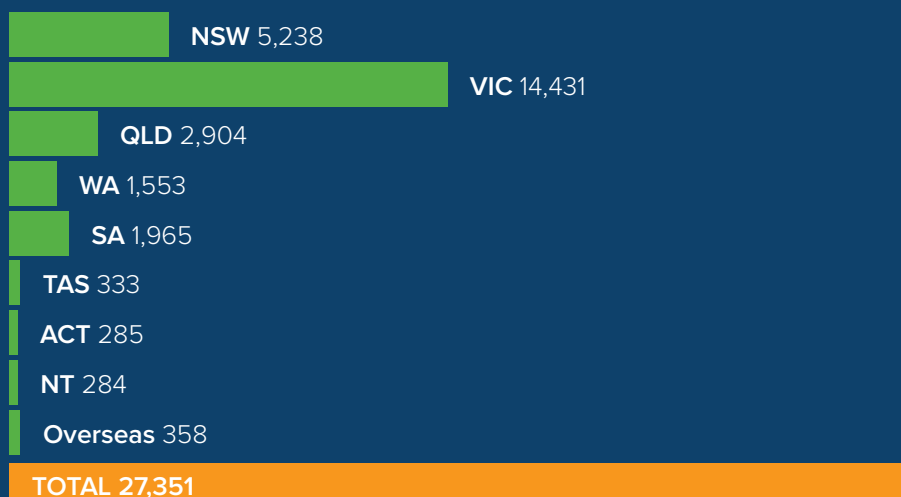
NUMBER OF INDIVIDUALS WHO OWN THOROUGHBREDS THAT RACED DURING 2015/16



NUMBER OF THOROUGHBRED SYNDICATES 2015/16



NUMBER OF SYNDICATE MEMBERS 2015/16



Source: Registrar of Racehorses

SALES

WEANLING SALES RESULTS 2015/16

No. Sold	% Change	Average (\$)	% Change	Gross (\$)	% Change	Median (\$)	% Change
804	2.81%	\$37,756	11.99%	\$30,355,900	15.14%	\$18,000	28.57%

YEARLING SALES RESULTS 2015/16

No. Sold	% Change	Average (\$)	% Change	Gross (\$)	% Change	Median (\$)	% Change
4,241	6.99%	\$88,581	7.92%	\$375,674,750	15.52%	\$45,000	12.50%

TWO-YEARS-OLD SALE RESULTS 2015/16

No. Sold	% Change	Average (\$)	% Change	Gross (\$)	% Change	Median (\$)	% Change
238	-4.42%	\$62,130	33.88%	\$14,787,000	22.51%	\$50,000	56.25%

BROODMARE SALE RESULTS 2015/16

No. Sold	% Change	Average (\$)	% Change	Gross (\$)	% Change	Median (\$)	% Change
1,507	9.44%	\$72,453	18.82%	\$109,183,100	30.04%	\$20,000	53.85%

Photo: Courtesy of Goldin Farm – Kym Ruball

AUSTRALIAN SALES RESULTS

AUCTION SALES RESULTS 2015/16

Category	Number Sold	Gross Sales	Average	Median
Weanlings	804	\$30,355,900	\$37,756	\$18,000
Yearlings	4,241	\$375,674,750	\$88,581	\$45,000
Two-Years-Old	238	\$14,787,000	\$62,130	\$50,000
Broodmares	1,507	\$109,183,100	\$72,453	\$20,000

MAJOR SALES RESULTS 2015/16

Sale	Sale Gross	Sale Mean	Top Price	Category	Breeding
Magic Millions Gold Coast Yearling	\$129,002,500	\$120,000	\$1,600,000	Yearling	Snitzel – Mirror Mirror
Inglis Australian Easter Yearling	\$106,602,500	\$160,000	\$2,300,000	Yearling	Snitzel – Vegas Showgirl (NZ)
Inglis Melbourne Premier Yearling	\$58,446,000	\$70,000	\$700,000	Yearling	Snitzel – Beauty World
Inglis Classic Yearling	\$27,043,000	\$42,500	\$410,000	Yearling	I Am Invincible – Quirina (GB)
Magic Millions National Yearling	\$13,580,000	\$22,000	\$240,000	Yearling	Street Cry (IRE) – Jersey Lily
Magic Millions Adelaide Yearling	\$11,835,000	\$24,000	\$230,000	Yearling	Sebring – Aussie Crawl
Magic Millions Perth Yearling	\$10,479,000	\$30,000	\$300,000	Yearling	Street Cry (IRE) – Verse
Magic Millions March Yearling	\$8,559,000	\$21,000	\$180,000	Yearling	Mossman – The Spear
Magic Millions National Broodmare	\$74,540,250	\$51,000	\$3,400,000	Broodmare	Listen Here
Inglis Australian Broodmare	\$29,470,150	\$25,000	\$780,000	Broodmare	Comaneci

AUSTRALIAN IMPORTS AND EXPORTS

AUSTRALIAN THOROUGHBRED EXPORTS BY COUNTRY 2006/07 – 2015/16

To	2006 – 07	2007 – 08	2008 – 09	2009 – 10	2010 – 11	2011 – 12	2012 – 13	2013 – 14	2014 – 15	2015 – 16
Argentina	-	1	11	-	6	-	-	-	-	1
China	3	1	202	44	94	14	106	157	192	175
France	1	8	1	2	2	3	4	4	2	10
Great Britain	24	25	16	29	14	8	24	21	17	21
Hong Kong	129	119	182	148	121	128	160	172	174	195
India	2	1	-	2	-	-	-	-	-	0
Indonesia	11	-	11	2	5	-	-	3	8	0
Iran	6	42	3	3	-	-	-	-	1	6
Ireland	29	24	32	19	17	22	18	23	28	16
Italy	4	-	1	1	-	-	2	-	12	0
Japan	46	22	20	15	19	11	11	9	10	31
Korea	200	94	121	64	45	37	33	27	60	20
Libya	-	-	-	18	-	3	-	-	3	-
Macau	86	56	105	83	111	57	99	39	81	36
Malaysia	184	7	283	162	67	64	110	76	23	53
New Caledonia	3	2	8	-	2	11	-	17	37	19
New Zealand	1011	185	978	774	477	481	419	534	602	623
Philippines	184	143	145	62	71	99	59	13	54	27
Saudi Arabia	-	-	-	-	-	-	-	-	-	0
Singapore	214	190	379	269	284	233	224	191	195	198
South Africa	193	85	107	90	101	111	67	98	162	86
Spain	-	-	1	-	-	-	-	-	-	0
Thailand	21	18	43	18	20	24	-	-	2	1
United Arab Emirates	23	1	13	26	3	4	8	7	1	4
United States of America	33	37	37	25	19	24	22	26	16	20
Venezuela	-	-	-	1	-	-	1	-	-	0
Vietnam	3	-	17	-	-	-	-	-	-	0
Total	2,410	1,061	2,716	1,857	1,478	1,334	1,367	1,417	1,680	1,542

EXPORTED AND IMPORTED THOROUGHBREDS 2011/12 – 2015/16

	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Exports	1,334	1,367	1,417	1,680	1,542	7,340
Imports	1,394	1,200	1,439	1,468	1,506	7,007

Source: Australian Stud Book at 31st October 2016.

AUSTRALIAN THOROUGHBRED IMPORTS BY COUNTRY 2006/07 – 2015/16*

From	2006 – 07	2007 – 08	2008 – 09	2009 – 10	2010 – 11	2011 – 12	2012 – 13	2013 – 14	2014 – 15	2015 – 16
Argentina	16	14	9	14	3	6	-	-	-	-
Brazil	2	2	-	-	-	1	2	-	-	-
Canada	2	1	5	1	5	1	-	1	1	1
Chile	8	8	15	3	-	1	-	1	-	-
France	22	18	9	8	16	24	44	92	45	43
Germany	-	1		2	6	13	19	15	24	8
Great Britain	158	139	88	103	144	116	108	134	144	97
Hong Kong	52	50	49	41	46	48	38	46	48	47
Ireland	114	60	79	61	75	87	67	92	96	62
Italy	1	1	2	1	1	-	2	-	-	1
Japan	31	16	9	3	8	-	-	1	9	43
Macau	-	-	5	-	2	-	1	-	-	-
Malaysia	-	-	-	-	1	-	2	-	-	1
New Zealand	1,544	1,260	977	983	1,232	956	840	952	1,004	1,138
Singapore	7	7	4	10	12	3	4	13	9	5
South Africa	7	12	7	2	1	1	-	1	3	1
Switzerland	-	-	-	-	-	-	-	-	1	-
United Arab Emirates	4	1	6	3	-	-	2	-	1	-
United States of America	193	257	184	189	189	137	71	91	83	59
Zimbabwe	1	-	-	-	-	-	-	-	-	-
Total	2,162	1,847	1,448	1,424	1,741	1,394	1,200	1,439	1,468	1,506

* Excludes visiting racehorses

Source: Australian Stud Book

Please note: All figures are correct as of 31 October 2016.

FINANCIAL STATEMENTS

Racing Australia Limited and Controlled Entities | ACN 105 994 330
Annual Report for the Financial Year Ended 30 June 2016

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DIRECTORS REPORT

Your directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Racing Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of or during the year ended 30 June 2016.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

RNSW Nominated Director and Chairman

John Messara AM

TRSA Nominated Director and Deputy Chairman

Frances Nelson QC

James Watters – Alternate Director

RV Nominated Director

David Moodie

RQ Nominated Director

Ian Hall (Resigned 31/03/2016)

Steven Wilson AM (Appointed 01/04/2016)

Samuel Adams - Alternate Director (Appointed 27-04-2016)

RWWA Nominated Director

Robert Pearson

John Yovich - Alternate Director (Appointed 09/09/2015)

TRNT/CRC/Tasracing Nominated Director

Desmond Gleeson

Company Secretary

Myles Foreman

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The consolidated entities principal activity in the course of the financial year was the provision of racing materials services and products to the state based Principal Racing Authorities and race clubs of Australia and the supply of field and form products to Racing Australia's commercial and retail customers, officially recording the ownership details and naming of Thoroughbred racehorses for racing in Australia and for export, the maintenance, accuracy, quality and integrity of the Australian Stud Book, and the administration of the Australian Rules of racing and the rules of the Australian Stud Book.

The Thoroughbred Trainers Service Centre Limited provides low cost industry based horse syndication services under the conditions of an Australian Financial Services Licence (AFSL).

Australian Genetics Testing Pty Ltd conducts equine research and related genetic research and testing required for the completion and publication of the Australian Stud Book.

SHORT TERM AND LONG TERM OBJECTIVES

Industry Services – To be a valued independent provider of innovative low cost services to the Racing Industry throughout Australia by aligning Racing Australia's strategic direction to the core objectives of the Principal Racing Authorities, Racing Clubs and Industry Participants.

Industry Database – Racing Australia is the official Thoroughbred racing industry organisation responsible for the compilation of race fields and form and the maintenance of race results across Australia.

Industry Processes – Maintain and build upon 'one process one system' using the Single National System as the catalyst.

Industry Copyright – Protect the industry's Racing Materials from 'commercial leakage' and maximise returns to the industry from the supply and copyright licensing of Racing Materials.

Rules – Administer and amend the Australian Rules of Racing and the Rules of the Australian Stud Book in adherence to world's best practice standards of integrity and animal welfare.

Government – Foster strong working relationships at the political and departmental levels, including participation in government/industry partnerships, ensuring that the Commonwealth and State Governments are at all times

DIRECTORS REPORT continued

aware of the views and objectives of the Australian Thoroughbred Racing Industry.

Industry – Maintain and build upon effective lines of consultation and communication which will inform industry stakeholders and customers of Racing Australia's initiatives and objectives.

Media – Promote better understanding, knowledge and media coverage of Thoroughbred racing as a local, regional and national industry and sport.

International – Build on Racing Australia's position as a globally recognised influencer and standard-setter of Thoroughbred racing with the capacity to promote Australia's interests internationally.

KEY PERFORMANCE MEASURES

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved. This includes the publication of service standard performance reports monthly on the Racing Australia web site.

INFORMATION ON DIRECTORS

John Messara AM – Chairman

Chairman, Racing NSW, Chairman & Founder, Arrowfield Group Limited, Vice-Chairman, Asian Racing Federation, Member, Australian Pattern Committee, Former Chairman, Australian Racing Board, Former Chairman, Aushorse Marketing, Former President, Thoroughbred Breeders Australia Ltd, Former Chairman, Stargames Ltd, Former Member, Sydney Stock Exchange. Awarded Member of the Order of Australia in 2008 for service to the thoroughbred horseracing industry, particularly through the introduction of best practice initiatives in the areas of reproduction and stud management.

Frances Nelson QC – Deputy Chairman

Chair, Thoroughbred Racing SA, Chairman, Parole Board of South Australia, Member of the Sentencing Advisory Council, Former Principal Director, Australian Racing Board. Leading figure in the South Australian legal establishment.

James Watters – Alternate Director

Chief Executive Officer, Thoroughbred Racing South Australia, Former Chief Executive of the Thoroughbred Racing Action Consortium, Former member NZ

Thoroughbred Racing's Jockey's Safety Review Group, Former member NZ Racing Board's Equine Influenza Crisis Management Group and the Minister of Racing's Task Force.

David Moodie – Director

Chairman, Racing Victoria Limited, Director, VicRacing Pty Ltd, Member, Australian Pattern Committee, Member, Racing Victoria & Country Racing Victoria Steering Committee, Member, Racing Victoria Member Consultative Committee, Member, Racing Victoria Media Rights and Wagering Sub-Committee, Chairman, Thoroughbred Owners and Breeders Advisory Panel, Founder and Director of the Contract Group of Companies (Contract Control Services Pty Ltd, Contract Control Constructions Pty Ltd, Contract Racing Pty Ltd, Contract Properties Pty Ltd, Hobsons Lodge Racing Stables Pty Ltd), Former Chairman, Thoroughbred Racehorse Owners Association, Former Member, Thoroughbred Owners and Breeders Advisory Panel, Former Member, Victorian Industry Black Type Committee.

Steven Wilson AM – Director

Chairman, Racing Queensland, Director and Co-founder Pinnacle Investment Management Group Ltd, Chairman, Russo Business School, Director, The Centre for Independent Studies, Committee, Brisbane Development Association, Trustee, University of Queensland Rugby Union Foundation, Director, Australian Oil Shale Holdings Ltd, Former Chairman, Southbank Corporation, Former Founding Chairman, Hyperion Asset Management, Former Director, Telstra Corporation, Former Director, Tourism Queensland, Former Councillor, Queensland University of Technology, Former Chairman, Queensland Rugby Union, Former Chairman, St John's Cathedral Completion Fund, Former Member, Brisbane Stock Exchange. Awarded Member of the Order of Australia in 2011 for service to business, and to the financial services industry in Queensland, and to the community through leadership roles in cultural heritage, sport, and social welfare organisations.

Ian Hall – Director (Resigned 31-03-2016)

Former Acting CEO, Racing Queensland, Partner, Restructuring Services, KPMG, Independent Finance Director and Chairman Finance & Risk Committee, Queensland Construction Industry Skills Centre, Member of the Academic Board, Queensland Institute of Business & Technology, Former Principal Advisor, Vantage Performance, Former Director, Halo Solutions, Former Head of Recovery, Ray White Recovery, Former Director and Chairman Finance & Risk Committee, Searchlight

DIRECTORS REPORT continued

Education Springfield Limited, Former NED & Chairman Audit & Risk Management Committee, Mastermyne Group Ltd, Former Partner, Corporate Advisory and Restructuring, PWC.

**Samuel Adams – Alternate Director
(Appointed 27-04-2016)**

Head of Corporate & Strategy Racing Queensland, Former Acting CEO, Racing Queensland, Director Framelocker, Former Director Brisbane Racing Club.

Robert Pearson – Director

Deputy Chairman Racing and Wagering Western Australia, Chairperson and Managing Director Statewide Oil Distributors, Vice Patron of East Perth Football Club, Former Principal Director, Australian Racing Board, Former Chairman, Australian Racing Board, Former Director, Racing Information Services Australia, Former President, East Perth Football Club, Former Committee Member, WATC, Former Director, WA Betting Control Board, Former Director, WA Swimming Association, Former Director, WA TAB Board, Former Executive Director Asian Racing Federation.

John Yovich – Alternate Director

Perth Racing Managing Director, Former General Manager Racing, Racing and Wagering Western Australia, Former Vice Chancellor and President, Murdoch University, Former Executive Dean Veterinary and Biomedical, Murdoch University.

Desmond Gleeson – Director

Director, Tasracing, Former Member Match Review Panel, AFL, Former Director Integrity Services / Chairman of Stewards, Racing Victoria Limited.

Myles Foreman – Company Secretary

Operations Chief Executive Officer and Company Secretary Racing Australia Limited, Australian Genetics Testing Pty Ltd, Thoroughbred Trainers Service Centre Limited.

DIRECTORS' MEETINGS

During the financial year, 5 meetings of the directors were held. Attendances by each director were as follows:

Directors	Eligible to Attend	Attended
John Messara AM	5	5
Frances Neslon QC	5	4
James Watters – Alternate Director	1	1
David Moodie	5	5
Steven Wilson AM	2	2
Ian Hall	3	3
Samuel Adams – Alternate Director	1	1
Robert Pearson	4	4
John Yovich – Alternate Director	1	1
Desmond Gleeson	5	5
Company Secretary		
Myles Foreman	5	5

REVIEW OF OPERATIONS

The surplus of the consolidated entity for the financial year amounted to \$2,936,055 (2015: \$2,740,334 surplus).

A review of the operations of the consolidated entity during the financial year and the results of those operations found that during the year, the consolidated entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The Thoroughbred Trainers Service Centre Limited operates based on a letter of financial support from Racing Australia Limited until such time as it becomes cash positive. A new letter of financial support in conjunction with a Deed of Subordination between ASIC, Racing Australia Limited and the Thoroughbred Trainers Service Centre Limited was executed for a further 2 years commencing 1 July 2016. The Thoroughbred Trainers Service Centre Limited trades as a separately registered company as the holder of an Australian Financial Services licence.

Australian Genetics Testing Pty Ltd will cease operations in 2016/2017 with the company's operations being merged into Racing Australia Limited.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 18 September 2015 Racing Australia Pty Ltd converted to an unlisted public company limited by shares, Racing Australia Limited.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 30 June 2016 the Service Level Agreement between Australian Genetics Testing Pty Ltd and the University of Queensland in relation to, among other things, the conduct of equine research and related genetic research and testing was terminated by mutual consent.

A new agreement to perform related genetic research and testing between Racing Australia Limited and Massey University commenced for a one year period from 1 July 2016.

Australian Genetics Testing Pty Ltd operating revenue and costs for related genetic research and testing is incorporated into the operating budget of Racing Australia Limited from 1 July 2016.

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the consolidated entity and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION OF OFFICER OR AUDITOR

During the financial year, the consolidated entity paid a premium in respect of a contract insuring the directors of the consolidated entity, the company secretary and all executive officers of the consolidated entity and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

AUDITOR INDEPENDENCE DECLARATION

The lead Auditor's Independence Declaration required by section 307C of the Corporations Act 2001 is set out on page 63 and forms part of this report.

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

On behalf of the Directors



John Messara AM
Chairman

Dated this 14 September 2016

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RACING AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Racing Australia Limited and the entities it controlled during the period.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. P. Marks
Director

Dated this 14 day of September 2016

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

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The accompanying notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	Consolidated entity		Parent entity	
		2016 \$	2015 \$	2016 \$	2015 \$
Revenue					
Rendering of services	2(a)	12,946,159	11,529,861	12,519,074	11,195,344
Interest	2(b)	76,816	78,633	72,648	76,878
Other	2(b)	51,891	1,049,831	51,835	1,049,352
		13,074,866	12,658,325	12,643,557	12,321,574
Expenses					
Employee benefits expense		4,924,483	4,421,825	4,928,619	4,359,760
Occupancy costs	2(c)	241,371	187,612	241,371	187,612
Legal and consulting		378,396	386,959	375,873	375,768
Audit fees		44,500	42,200	33,000	32,000
Depreciation and amortisation	2(c)	851,076	731,538	844,850	726,544
Research grant		237,379	238,340	237,379	238,340
Administration		1,037,413	1,222,557	1,121,354	885,970
Finance costs	2(c)	705,096	687,687	703,335	685,626
Non repayable grants		-	98,862	-	98,862
Bad and doubtful debts		-	-	-	132,449
Stamp duty		-	733,882	-	733,882
AERGC operational		1,719,097	1,166,529	1,316,692	1,166,529
		10,138,811	9,917,991	9,802,473	9,623,342
Surplus before income tax expense		2,936,055	2,740,334	2,841,084	2,698,232
Income tax	1(b)	-	-	-	-
Surplus after income tax expense for the year		2,936,055	2,740,334	2,841,084	2,698,232
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		2,936,055	2,740,334	2,841,084	2,698,232

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	Consolidated entity		Parent entity	
		2016 \$	2015 \$	2016 \$	2015 \$
Current assets					
Cash and cash equivalents	15	5,832,597	6,019,565	5,500,915	5,828,159
Trade and other receivables	3	1,428,359	1,795,610	1,483,957	1,490,761
Inventories	5	28,845	7,794	-	-
Total current assets		7,289,801	7,822,969	6,984,872	7,318,920
Non-current assets					
Goodwill	4	6,742,001	6,742,001	6,742,001	6,742,001
Financial assets	12	-	-	2	2
Property, plant and equipment	6	451,137	541,888	397,268	481,793
Intangible assets	7	20,044,483	19,817,460	20,044,483	19,817,460
Total non-current assets		27,237,621	27,101,349	27,183,754	27,041,256
Total assets		34,527,422	34,924,318	34,168,626	34,360,176
Current liabilities					
Trade and other payables	8	2,608,186	2,848,513	2,385,523	2,325,533
Provisions	9	853,294	813,059	853,294	813,059
Borrowings	10	2,500,000	2,125,000	2,500,000	2,125,000
Total current liabilities		5,961,480	5,786,572	5,738,817	5,263,592
Non-current liabilities					
Provisions	9	10,391	14,495	10,391	14,495
Borrowings	10	7,767,512	11,271,267	7,767,512	11,271,267
Total non-current liabilities		7,777,903	11,285,762	7,777,903	11,285,762
Total liabilities		13,739,383	17,072,334	13,516,720	16,549,354
Net assets		20,788,039	17,851,984	20,651,906	17,810,822
Equity					
Issued capital	11	10,103,051	10,103,051	10,103,051	10,103,051
Share capital	12	-	-	2	2
Accumulated surplus		10,684,988	7,748,933	10,548,853	7,707,769
Total equity		20,788,039	17,851,984	20,651,906	17,810,822

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES OF EQUITY

For the year ended 30 June 2016

	Note	Consolidated entity		Parent entity	
		2016 \$	2015 \$	2016 \$	2015 \$
Issued capital					
Opening balance		10,103,051	10,103,051	10,103,051	10,103,051
Share capital		-	-	2	2
Closing balance		10,103,051	10,103,051	10,103,053	10,103,053
Accumulated surplus					
Opening balance		7,748,933	5,008,599	7,707,769	5,009,537
Surplus		2,936,055	2,740,334	2,841,084	2,698,232
Closing balance		10,648,988	7,748,933	10,548,853	7,707,769
Total equity		20,788,039	17,851,984	20,651,906	17,810,822

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	Consolidated entity		Parent entity	
		2016 \$	2015 \$	2016 \$	2015 \$
Cash flow from operating activities					
Receipts from customers		13,294,458	12,728,654	12,577,713	12,852,010
Payments to suppliers and employees		(8,737,043)	(6,692,757)	(8,158,167)	(6,910,254)
Finance costs		(705,096)	(567,517)	(703,335)	(565,545)
Payments of non-repayable grants		-	(81,067)	-	(81,067)
Interest received		76,816	78,633	72,648	76,878
Net cash provided by operating activities		3,929,135	5,465,946	3,788,859	5,372,022
Cash flow from investing activities					
Payment for property, plant and equipment		(96,803)	(227,180)	(96,803)	(163,114)
Payment for intangible assets		(890,543)	(554,073)	(890,543)	(554,073)
Payment for purchase of ASB		-	(17,973,765)	-	(17,973,765)
Transfers in		-	76,333	-	-
Net cash (used) in investing activities		(987,348)	(18,678,685)	(987,346)	(18,690,952)
Cash flow from financing activities					
Proceeds from borrowings		(3,128,755)	13,396,267	(3,128,755)	13,396,267
Net cash provided by / (used) in investing activities		(3,128,755)	13,396,267	(3,128,755)	13,396,267
Net (decrease) / increase in cash held		(186,968)	183,528	(327,244)	77,337
Cash and cash equivalents at beginning of financial year		6,019,565	5,836,037	5,828,159	5,750,822
Cash and cash equivalents at end of financial year	15	5,832,597	6,019,565	5,500,915	5,828,159

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

INTRODUCTION

The financial statements cover both Racing Australia Limited as an individual entity and the consolidated entity consisting of Racing Australia Limited and the entities it controlled at the end of, or during the year. Racing Australia Limited is a company, incorporated and domiciled in Australia and is the parent entity.

The financial statements are presented in Australian Dollars which is Racing Australia Limited's functional and presentational currency.

The financial report was authorised for issue by the Directors on the date shown on the Director's declaration attached to the financial report.

PARENT ENTITY INFORMATION

These financial statements include the results of both the parent entity and the consolidated entity in accordance with Class Order 10/654 issued by the Australian Securities and Investment Commission.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 14 September 2016 by the directors of the company.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entities and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in note 1(a).

(a) Significant judgements and key assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the actual results. The judgements, estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment in accordance with the accounting policy stated in note 1. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(b) Income tax

Racing Australia Limited

Racing Australia Limited has received a private ruling dated 18 July 2013 from the Australian Taxation Office confirming its exemption from Income Tax under section 50-45 of the Income Tax Assessment Act. This ruling is applicable for the financial years ended 30 June 2014 through 30 June 2016.

Thoroughbred Trainers Service Centre Limited

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable surplus or deficit for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting surplus. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(c) Trade and Other Payables

Trade and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in banks, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

The Thoroughbred Trainers Service Centre Limited holds monies in trust on behalf of its clients. As these monies are not held by the Thoroughbred Trainers Service Centre Limited they are not brought to account in the balance sheet.

(e) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition 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 at the date of acquisition.

Depreciation is provided on 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

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

Plant and equipment	3 – 5 years
---------------------	-------------

(f) Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Defined Benefits Plan

For the company's defined benefit superannuation plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date.

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 post service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to post service cost, plus the present value of available funds and reductions in future contributions to the plan.

Racing Victoria has agreed in writing dated 8 December 2008 to indemnify Racing Australia Limited in respect of any unfunded liabilities in the defined benefits fund that are incurred and payable by Racing Australia Limited in relation to defined benefits member employees.

(g) 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 as operating cash flows.

(h) Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risk and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue from publishing services, owners and breeders services, trainer and racing services, digital services and technical services is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset at the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(i) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an assets fair value less the cost of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash generating unit.

(j) Intangible assets – computer software and databases

Computer software and databases are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over its estimated useful life being 3 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

The investment in the Single National System software and database is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over its estimated useful life being 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

Intangible assets – Australian Stud Book

The Australian Stud Book is recorded at cost and is subject to annual impairment testing. The directors consider that the Australian Stud Book has an indefinite life and as a result, has not been amortised.

(k) Non Repayable Grants to Principal Racing Authorities (PRAs)

Under the terms of the company constitution, net surplus and the ongoing retained surpluses of the company cannot be distributed as dividends to the participating Principal Racing Authorities (PRAs).

The company may pay to each Principal Racing Authority (or set off in accordance with the Participation Agreement) a proportion of any surplus calculated in accordance with the constitution by way of a non repayable grant. Such distributions to PRA's are classified as expenses within the Statement of Profit or Loss and other comprehensive income.

(l) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and recognition requirements for financial instruments, and simplified requirements for hedge accounting. The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- > recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- > depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- > variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- > by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- > additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

(m) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit and loss and are not subsequently reversed.

(n) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Racing Australia Limited ('parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Racing Australia Limited and its subsidiaries are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balance and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Consolidated Entity are presented as "non-controlling interests". The Consolidated Entity initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of

other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

(o) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of income tax, from the proceeds.

(p) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability by at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

(q) Trade and other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off using the carrying amount directly.

Other receivables are recognised at amortised cost, less any provision for impairment.

(r) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(s) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event. It is probable that the consolidated entity 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 value the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(t) Comparative information

On 17 September 2014, Racing Information Services Australia Pty Ltd (RISA), purchased the Australian Stud Book (ABN 64 358 205 057) (ASB) and all of the shares in capital of Australian Genetics Testing Pty Ltd (ABN 83 138 140 762) (AGT).

The Consolidated Entity comparative figures presented in these financial statements for the financial year ended 30 June 2015 incorporate the operations of the Australian Stud Book and Australian Genetics Testing Pty Ltd from 17 September 2014 to 30 June 2015. The Consolidated Entity 2016 figures reflect a full 12 months of operations.

On 13 April 2015, the Australian Racing Board Limited and Racing Information Services Australia Pty Ltd merged. Racing Information Services Australia Pty Ltd was renamed Racing Australia Pty Ltd.

On 18 September 2015 Racing Australia Pty Ltd converted to an unlisted public company limited by shares, Racing Australia Limited.

The Consolidated Entity and Parent Entity comparative figures presented in these financial statements for the financial year ended 30 June 2015 incorporate the operations of the Australian Racing Board Limited from 13 April 2015 to 30 June 2015. The 2016 figures reflect a full 12 months of operations.

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 2: REVENUE AND EXPENSES				
Continuing operations				
(a) Rendering of services				
Commercial services	4,892,342	4,839,802	4,848,495	4,780,149
Trainers and Racing Service Centre	1,109,357	1,077,982	1,109,357	1,077,982
Registrar of Racehorses	1,543,861	1,542,590	1,543,861	1,542,590
Australian Stud Book	4,564,468	3,353,631	4,564,468	3,353,631
Australian Genetics Testing	383,238	274,864	-	-
Single National System	452,893	440,992	452,893	440,992
	12,946,159	11,529,861	12,519,074	11,195,344
(b) Other revenue				
Other income	51,891	1,049,831	51,835	1,049,352
Interest income	76,816	78,633	72,648	76,878
Total revenue	13,074,866	12,658,325	12,643,557	12,321,574
(c) Surplus before income tax has been determined after:				
Depreciation of plant and equipment	187,556	204,050	181,330	199,056
Amortisation of computer software and databases	663,520	527,488	663,520	527,488
Total depreciation and amortisation	851,076	731,538	844,850	726,544
Operating lease rental expense	241,371	187,612	241,371	187,612
Interest – other entities	705,096	687,687	703,355	685,626
Superannuation expense	471,126	348,183	471,126	338,673
NOTE 3: TRADE AND OTHER RECEIVABLES				
Trade receivables	1,146,766	1,489,407	1,095,981	1,031,859
Other receivables	281,593	306,203	387,976	458,902
	1,428,359	1,795,610	1,483,957	1,490,761

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 4: GOODWILL				
Goodwill – RoR	1,710,801	1,710,801	1,710,801	1,710,801
Goodwill – RSB	5,031,200	5,031,200	5,031,200	5,031,200
	6,742,001	6,742,001	6,742,001	6,742,001

NOTE 5: INVENTORIES				
Microchip supplies	28,845	7,794	-	-
	28,845	7,794	-	-

NOTE 6: PROPERTY, PLANT AND EQUIPMENT				
Plant and equipment				
At cost	1,592,774	1,495,971	1,475,483	1,378,679
Less accumulated depreciation	(1,141,637)	(954,083)	(1,078,215)	(896,886)
	451,137	541,888	397,268	481,793

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year is as follows:

	Balance at the beginning of year \$	Additions at cost \$	Depreciation expense \$	Carrying amount at the end of year \$
Consolidated 2016				
Plant and equipment	541,888	96,803	(187,554)	451,137
Parent 2016				
Plant and equipment	481,793	96,804	(181,329)	397,268

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 7: INTANGIBLES				
Australian Stud Book	17,973,765	17,973,765	17,973,765	17,973,765
	17,973,765	17,973,765	17,973,765	17,973,765
Computer software and databases	8,059,750	7,169,207	8,059,750	7,169,207
Less accumulated amortisation	(5,989,032)	(5,325,512)	(5,989,032)	(5,325,512)
	2,070,718	1,843,695	2,070,718	1,843,695
	20,044,483	19,817,460	20,044,483	19,817,460

Note: The Australian Stud Book has been reclassified as an intangible asset instead of goodwill, there has been no change to the amounts shown.

	Balance at the beginning of year \$	Additions at cost \$	Amortisation expense \$	Carrying amount at the end of year \$
Consolidated 2016				
Australian Stud Book	17,973,765	-	-	17,973,765
Computer software and databases	1,843,695	890,543	(663,520)	2,070,718
	19,817,460	890,543	(663,520)	20,044,483
Parent 2016				
Australian Stud Book	17,973,765	-	-	17,973,765
Computer software and databases	1,843,695	890,543	(663,520)	2,070,718
	19,817,460	890,543	(663,520)	20,044,483

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 8: PAYABLES				
Current				
Trade payables	625,867	1,200,170	418,879	698,790
Other payables	1,982,319	1,648,343	1,966,644	1,626,743
	2,608,186	2,848,513	2,385,523	2,325,533

NOTE 9: EMPLOYEE BENEFITS

Current				
Employee benefits	853,294	813,059	853,294	813,059
Non-current				
Employee benefits	10,391	14,495	10,391	14,495

NOTE 10: LOAN CBA

Current				
Loan CBA	2,500,000	2,125,000	2,500,000	2,125,000
Non-current				
Loan CBA	7,767,512	11,271,267	7,767,512	11,271,267

On 17 September 2014, Racing Australia Limited (RA), purchased the Australian Stud Book (ABN 64 358 205 057) (ASB) and all of the shares in capital of Australian Genetics Testing Pty Ltd (ABN 83 138 140 762) (AGT) for a purchase consideration of \$18,000,000. The purchase was completed based on a bank loan to a maximum value of \$16,000,000. As a bank condition to secure the loan, a bank guarantee equivalent to 88% of the loan balance was required, guaranteed by Racing NSW (35%), Racing Victoria (35%) and Racing Queensland (18%).

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 11: ISSUED CAPITAL				
Fully paid ordinary shares	10,103,051	10,103,051	10,103,051	10,103,051
Fully paid ordinary shares				
Racing NSW	3,536,068	3,536,068	3,536,068	3,536,068
Racing Victoria Limited	3,536,068	3,536,068	3,536,068	3,536,068
Racing Queensland	1,818,548	1,818,548	1,818,548	1,818,548
Racing and Wagering Western Australia	454,637	454,637	454,637	454,637
Thoroughbred Racing SA Limited	454,637	454,637	454,637	454,637
Thoroughbred Racing NT Incorporated	101,031	101,031	101,031	101,031
Tasracing Pty Ltd	101,031	101,031	101,031	101,031
Canberra Racing Club Incorporated	101,031	101,031	101,031	101,031
	10,103,051	10,103,051	10,103,051	10,103,051

The Company was incorporated on 20 August 2003. An issue of 200 ordinary shares has been made. The Company's name at the date of incorporation was Racing Information Services Australia Pty Ltd. The Company changed its name to Racing Australia Pty Ltd on 14 April 2015. On 18 September 2015, Racing Australia Pty Ltd converted to an unlisted public company limited by shares, Racing Australia Limited. The Company is an unlisted company limited by shares.

Fully paid ordinary shares carry voting rights but no rights to dividends.

NOTE 12: SHARE CAPITAL

Investment in AGT	-	-	2	2
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The Company invested in Australian Genetics Testing Pty Ltd on 17 September 2014 as part of the Australian Stud Book asset purchase. On purchase of the Australian Stud Book, Racing Australia also purchased 2 fully paid ordinary shares in Australian Genetics Testing Pty Ltd.

NOTE 13: INVESTMENT

Investment in Australian Genetics Testing Pty Ltd is recognised and derecognised on trade date where the purchase or sale of an investment 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 transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to KMP of the company during the year are as follows:

KMP Compensation	1,071,597	612,175	1,071,597	612,175
	1,071,597	612,175	1,071,597	612,175

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

	Consolidated entity		Parent entity	
	2016 \$	2015 \$	2016 \$	2015 \$
NOTE 15: CASH AND CASH EQUIVALENTS				
Cash at Bank and on hand	5,832,597	6,019,565	5,500,915	5,828,159
	5,832,597	6,019,565	5,500,915	5,828,159

NOTE 16: CHANGES IN THE STATE OF AFFAIRS OF THE COMPANY

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since 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.

NOTE 17: CONTROLLED ENTITIES

Subsidiary	Country of incorporation	Percentage owned	
		2016	2015
Thoroughbred Trainers Service Centre Limited	Australia	100%	100%
Australian Genetics Testing Pty Ltd	Australia	100%	100%
Australian Racing Board Limited	Australia	-	-

NOTE 18: COMPANY DETAILS

The registered office of the company is:

Racing Australia Limited
Level 1 Racing Centre
400 Epsom Road
Flemington VIC 3031

The principal place of business is:

Racing Australia Limited
Level 1 Racing Centre
400 Epsom Road
Flemington VIC 3031

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Racing Australia Limited, the directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 64 to 80, are in accordance with the Corporations Act 2001 and:
 - a comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b give a true and fair view of the financial position of the company as at 30 June 2016 and for its performance on the year ended on that date.
- 2 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.

On behalf of the Directors



John Messara AM
Chairman

Dated this 14th September 2016

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING AUSTRALIA LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report on pages 64 to 80 of Racing Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Heathorn Office
Level 1, 465 Auburn Road
Heathorn East VIC 3123

PO Box 188, Toorak VIC 3142
Telephone: +61 3 9824 8555
willambuck.com

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The accompanying notes form part of these financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING AUSTRALIA LIMITED AND CONTROLLED ENTITIES (CONT)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Racing Australia Limited on pages 64 to 80 is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company and consolidated entities financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read "William Buck", positioned above the company name.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read "A. P. Marks", positioned above the name.

A. P. Marks
Director

Dated this 14 day of September 2016

The accompanying notes form part of these financial statements.



Photo: Courtesy of Tasracing



RACING
AUSTRALIA

Racing Australia Limited

ACN 105 994 330

Email: customerservice@racingaustralia.horse

www.racingaustralia.horse

Sydney

Level 11

51 Drutt Street

Sydney NSW 2000

Phone: +61 2 8072 1900

Melbourne

Level 1, Racing Centre

400 Epsom Road

Flemington VIC 3031

Phone: +61 3 8354 2500



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AUSTRALIA

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