HARNESS RACING SA

ANNUAL REPORT 2013

HARNESS RACING SA

In order to comply with the provisions of the Corporations Act 2001, The Directors of HRSA Ltd submit herewith, the annual financial report for the financial year ended 30 June 2013

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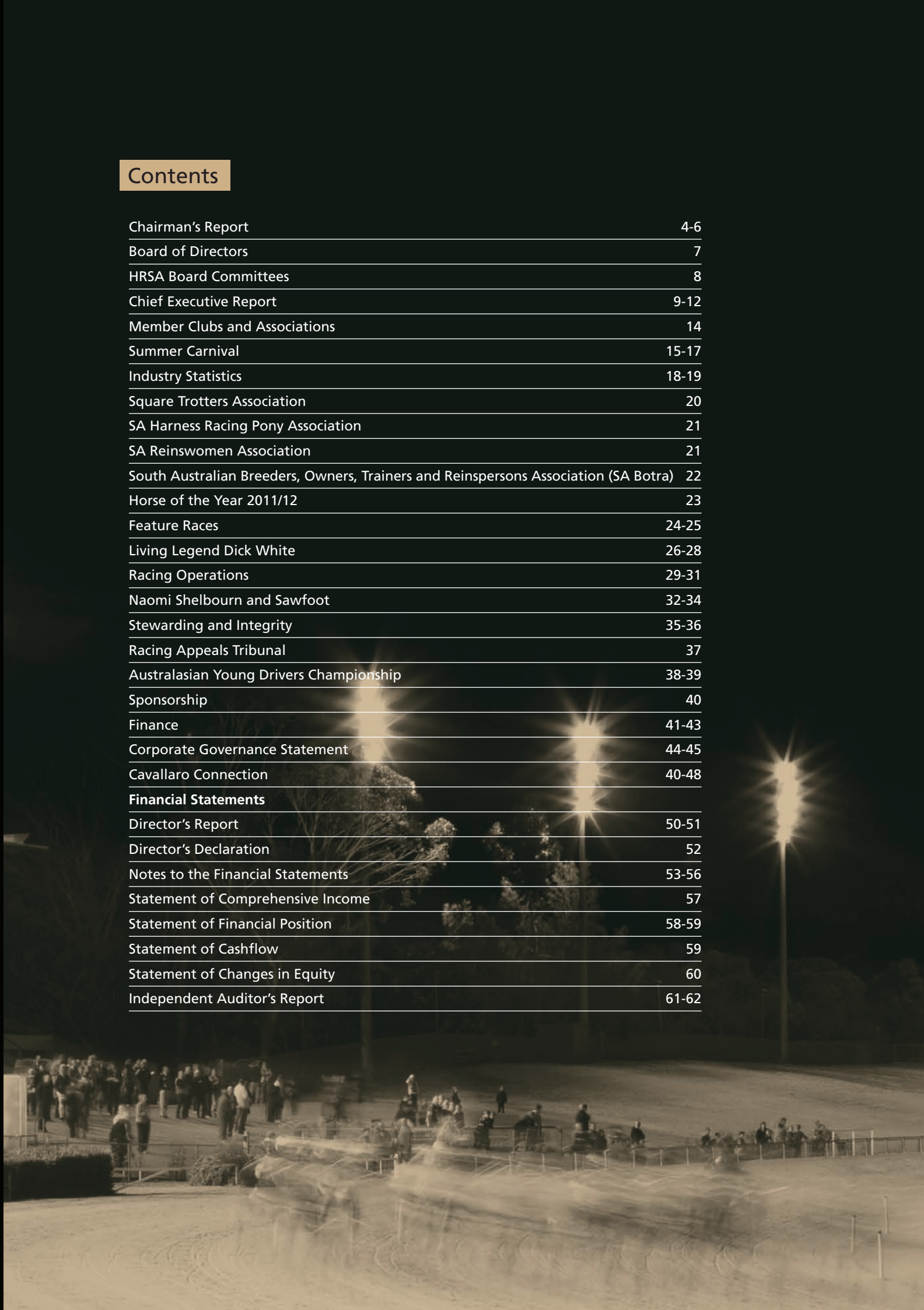


Chairman's Report

The racing year 2012-2013 has been both challenging and positive for Harness Racing in South Australia, with some outstanding victories both on and off the track, however there are still many issues which continue to threaten the well-being of our industry.

Major Events

This year saw many successful highlights as HRSA continued to run in conjunction with the Member Clubs excellent events during the year. The major racing carnivals attracted big crowds and significant media attention:

- The SAHRC Summer Carnival wich was run at Globe Derby Park in January 2013 attracted the largest crowd (6,500) since the 2007 Inter Dominion night in which the former South Australian trainer Lance Justice equaled race history with his outstanding horse Smoken Up to win the $125,000 Betezy SA Cup for the fourth time equaling the feat achieved by Gammalite back in the 1980's.
- The Southern Cross series and finals were run at Globe Derby Park in June 2013. This provided owners and breeders the opportunity to share in significant prize money for the two and three year olds that are eligible for the Series
- The Country Cups thoughout the year were all well supported with Gawler, Port Pirie, Mt Gambier, Victor Harbor, Whyalla, Strathablyn and Kadina all conducting successful feature Cup meetings which were well supported and keenly contested events.
- The BOTRA Golden Nursery night
- The SA Square Trotters Carnival

Achievements

There were many good iniatives, achievements and outcomes during the year:

- Restructure of SA harness racing prize money. The Board revised the stake money paid on each race with a number of changes introduced to promote two and three year old racing and the breakdown in payment to last
- Maintaining the current Handicapping system
- Integrity Review
- Racing Code market share revision discussion
- HRSA/SAHRC general management support
- Sponsorship appointment
- SAMOS Breeding Scheme
- Economic benefits study
- SA Harness Racing Wagering Initiatives

The Board is conscious that any decision it makes must be made having regard to the overall interest of racing and not to make decisions which selectively might favour any vested interest. That has involved the Board consulting widely with clubs and other industry stakeholders. In particular, there has been regular and ongoing meetings and consultation with our shareholders, the SAHRC and SACHRCA.

We have promoted industry forum information sessions to involve all representatives across the State. We are mindful that harness racing needs to maintain a profile at a regional level.

Strategic Plan

The Board's Strategic Plan is being reviewed in light of the changing racing industry landscape and the increased competition between the new wagering operators and traditional pari-mutuel operators. The Code's mission is to grow a strong and vibrant harness racing industry by developing a compelling racing product for our target markets, increasing participation, promoting racing excellence and integrity, generating revenue growth from wagering, and maximising returns to its stakeholders.

The five strategic priorities are as follows:

1. **Consumer-Led Focus**
   HRSA will develop an approach that will attract, engage and retain and grow where possible consumers in harness racing.
2. **Revenue and Financial Sustainability**
   Delivering a sustainable and stable financial base to ensure a racing code that is commercially attractive.
3. **Racing Model Optimisation**
   Developing a racing structure which delivers a racing schedule and focuses on ensuring competitive racing, underpinned by quality race programs.
4. **Venue and Racing Facilities Development**
   Upgrading of the venue and racing facilities of Member Clubs will ensure continuity of racing and engage and retain both participants and consumers.
5. **Increase and Improve Participation of Owners, Trainers and Breeders**
   HRSA will support ownership and breeding initiatives to ensure the supply of quality horses in South Australia.

Chairman's Report

The Year Ahead

There are many challenges facing the industry in the coming years. HRSA Board must meet the challenge of increasing HRSA's market share and focus strongly on increasing wagering on our local product. This will be achieved in many ways including focusing on maximising field sizes, reducing the number of odds on favourites, extended wagering coverage and promotion of jackpot information to TAB clients.

With the State Election in March 2014 Harness Racing SA together with the other two racing codes who have an agreed position will strongly lobby both parties to increase support to the Racing Industry in this State. With respect to this, we have already completed an up to the minute report on the South Australian Racing Industry outlining industry statistics and economic impact as well as developing a Racing Industry policy and vision which we will seek both sides of government support.

Appreciation

Despite the many challenges, harness racing is a well-established industry that provides both a livelihood and passionate participation to many people across the state.

I would like to acknowledge and thank the following:

- Fellow Directors Joanne Podoliak, John Levy, Chris Hartwig, Des Stanbury and Peter Marshall, who have individually and collectively contributed to the progress of the industry and the work of the Board.
- The Presidents, secretaries and committee members together with the kindred bodies, much of it voluntary, who actively represent the interests of participants, owners, breeders, trainers and drivers.
- The Board could not function effectively without the dedication of Management and staff of Harness Racing SA. We are conscious of the contribution that they make not only to the work of the Board but to the industry generally.
- HRSA values the support it receives from its key stakeholders including the Government of South Australia, SATAB and Tatt's Group, Sky Channel, Harness Racing Australia as well as the numerous communities in which we conduct racing in South Australia.

Finally, on behalf of the Board, I also extend my appreciation to John Lewis our Chief Executive, his management team and staff of Harness Racing SA for their hard work, support and assistance in my first full year as Chairman.

MARK J. CAREY
Chairman

The names and particulars of the Directors of the Company during or since the end of the financial year are as follows:

		Board meetings attended	Maximum possible to attend
Mark Carey	Director	11	11
Chris Hartwig	Director	10	11
John Levy	Director	11	11
Peter Marshall	Director	11	11
Joanne Podoliak	Director	10	11
Des Stanbury	Director	11	11

Board of Directors

Mr Mark Carey Assoc Dip Business, MAICD
Director nominated by SACHRCA
Commenced 9 May 2012

Mr Des Stanbury
Director nominated by SAHRC
Commenced 1 October 2007

Ms Joanne Podoliak BAdmin(Tourism) Hons, Company Directors Diploma (2008)
Independent Director (Marketing)
Commenced 1 October 2011

Mr John Levy LLB, Grad Dip Management, GDLP, FTIA
Independent Director (Legal)
Commenced 1 October 2011

Mr Chris Hartwig BA(Accountancy)
Independent Director (Finance)
Commenced 1 July 2012

Mr Peter Marshall
Independent Director (Business)
Commenced 1 July 2012

HRSA Board Committees

HRSA Committees

Racing	
Mr Des Stanbury	Chairman
Mr John Levy	
Mr Mark Carey	
Mr Peter Smith	(Secretary, Ex-offico)
Mr John Lewis	(Ex-officio)

Governance	
Ms Jo Podoliak	Chairman
Mr Mark Carey	
Mr John Levy	
Mr John Lewis	(Secretary, Ex-Officio)

Finance	
Mr Chris Hartwig	Chairman
Mrs Jo Podoliak	
Mr Peter Marshall	
Mr Mark Carey	(Ex-Officio)
Mr Oliver Bott	(Secretary, Ex-Officio)
Mr John Lewis	(Ex-Officio)

HRSA Advisory Committees

Industry Advisory Committee (IAC)	
Mr Bronte Giorgio	Chairman
Mr Peter Smith	Secretary (ex-officio)
Mr Dennis Lyle	
Mr Des Stanbury	
Mr Ray Holberton	
Ms Leah Harvey	
Mr Tony Copeland	
Dr Toby Ryan	
Mr John Lewis (ex-officio)	
Mr Stephen Mulcay (ex-officio)	

Programming Sub-Committee
Mr Des Stanbury
Dr Toby Ryan
Mr Dennis Lyle
Mr Matthew Jacques
Mr Bronte Giorgio
Mr Peter Smith

HARNESS RACING SA

CEO'S REPORT 2013

Chief Executive Officer's Report

FY 2012/13 was a particularly challenging year for our code, as well as a year of positive achievements. The decline in wagering revenue and our market share was disappointing, however the Board resolved to maintain prizemoney levels at the current rate for the 2013/14 FY. The loss of the professional wagering syndicate in 2012 continues to impact significantly on our wagering revenue, and thoroughbred racing continues to benefit from fixed odds wagering at the expense of the other racing codes – therefore we are continuing to raise this matter with Tattsbet in order to increase the volume of fixed odds wagering on harness racing. The Board and management's primary focus is to continue to develop and implement wagering initiatives to increase turnover and wagering revenue.

An important ongoing objective is to seek an improved funding model for harness racing. Therefore, during the course of the year, HRSA undertook various meetings as well as provided written submissions to both the Government and other racing codes relating to this matter. The current funding model was established at the time of the sale of the TAB and corporatisation of the racing codes in 2000 - it is manifestly unfair as it places emphasis on each code providing as much product into the market as possible in order to increase market share for the following year. Although at this stage we have not achieved our end target to strike a better financial arrangement for our code, we will continue to pursue this matter vigorously.

Racing Highlights

One of our most successful racing nights for many years occurred in January featuring the Betezy SA Cup night. We had an official crowd of 6,500 at Betezy Park Globe Derby, which was the largest since the 2007 Inter Dominion. We witnessed a memorable Betezy SA Cup with the superb fighting win by Smoken Up, who entered the record books joining the other four time winner, Gammalite. We were also very pleased with the success of the first night of the summer carnival including the programming of the 'Monte' race on the first night and the successful re-scheduling of the SA Oaks which was combined with Ladies Night/ Reinswomen challenge on Saturday 9 February. We also witnessed some excellent racing at our regional venues featuring our Country Cups. With strong crowds in attendance and good fields, the work of all Club Committees was outstanding. In particular, the Mt Gambier Cup featured its first ever Saturday night TAB race meeting resulting in a record crowd with excellent 'on course' wagering interest.

We would also like to thank racing legend John Letts, for his wonderful promotion and support of harness racing over the year including on Radio station 5AA, as well as his assistance with the launch of the Summer Carnival, his promotion of the horse syndication, and attending and promoting the Mt Gambier Cup.

First Ever Harness Racing Integrity Review

In early 2013, and following a detailed independent review of integrity operations in South Australia, HRSA announced a number of changes to integrity in harness racing in South Australia. This was the first review of the code's integrity operations since the corporatisation of racing in October 2000. HRSA appointed former SAJC Chairman of Stewards Mr Tom Hayles to undertake the review. Mr Hayles had a distinguished career as one of Australasia's leading stewards, and held a number of senior stewarding positions both locally and overseas including Macau. The terms of reference for the review included an audit of our harness racing integrity operations and functions with a specific focus on race day procedures and processes, swabbing, staffing and resources.

The review included discussions, meetings and interviews with key harness racing personnel and industry participants as well as onsite observations of Stewards functions and infrastructure at both metropolitan and selected country venues.

The report contained a number of recommendations which were subsequently endorsed by the Board for implementation including:

- Increase in the swabbing analysis budget,
- Improved randomness of swabbing including increased 'out of competition' testing,
- Provision of increased wagering intelligence for the Stewards Panel,
- Increased stable inspections program.
- Increased drug and alcohol testing of licensed persons,
- More rigorous supervision of licensed persons in the stalls area and parade ring on racedays,

Chief Executive Officer's Report

- More intensive inspection regime of horses, equipment and uniforms on racedays,
- Revision of the duties of senior raceday staff,
- Improved race day procedures and processes, and
- Enhanced security and restrictions on public access in stalls area and parade ring on racedays.

New Initiatives to Drive Wagering Growth
In late 2012, HRSA established a wagering information and analysis service for punters, which is included in our form guides in The Advertiser, 'on line' and also in our racebooks. The general feedback to this service has been very positive, and therefore we are expanding this service by engaging the services of an additional 'form analyst. We are also establishing a new wagering website with all of the relevant wagering information and form analysis including specialist information including 'speed maps', which provides the individual racing pattern of each individual horse in every race. HRSA is also focussing on improved programming including maximising race fields, trialling shorter racing, and reducing the number of short priced favourites – there are specific KPIs in these areas that management are aiming for.

Record Commercial Sponsorship Secured by Harness Racing
HRSA were delighted to confirm what is believed to be the largest sponsorship deal ever secured by harness racing in South Australia, with a three year agreements with corporate bookmaking agency, Betezy. This agreement includes the naming rights to Globe Derby Park, naming rights the SA Pacing Cup and the summer racing season including the 'Summer Carnival. This agreement has resulted in an increased public profile of harness racing in South Australia, and is a major step in restoring the code's reputation and status both locally and nationally. The appointment of the new Sponsorship Manager, Torrie Osborn, was a key factor in securing this sponsorship.

Biggest Increase in Prizemoney for SA Cup in 26 Years
For the first time since 1987, HRSA increased the prizemoney for the SA Pacing Cup by $25,000. This was as a result of the new three year new sponsorship deal with corporate bookmaking agency, Betezy. This was another important milestone for the code in South Australia, resulting in renewed interest in the 2013 Betezy SA Cup. Much of the success of the 2013 Summer Carnival was due to the increased prizemoney on offer, thereby attracting some of Australia's greatest horses to compete in what became a memorable SA Cup.

Inaugural Summer of Racing Launch
This was an exciting new initiative that was held at Betezy Park Globe Derby on Tuesday 11 December 2012. As well as promoting the Summer Carnival and SA Cup at Globe Derby Park, HRSA also launched the extensive summer of racing at regional and country areas. The launch took the form of a casual breakfast held on the lawns in front of the main grandstand and featured the first public appearance of the Chariots On Fire syndicated horse. We also had a marquee with video replays of past SA Cups and the displaying of the actual gold Cup. Our sincere thanks is expressed to Jim Jacques and John Letts who hosted the launch and entertained the guests on the day.

Major Track Upgrade at Betezy Park Globe Derby
During the year, management worked closely with the SAHRC to undertake a significant track upgrade at Betezy Park Globe Derby. This upgrade followed extensive consultation with one of Australia's leading race track consultants, Wayne Edgeloe, as well as advice from track experts from Harness Racing Victoria, and specialist advice from John Davison and Doug Webber from Davison Earthmovers, who undertook the work. The scope of works included re-surveying of the racetrack, as well as the re-building of over 4,500 square metres of the track
This work significantly improved the racing surface and the speed of the track. In addition, a new sprint lane was established.

HRSA Support to the SAHRC
HRSA has provided unprecedented levels of financial, management and administrative support to the SAHRC. In relation to management support, in late 2012 the SAHRC Committee formally appointed the CEO and other management staff to undertake similar roles with the SAHRC. Prior to this, neither the CEO nor any of the other management staff had any formal authority to undertake any work at the Club. Therefore we are grateful to the current Committee who are fully utilising this management support.

Over the previous nine months, our management team have worked closely with the Committee to establish an improved administrative, financial and compliance structure

Chief Executive Officer's Report

for the Club. The support provided by management and staff includes attending monthly committee meetings, working group meetings, daily liaison with club staff, track management, venue management and other support.

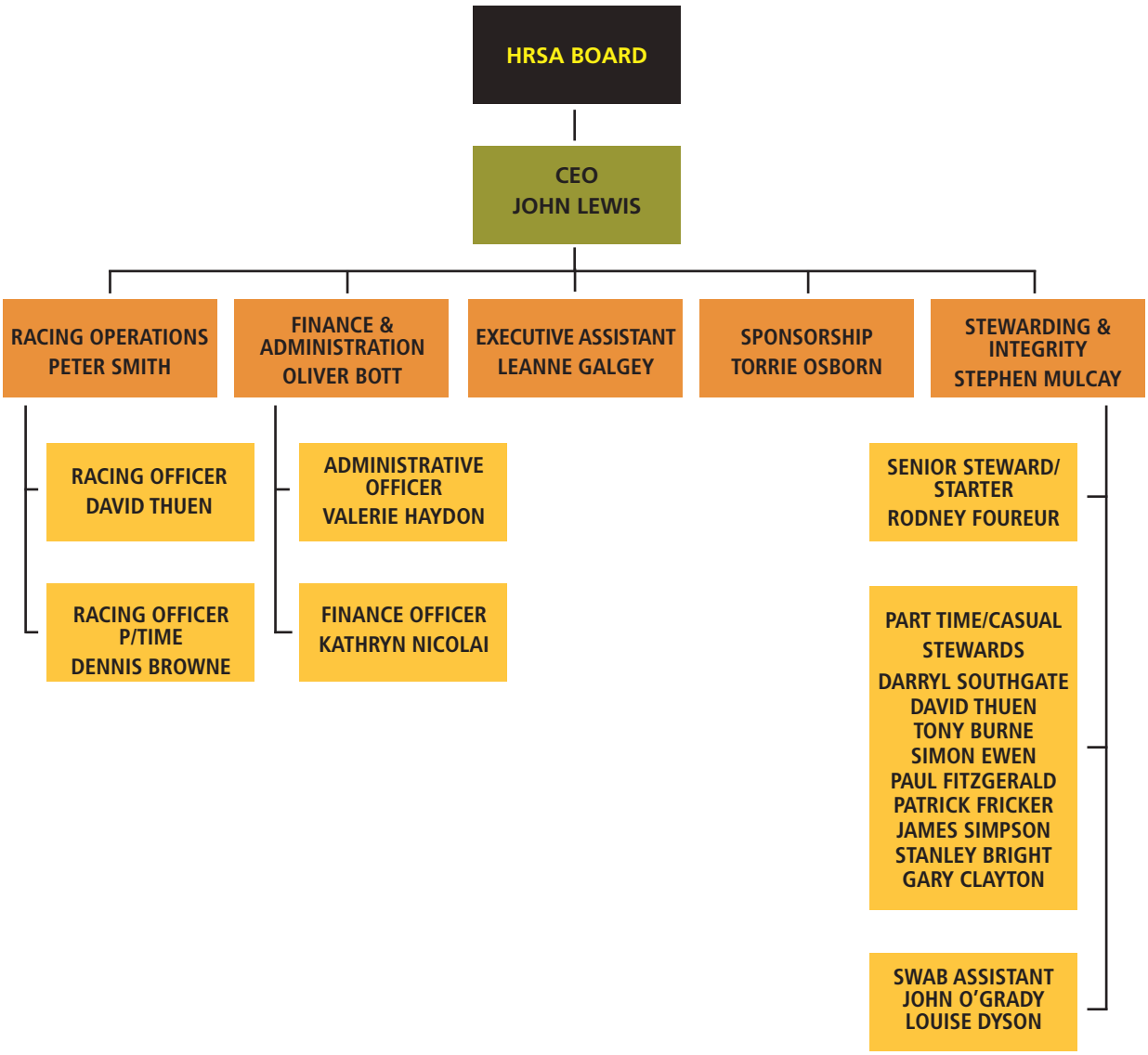
One of the most important tasks that management have worked on in conjunction with the SAHRC Committee has been the progression of the Betezy Park Globe Derby Masterplan and Re-Development. Working closely with Connor Holmes, a number of important milestones have been met including the lodging of applications for the re-zoning of land, establishment of a business plan for the securing of long term finance for the re-development, and a contract for the sale of land in the south eastern corner of the property.

Appreciation

Finally, I would like to take this opportunity to thank the HRSA Board, staff and the harness racing industry generally for their continuing commitment and support to our great code, and in particular their efforts in re-energising harness racing in South Australia.

JOHN LEWIS
Chief Executive Officer

ORGANISATIONAL CHART



Member Clubs and Associations

MEMBER CLUBS

South Australian Harness Racing Club
Port Pirie Harness Racing Club
Mount Gambier Harness Racing Club
Victor Harbor Harness Racing Club
Kapunda Harness Racing Club
Strathalbyn Harness Racing Club
Whyalla Harness Racing Club
Gawler Harness Racing Club
Yorke Peninsula Harness Racing Club
Port Augusta Harness Racing Club
Franklin Harbor Harness Racing Club

AFFILIATES

SA Breeders Owners Trainers Reinspersons Association Inc (SA BOTRA)
SA Reinswomen's Association (SARA)
SA Square Trotters Association (STA)
SA Country Harness Racing Clubs Association (SACHRCA)
South Australian Harness Racing Pony Association (SA PONY TROTS)

HARNESS RACING SA

SUMMER CANIVAL 2013

SUMMER CARNIVAL 2013

For any of the 6,500 people on-course on the 12th January at Globe Derby Park, it was a Saturday night that would be set in the minds of all. No matter if you were a harness racing enthusiast or a family with no understanding or grasp on the sport of greats, the night brought everything. Entertainment on and off the track and a race that would go down in the eyes of many as the 'greatest SA Cup ever run'.

The battle of Smoken Up (Lance Justice) and Caribbean Blaster (Kate Gath) was always to be the highlight of the ten race card but no one ever thought it would be put in the same breath as the clash of Bonecrusher and Our Wavely Star in 1986.

Smoken Up was searching for four SA Cup victories to equal Gammalite's imposing record and Caribbean Blaster rising into the big time as the new kid on the block after an impressive win in the 2012 Victoria Cup. All that could split the two was Tuesday afternoon when the barrier draws were released handing Smoken Up the awkward gate inside the second line of barrier seven and Caribbean Blaster the draw outside the second line in barrier eleven.

Punters and followers had started to write Smoken Up off and even more so with the awkward second row draw to overcome. Justice was out to prove the $3.20 second favourite quote wrong, easing his way off the inside shortly after the start and squeezing out three wide before Gath was able to move Caribbean Blast around in an attempt to find the top first. It proved to be nothing short of a race winning drive from Justice.

Finding the lead inside the first 400m, Justice was out to prove a point and endeavored to make the $1.80 favourite work outside the leader. Justice was not about to let the Horsham Cup defeat unfold before him twice in seven days.

Travelling through the first half of the last mile of the 2645m feature, infractions that some horses would be doing hard to close out in over a mile trip of 29.7 and 30.4, the heat was certainly on. Justice showed that defeat was not an option, it was now or never to prove all his doubters wrong.

Caribbean Blaster and Kate Gath moved closer down the back straight in a 28.4 third sectional to be edging in front turning off the back. Caller Jim Jacques enhanced the fact the two 'big guns' broke away and that they did. It was to be survival of the fittest.

It was to be 400m of racing, not to be missed!
Caribbean Blast and Kate Gath turned for home, bound for glory, a metre and a half clear. Smoken Up was not giving in though, after not handling the bends as well as expected, Trigger continued to surge back and with the deafening cheer of the crowd behind the two greats, the ten year old warrior proved to everyone that he is still the 'King of the Food Chain'!

Smoken Up lifted off the floor to claim an emphatic and historic fourth SA Cup closing out in 28.4 for a mile rate of 1.58.9, 0.7 seconds outside his quickest race victory in 2011.

Come On Frank ran home well from well back in the field to finish third behind the two greats and earn a well-deserved break in the paddock after a career defining season.

Although it was a Victorian victory as such, it was a South Australian Trifecta with Lance Justice and Kate Gath both proud, born and raised South Australian's.

The race certainly welcomed the 25% prizemoney increase to be worth $125,000.

The three other feature races on the night should not go without mention either though, starting with the 2013 SEW Eurodrive Pty Ltd SA Derby. The clash of Flaming Flutter (Geoff Webster) and Lennytheshark (John Justice) was to be a great lead into the SA Cup two hours later.

Flaming Flutter jumped to the front from his favorable front row draw only to have his danger sit outside him throughout. The draw proved the difference between the two, with the $1.40 favourite Flaming Flutter prevailing by just under 3m to Lennytheshark. Echeveria for Kate Gath flashed home to finish a creditable third. In a mile rate of 1.58.9, the trio will certainly press onto the Derby's throughout Australia in the coming season. .

Anthony Crossland prepared and piloted the winner of the 2013 Seelite Windows & Doors SA Trotters Cup with Our Dolly Would NZ, leading throughout. Our Dolly Would NZ was sent out $16.00 chance in the markets but when left alone in front turning off the back the favourites were doing their best work, Crossland flicked the switch. Winning by 5m on the line, Our Dolly Would NZ broke through after racing consistently in solid Victorian company.

John Justice was not sent home without reward though, winning the Consolation of the Betezy SA Cup with Thats Mister Ali. The Dudley Justice Plate, the race which set Come On Frank's career in motion 12 months ago as a 4

year old and sponsored by the Justice family was fittingly quineallaed by the Justice brothers. Lance got out late to run second on Our Malabar and had he found clear running earlier in the run home, the result could have gone the other way for the South Australian born brothers.

Thats Mister Ali was the well supported favourite in the event and received a dream run in transit.one out one back behind Silver Ranger outside the leader who lead into the straight at big odds to run third. The Justice family continues to support this race, sponsoring it to the value of $3500 each year. A credit to his recognition of his grass roots, South Australian Harness Racing.

Touted as the most successful night of racing at Betezy Park Globe Derby since the 2007 Interdominion, many long time industry participants believed that the noise and roar from the crowd during the final stages of the Betezy SA Cup was the most vocal and electric in its forty year history at Globe Derby.

SAHRC CEO John Lewis stated that the 2013 Betezy Summer Carnival was an outstanding success and culminated in one of the most successful ever Cup nights. He also stated that much of the success of the night goes to the hardwork ing SAHRC Committee and staff. and that new catchry "Come Back to the Trots" resonated very strongly with the public.

Outside the main race, the highlight of the night was no doubt the celebrity Pony Race featuring, Adelaide Crows Players, Brent Rielly, Matthew Wright. Ricky Henderson and Michael Doughty, media personality Graham Carnes and sporting great John Letts. It was certainly a laugh for all viewing with many of the Crows players receiving lessons only moments before the start. John Letts natural ability shone through in the end to claim victory on Wandarra Tess.

Industry Statistics 2012/13

LICENCEES

Total Licence Holders:	611
Trainers:	290
Drivers:	178
Stablehands:	316
Active Owners:	1890

2012/13 Licencees for SA

Age	Trainer	Driver	Trainer / Driver	Stablehand	Total
Unknown	0	0	0	2	2
<26	2	12	4	32	50
26-40	25	21	25	54	125
41-50	23	9	24	43	99
51-65	62	8	52	84	206
>65	50	0	23	56	129
Total	162	50	128	271	611

BREEDING

Breeders per season:	231
Foals notified in SA	137 foals (70 fillies)

RACES

Racing conducted at 7 tracks	
Prizemoney total:	$5,310,846

Industry Statistics 2012/13

	RACE MEETING SUMMARY 12/13	RACE MEETING SUMMARY 11/12	RACE MEETING SUMMARY 10/11
Total Number of Race meetings:	181	229	189
Total Number of Races run:	1385	1686	1486
Total Number of Programmed:	1666	2170	1761
Total Number of Nominations:	15865	18616	18249
Total Number of Starters:	11968	13981	13044
Average Noms Per race:	11.45	11.04	12.28
Average Starters per race:	8.64	8.29	8.78
Average nominations per meeting:	87.17	81.29	96.56
Average Starters per meeting	65.76	61.05	69.02
Average Races per meeting:	7.61	7.36	7.86

SA Square Trotters Association

2012/13 Season Report

The SASTA has been promoting the "TROTTER" in South Australia for many years by means of fundraising (including running Sunday morning trials), race programming, series co-ordination, sponsorship and local awards. Our aim is to ensure the square gaiter continues to thrive in this state and is moving forward with the times, enhancing the future of the "TROTTER" as much as possible for owners, trainers, drivers and square gaiting fans alike.

We believe the 2012/13 season has surely been a successful one, with our committee working efficiently alongside HRSA, with the trotter demonstrating a strong presence throughout the season. We have a great working rapport with Harness Racing SA, who do all they can in conjunction with us to benefit the profile and success of the trotter, and in turn Harness Racing in this State.

The annual SA Trotters Carnival held in May 2013, which included the 42nd running of the Gramel Series, was once again a season highlight with prize money at an all time high. The Don Lee trained / Mark Billinger driven Vee Salute proved too good in the Gramel Final at big odds and was truly deserved for Don for his countless years of dedication to square gaiters. The crowd attracting Monte provided Saw Foot, Naomi Shelbourn and connections with his second Monte victory, ridden perfectly out in front by Megan Gee. The 2013 Parker Classic for 2yo Trotters provided Marcus Hearl and a new group of owners in the sport a feature classic victory with classy juvenile trotter Boundary Row. Interstate visitors proved highly successful throughout most other races during the carnival including in the Keith Preston Legends Final won by Zedalite. This $8000 feature was named in honor of one of our stalwarts of the SA Square Trotters Association who sadly passed away. The passing of Keith came as such a shock and thorough heartache to us all, and we were grateful we could honor Keith's many years of dedication with the running of the Keith Preston Legends Feature.

The $30,000 SA Trotters Cup held in January 2013 was a keenly contested feature with a strong interstate presence, resulting in a fine spectacle and providing one of the summer carnival's highlights. Local square gaiter Herecomes The Cat tried gallantly to combat the Victorian stars finishing a brave third behind the Anthony Crossland Mare Our Dolly Would NZ. The summer carnival also thrilled spectators with the running of a Monte with the Monte specialist combination of Mary Crosby and Likeaplayboy romping in, proving popular winners with the huge crowd on hand.

Season 2012/13 was also successful with the running of the SA Trotters Country Cups Series. Country Cups were conducted at 7 country clubs, with the final being named in honor of Fred Jones, providing Harness Racing SA with another feature night during the season. This was made possible due to the huge support and backing of John Callory, and media personalities Bruce McAvaney and Mark Aiston. This feature event will continue to take place annually for the final of the SA Trotters Country Cups Series in Fred Jones' honor. This is surely an event that will only get bigger and better as years go by, due to this season's success and the continued support of so many. The longest trotters race in Australia, the Kapunda Trotters Marathon was again highly sort after this season, with Naomi Shelbourn taking out this challenging event with Party Smartie and Michael A Smith engraving their names in history. Naomi indeed did have a wonderful season with her small team of trotters taking out 2 features this year.

In summary the season has been one to remember. The Trotter continues to increase its market share and popularity, and with it huge success. Other states have also continued this trend, especially in Victoria with trotters races shortly to make up 25% of all races annually. Our Association has been working closely with all of our interstate affiliates of the square gaiter, and will be promoting further Monte races Australia wide throughout next season, and will have SA races included in qualification criteria for a nation wide Monte Final, to be conducted on the Great Southern Star Night at Melton for metropolitan stakes. We are also likely to program a feature speed event, a Mile race for trotters, possibly to be held on Port Pirie Pacers Cup Night, with that club also keen to sport a Monte during the season sometime.

We remind participants that it is only $10 each to join our Association. To be eligible for SASTA awards all owners must be financial members of our association before points are attributed to your trotter. More information can be found on our website: www.satrotters.org. We encourage industry participants to visit our website to keep up to date on what is happening in our association and Trotters in South Australia. We also welcome any support or suggestions that industry participants may have to further enhance the trotter in South Australia. Our secretary, Matthew Jacques can also be contacted on 0402 098 599.

SA Harness Racing Pony Association

Season 2012/13

The 2012/13 Season started off with 28 young drivers, 6 of them first year drivers. Mt Gambier who come under our Association had a further 12 drivers.

During the season we participated in SA Reinswomen's Pony Challenge by supplying ponies who were driven by Reinswomen from around Australia.

We started our season off by racing on 8 occasions at the Royal Adelaide Show and we also raced at Kapunda, Port Pirie, Victor Harbor, Strathalbyn and held the Gawler Pony Cup at Globe Derby Park.

In April we held the SA Championship over 2 days with Mt Gambier coming up to complete against our ponies and drivers. We also held a fun day with the drivers and ponies dressing up.

On several occasions the ponies were used for celebrity races over the Summer Carnival and later in the season.

Our biggest achievement for the season was the enclosing of the pony stalls. A lot of effort was put into Fund Raising with Chocolate Sales, Raffles etc. and out Sponsors who we could not do without. We would like to thank Murray Machinery and Aaron Bain for their help.

Our aim is to produce the drivers of the future.

SA Reinswomen's Association

Season 2012/13

SARA has continued to be represented on the BOTRA committee for the 2012 / 13 season. This is an excellent opportunity for SARA to have input into harness racing in SA. Jill Neilson attends monthly meetings and with other committee members, supports BOTRA to ensure that the voice of industry participants is an important factor in South Australian harness racing.

Congratulations to the recipients of the 2012 / 2013 SARA awards. Jill Neilson took out both Metropolitan and State Trainer. Second state trainer was Leah Harvey and third went to Glenda Fuller. Metropolitan driver was won by Dani Hill and this was quite an achievement as Dani had only been back driving for a few months. State driver was Leah Harvey, 2nd was Dani Hill and 3rd went to Gina Bell. The President's award was presented to Dani Hill and the Encouragement award was won by Lisa Ryan.

In honour of our 3 life members, Sandra Hutchinson, Isabel Squire and Josie Justice, the Life Members Pace was held on 31st March 2013. The life members sponsored the Hopkins vouchers for the winning trainer, owner and driver. The race was non-penalty and SARA thanks the owners and trainers who nominated their horses with female drivers. SARA added an extra $500 to the stake money.

The placings were:

1) Hair Trigger – Leah Harvey
2) Broadway Harry – Lisa Ryan
3) Tony Dreaver - Tiffany Lee

The mile rate was 1:59:8. The winning owner, (Wyndown Stud), trainer, (Jill Neilson) and driver (Leah Harvey) received a $50 Hopkins voucher and a rug was presented to the trainer as well. The 1st, 2nd and 3rd drivers each received a whip.

The 2013 Reinswomen's Challenge was an exciting night of racing with Kerryn Manning winning the challenge by only 1 point from South Australian, Gina Bell. HRSA is to be commended for their organisation and effort that went into facilitating such an excellent night. The colour pink was seen everywhere in awareness of raising money for the Breast Cancer Foundation. SARA is proud to say that $2,756.00 was raised. It is also with great appreciation that SARA acknowledges the generosity of Shirley Shelbourn who donated the $250 for the Hyland Sportswear Voucher that was presented to Kerryn Manning as the challenge winner. Shirley also provided over $100 worth of chocolates that were put into a gift pack for each of the reinswomen that participated on the night.

SARA continues to encourage and acknowledge female participation in harness racing and to support harness racing in general.

BOTRA 2012/13 Review

BOTRA has gone from strength to strength this year.

In partnership with HRSA, BOTRA further improved our flagship race night (Golden Nursery Finals night). BOTRA added $50,000 to the prizemonies that were already on offer for what was a super night's racing. BOTRA is committed to the Golden Nursery Finals meeting and it is hoped stakemoney for the Finals night will continue to rise.

BOTRA is very appreciative of the many sponsors who make the Golden Nursery Finals night do-able. Their generosity is invaluable and it is hoped that they will continue to support this important feature race night. It was great to see Texas Tealsby win at Globe Derby on July 29th because Toby Ryan (trainer of Texas Tealsby) used the Garrards Horse and Hound, Meteor Race Bike he won 2 days earlier. I'm sure the Carbine Chemicals, embossed rugs and engraved glasses will also be put to good use by the lucky recipients.

BOTRA conducted a fabulous Xmas in July Dinner at Globe Derby Park. Gary Hall Snr. was our guest and he talked frankly about all things related to Trotting. It was a fantastic afternoon, enjoyed by many Trotting enthusiasts. Once again, BOTRA is thankful for the support of the many sponsors. Leading Australian studs, namely, Alabar, Empire, Yirribee, Goodtime Lodge and Concorde Park kindly donated stallion services. Many other companies and industry participants donated a wide range of products and services for our very popular raffle and door prize. We would like to publicly thank them for their generosity.

Well over 120 people attended the Dinner and a good time was had by all.

BOTRA conducted its second harness and gear sale in 2013. A massive collection of equine paraphernalia was auctioned off to the highest bidders. Mr. Dominic Tattoli ran a fast paced auction that kept the bidding lively and interactive. BOTRA was pleased with the outcome and it is hoped that another similar sale will be held in the upcoming year. BOTRA has provided a BBQ for industry participants who come to the Sunday runaround/trials. The BBQ has been well supported and will be ongoing.

The BOTRA magazine has been upgraded. Laura Webster (as Editor) has taken it to another level. The magazine has become a sought after advertising option for companies and businesses. BOTRA acknowledges those companies and businesses who have used our magazine to advertise.

The magazine is an important component part of the BOTRA mantra. Our goal is to maintain and further improve the magazine as we move forward. (HRSA would like to thank Laura and Michael Bryant for contributing to the profile stories in this Annual Report).

BOTRA has worked alongside HRSA to achieve the best possible outcomes for SA Harness Racing participants. HRSA have been extremely positive and supportive. Mr. Ray Holberton (BOTRA President), Ms. Lois Randal (BOTRA Executive Officer) and Ms. Viv Clarke (BOTRA Vice President) have worked closely with HRSA throughout the year. I believe that the positive collaboration between HRSA and BOTRA has been successful in many ways and can only be good for the industry.

BOTRA acknowledges and thanks the many people who support us in our endeavours. It's a fact that if you have "people power" the job gets done. Every successful club or committee needs an active group of *doers*, who give up their time and "people power." BOTRA would like to acknowledge all the people who helped out during the year. Thank you!

BOTRA would like to thank Hopkins Saddlery for the work they do fixing racebikes that are damaged during races. Their prompt, efficient service enables owners, trainers and drivers to get their bikes up and running again in the shortest possible time. The team at Hopkins Saddlery has been and continues to be wonderful supporters of SA Harness Racing. BOTRA and HRSA have been working on another project recently. It is a "Battlers Night" race meeting that will be programmed around the lower assessed horses. This concept is in its infancy and will be run for the first time on Friday August 16th. Trophies and extra prizemoney will be on offer. It is hoped that this particular meeting will be well supported and become an ongoing "Feature" race meeting.

In the 2012/13 season BOTRA paid thousands of dollars in bonuses to trainers, owners and drivers. This incentive scheme is very popular and will continue through the 2013/2014 season.

To say the least, BOTRA has had a busy year. The committee has worked hard to improve our lot and support industry participants. To that end we have made significant progress …… with more to come.

Horse of the Year 2011/12 Season

The 2011/12 Horse of the Year awards were held on Sunday 14th October 2012 in the Paceway Restaurant, Globe Derby Park

SA LEADING YOUNG DRIVER	**KEN ROGERS**
SA LEADING METROPOLITAN DRIVER	**DAVID HARDING**
SA LEADING STATE DRIVER	**DAVID HARDING**
SA LEADING METROPOLITAN TRAINER	**LES HARDING**
SA LEADING STATE TRAINER	**LES HARDING**
SA LEADING STATE HORSE	**AITCH CUE & SIR SWANKY**
SA 2YO PACER	**ASPIRING ARTIST**
SA 3YO PACER	**BEAUTY SECRET**
SA 4YO & OLDER PACER	**COME ON FRANK**
SA 2YO TROTTER	**NO RENEGE**
SA 3YO TROTTER	**TOPNOTCH JEWEL NZ**
SA 4YO & OLDER TROTTER	**REJUVENATION**
SA CLAIMER	**FOX STREET**
SA BROODMARE OF THE YEAR	**LOADED AND LETHAL**
SA HORSE OF THE YEAR	**COME ON FRANK**

Feature Races

DATE	RACE	STAKE	Winning horse	Winning Driver	Winning Trainer
Sat-20-Oct	Minor Derby FFA	$7,000	Smoken Up NZ	Lance Justice	Lance Justice
Sat-24-Nov	Vet Surgeons Cup	$7,000	Zanardi NZ	David Harding	Les Harding
Sat-08-Dec	Italian Cup	$7,000	Abettorpunt	Matthew Craven	David Lewis
Sat-05-Jan Summer Carnival	Maughan Thiem Ford Cup	$12,500	Zanardi NZ	David Harding	Les Harding
	Mermaid Stakes-Fillies	$10,000	Holllys Missmolly	Robert Walters	Aaron Brown
	SA St Leger	$10,000	Echeveria	Kate Gath	Andy Gath
Sat-12-Jan Summer Carnival	Betezy SA Cup	$125,000	Smoken Up NZ	Lance Justice	Lance Justice
	SA Pacers Derby	$30,000	Flaming Flutter NZ	Geoff Webster	Geoff Webster
	SA Trotters Cup	$30,000	Our Dolly Would NZ	Anthony Crossland	Anthony Crossland
	Dudley Justice Plate	$10,000	Thats Mister Ali	John Justice	John Justice
Sun-27-Jan	Whyalla Cup	$10,000	Our Malabar NZ	David Harding	Leah Harvey
Mon-28-Jan	Victor Harbor Cup	$10,000	Lovable Larrikin	Tony Pullicino	Tony Pullicino
Sat-09-Feb Reinswomen Challenge	SA Oaks-Fillies	$15,000	Four Sisters	David Harding	Shayne Cramp
	SA Heroine-Mares	$6,000	Classic Tycoon	David Harding	Les Harding
Sat-16-Feb	Mount Gambier Cup	$12,000	Weallwantano	Ross Payne	Kevin Brough
Sat-23-Feb	Kindergarten Stks	$15,000	Thats Rite NZ	Luke Watson	Frank Cavallaro
Sun-3 Mar	Kapunda Cup	$8,000	Shanghai Knight NZ	David Harding	Les Harding
Sat-09-Mar Gawler Cup	Gawler Cup	$25,000	Zanardi NZ	David Harding	Les Harding
	Hambeltonian	$10,000	Jarvsofaks NZ	Kerryn Manning	Kerryn Manning
	Gawler Derby	$10,000	Lord Lincoln NZ	Mark Billinger	Joe Buttigieg
	Virgara Classic	$10,000	Limestone Bay NZ	Danielle Hill	Greg Scholefield
Fri-22-Mar	Kadina Cup (at Port Pirie)	$10,000	Shanghai Knight NZ	Jake Webster	Les Harding
Sat-23-Mar	Sires Produce	$10,000	Lord Lincoln NZ	Mark Billinger	Joe Buttigieg
Sat-30-Mar	SA Sapling Stakes	$10,000	Commanci Chief	Scott Ewen	Lyndon Hall
Sat-06-Apr	Country Graduation-Final	$10,000	Ona Rocky Beach NZ	Mark Billinger	Joe Buttigieg
	Fred Jones Country Trotters Cup	$10,000	Me an Kel NZ	David Harding	Luke O'Neill
Sat-13-Apr	Ladyship Stakes - Fillies	$10,000	Dougs Courage	Ryan Hryhorec	Jeremy Seal
	Lordship Stakes-C&G	$10,000	Limestone Bay NZ	Danielle Hill	Greg Scholefield

Sat-20-Apr	Port Pirie Cup	$14,000	Have A Bender	Greg Rogers	Bruce Rose
Fri-27-Apr	Pride of Petite Mares	$6,000	Nicky Eileen NZ	Mark Champion	Mark Champion
	North v South East Challenge	$6,000	Glenferrie Rustler NZ	Danielle Hill	Greg Scholefield
Sat-04-May	Maoris Idol Plate	$6,000	Solar Spirit	Ryan Hryhorec	Aaron Brown
Mon-06-May	Parker Classic	$8,000	Boundary Row	Marcus Hearl	Marcus Hearl
Sat-11-May Gramel Series	Gramel Final	$14,000	Vee Salute	Mark Billinger	Don Lee
	SA Trotters Derby	$15,000	Glenferrie Dreamer	Jodi Quinlan	Craig Demmler
	SA Monte Trot	$6,000	Saw Foot	Megan Gee	Naomi Shelbourn
	Legends Trot Final	$8,000	Zedalite	Rodney Petroff	Brent Illey
	Trotters Dash	$6,000	Abbotshall NZ	Rodney Petroff	Brent Illey
Sat-01-Jun Southern Cross Finals	Southern Cross Final -2yo C&G	$54,000	Freds a Safari	Darren Billinger	Darren Billinger
	Southern Cross Final -2yo Fillies	$54,000	Flagbearer	Ryan Hryhorec	Ryan Hryhorec
	Southern Cross Final -3yo C&G	$6,000	Quadentate	Kate Gath	Andy Gath
	Southern Cross Final -3yo Fillies	$6,000	Getya Wings Out	Jodi Quinlan	Jodi Quinlan
Mon-10-Jun	Strathalbyn Cup	$10,000	Washies Chance NZ	Danielle Hill	Les Harding
Sat-15-Jun	3yo Trotters Classics	$10,000	Solar Spirit	Ryan Hryhorec	Aaron Brown
Mon-24-Jun	2yo Trotters Classics	$10,000	Boundary Row	Marcus Hearl	Marcus Hearl
13/07/2013	SA Breeders Plate	$10,000	Hear the Call NZ	Mark Billinger	Joseph Carbone
27/7/2013 BOTRA Golden Nursery	BOTRA 4 & 5YO Mares Final	$8,000	Sweet Champagne	Ryan Hryhorec	Ross Collins
	BOTRA 4 & 5YO Colts & Geldings Final	$8,000	Caribbean Crest	David Harding	Toby Ryan
	BOTRA 3YO C&G Final	$10,000	Glenferrie Rustler NZ	Danielle Hill	Greg Scholefield
	BOTRA 3YO Fillies Final	$10,000	Lombo Keepa Secret	Ryan Hryhorec	Aaron Brown
	BOTRA/Golden Nursery C & G Final	$20,000	Major Cruiser	Scott Ewen	Desmond Glynn
	BOTRA/Golden Nursery Fillies Final	$20,000	Flagbearer	Ryan Hryhorec	Ryan Hryhorec
Sat-03-Aug	Silke Plate - Young Drivers N/P	$6,000	Lord Lincoln NZ	Shane Turner	Joe Buttigieg

HARNESS RACING SA

LIVING LEGEND 2013

Living Legend Dick White

Harness Racing has its fair share of people who epitomize the true Aussie, "The no nonsense larrikin". Dick White is one of those. He is larger than life, a bona fide rodeo star and he is also a well-known and respected Harness Racing enthusiast

Dick was born and lived in Kapunda as a boy. He wasn't fussed about school and whenever the opportunity came he would spend countless hours mucking around with horses at the local blacksmith's shop.

Everyone had horses in Kapunda. When he wasn't at the local blacksmith shop Dick was helping out Tom Hansbury, who was a highly regarded trainer of trotters. Tom trained the great mare Molly Axworthy. It was during these formative years that Dick developed a passion for the squaregaiter (trotter).

By the time Dick was 13 years of age he was an accomplished rider. It was at this time that Dick started competing in buckjumping events at rodeos. That same year he won his first buckjumping event and 27 years later, at the age of 40 he won his last buckjumping event.

The rodeo life suited Dick. His ability to "stay aboard" the wildest brumbies earned him enough prizemoney to get by. Breaking in horses and farrier work also helped to keep food on the table.

Dick said that over the years some of the horses he rode were that fierce, "It was in your best interests to stay on". He would purposely pick out the nastiest buckjumpers to ride because they scared him so much he was too frightened to fall off! Perhaps skill level may have had something to do with him not falling off too.

Dick travelled all over Australia competing in rodeos. During the 27 years he spent on the rodeo circuit he won a World Title, 2 National Titles and 9 SA Titles. It is fair to say rodeo was very good to Dick White - but rodeo is the same as everything else in life. The harder you work at something, the better you get and the more you get out of it. Dick spent countless hours practicing to be the best rider he could be. As a result he was able to ride horses many others could not.

Towards the end of his rodeo days Dick had more time to do other things and not surprisingly he started training trotters. His first trotting winner was a mare called Tanks Best. She won 8 races. It was onwards and upwards from there. Dick moved to Morphetville and tried to establish himself there but he wasn't keen on suburbia. The hustle and bustle was too much, the neighbours were too close, the noise and traffic never ended and he felt "cooped up".

When a property on Pt. Wakefield Road (less than a kilometre from Globe Derby Park) came on the market, he snapped it up. He's been there ever since (35 yrs.). Shortly after he relocated to the Pt. Wakefield Road property a very nice trotter named Accolade came along. Accolade won 3 races as a pacer before being re-educated to be a trotter by Dick. Accolade was by the mighty sire Aachen and he went on to win numerous races for Dick. The Pt. Wakefield property bears Accolade's name.

It is Dick's considered opinion that Dick Webster was the best all round horseman he has ever seen. Dick Webster could ride and or drive horses that other people wouldn't touch with a ten foot pole. Dick says the best trainer he has ever seen was Albert (Alby) Richard Holberton. Alby could do things with horses that other trainers couldn't even dream about.

During his time as a trainer/driver Dick White has chalked up over 200 winners so far and every winner was a squaregaiter.

Dick fondly remembers a horse named El Duras who won a stack of feature races and was named SA horse of the year, which is no mean feat for a trotter.

Dick also fondly recalls a horse called Dual McCall. Dual McCall won back to back Dean Johnson Memorials (a good friend) and he also won at Moonee Valley with Lance Justice in the sulky. Dick gave Lance and John Justice many drives and plenty of advice during their formative years.

The best horses Dick has seen are Cardigan Bay and Maoris Idol. Both were out and out champions and deserving of the highest praise and acknowledgement.

Dick held the position of President of the Squaregaiters Association for 26 years and he is still an active member today. BBQs are his specialty. Enjoying life and talking to people aren't far behind.

Over the years Dick has given over 80 homeless streetkids a place to stay while they got their lives back on track. He more or less "re-educated" them. Dick introduced them to horses and a way of life that was foreign to most. This was

like a reality check and opened up a whole new world to them. Horses can have a profound impact on people. There are many case studies from all over the world that support this. Many of the kids Dick took under his wing turned their lives around.

These days Dick likes to do shows for kids. Dick has a wonderful gelding named Trigger and they perform together. Just recently Dick and Trigger travelled to his great grandson's school in Robertstown and wowed the kids. Dick rebuilds floats as a hobby and on occasion he also drives the mobile. He still shoes his own horses and his goal at the moment is to be the oldest SA winning driver. Dick acknowledges that he has his work cut out to achieve this goal because there are a few other SA reinsmen who are breathing down his neck.

He has a wonderful family, he has a squillion friends and he still has a passion for trotting. In his own words Dick finished off with "I wouldn't change a single second."

HARNESS RACING SA

RACING OPERATIONS 2013

Racing Operations

The Racing Office's biggest challenge continues to be generating strong even fields. The need to increase turnover and hence our market share is a major focus for all of us. It can be frustrating at times when the industry doesn't seem to be as supportive of this need to 'help ourselves'. During 2012-13 both the average number of races per meeting and the average field size increased, which is a positive, but it still needs to increase again in 2013-14. I would like to acknowledge the efforts of David Thuen, also Dennis Browne, who joined the staff recently to assist David. I would also like to thank both Kathryn Nicolai and Valerie Haydon for the support they have provided to the Racing Office.

There was a drop in the number of meetings in 2012-13, due to the discontinuation of the regular Tuesday nights. In total there were 188 race meetings in South Australia; 134 at Betezy Park Globe Derby and 52 country meetings. All meetings during the year received TAB and Sky Racing coverage; this is the first time that South Australia has achieved this.

Port Pirie continues to play an important role. During 2012-13 this club was asked to race through the lean September to October period in an effort to assist the strength of Globe Derby through this period. All race meetings programmed went ahead and it is hoped the strength of the horse population up north will continue. Mount Gambier was awarded a Saturday night for its Cup meeting in February. It was another strong meeting and it is hoped this increased profile will help the Club to grow over coming years. It is important to remind all supporters of the part that all country clubs play in exposing harness racing to as many people as we can.

During 2012-13 the Racing Operation Manager's role has been expanded to include responsibility for the racing functions of the SA Harness Racing Club. This includes responsibility for raceday staff and the maintenance functions of the Club. Thanks to Julie Issom for her support and to the maintenance staff of Robert Hill, Neville Nitschke & Greg Norman.

At the start of 2012-13 HRSA made a decision to revert to the previous handicapping system for 'R' & 'C' penalties. This puts SA outside the Australian Handicapping Rules, but was considered vital in maintaining South Australia's horse population. A decision was also made to pay higher prizemoney to 2 & 3yos, including paying back to last in these races to encourage local participants. The prizemoney for most 'C' classes was increased, offset by an increase in the number of 'R' penalty races.

HRSA continues to have a close relationship with Sky Racing and is liaising with them on a regular basis. During 2012-13, South Australia was asked to run a higher number of Sky 2 meetings than previous years. This does create problems for our market share and we continue to talk with Sky on the issue. It is expected that there will be less Sky 2 meetings in 2013-14, particularly on Friday nights. Again we thank Stephen Robinson and Brad Clark at Sky Racing for their efforts and understanding.

RACING

The was little doubt about the highlight of the racing season. The clash between Smoken Up and Carribean Blaster in the Betezy.com.au SA Cup was one of the best clashes in Australia in 2013. The Cup was increased to a record high of $125,000, thanks to the support of Betezy; and it was Smoken Up for Lance Justice, winning his fourth SA Cup. The other main races in the carnival were the $30,000 SEW Eurodrive SA Derby, won by Flaming Flutter, trained & driven by Geoff Webster. While the Seelite Windows & Doors SA Trotters Cup was won by Our Dolly Would NZ, trained & driven by Anthony Crossland. Harness Racing Victoria invited HRSA to include the Trotters Cup to become a prelude of the new race The Great Southern Star, which was run at Melton.

Tattsbett.com Southern Cross Racing

The Tattsbet.com Southern Cross Series was a major highlight of the season, with the Final night producing great racing. The 3YO series was re-scheduled to finish on the same night as the 2YO series, due to a change of dates for the Vicbred series. See page 24 & 25 for the feature race winners.

BOTRA Golden Nursery

SA BOTRA once again combined with HRSA to promote the 2YO Golden Nursery series. A total 116 horses made the one off payment to be eligible for the series, marginally lower than in 2012. The series was run at the end of July. BOTRA expanded their support for the Final night, running series for 3YO's as well as 4 & 5YO's; in total prizemoney & trophies totalled around $90,000, making it the states third highest meeting. The winners of the $20,000 Finals were Flagbearer (fillies) and Major Cruiser (colts & geldings).

Country Cups

Country Clubs ran their individual Cup meetings, with support from HRSA. All Country Cup meetings in 2013

had Sky Racing and SA TAB coverage. The Mount Gambier Cup was granted a Saturday night timeslot on Sky for the first time. This meant that three of the Country Cups had Saturday timeslots, the others being Port Pirie & Gawler (run at Betezy Park Globe Derby). See page 24 & 25 for the feature race winners.

Square Trotters
The Gramel Series was run as heats & final again in 2013, with the $14,000 final won by Vee Salute; trained by Don Lee & driven by Mark Billinger. The Legends Final was run for the second time, this year supported by the Preston family in honour of patriarch Keith Preston. This T0 –T2 series has proved a very popular part of the trotters carnival and was won by Victorian visitor, Zedalite. The other major series for Trotters were the Country Trotters Cups. The Fred Jones Country Trotters Cup was run at Globe Derby in April; the race was re-named in 2013 in honour of Fred Jones, a former Board Member and well known identity in SA harness racing. The race was won by Me And Kel NZ; horses qualify for this race by running in the country cups around the state. The SA Trotters Derby was won by Glenferrie Dreamer, driven by Jodie Quinlan for trainer Craig Demmler. Monte racing for ridden trotters is growing in Australia, with Victoria in particular increasing their number of races. Two Monte events were conducted in South Australia in 2013; a new race was run during the Summer Carnival, won by Likeaplayboy. The traditional Monte during the Gramel Series was won by Saw Foot. It is likely that Monte racing will grow again in 2013-14.

Young Drivers
The Australasian Young Drivers Championships were held in Sydney during the Inter Dominion carnival in March 2013. Harness Racing SA selected Jayson Finnis to represent South Australia; Jayson became the first driver from the South East to represent the state. It was a much deserved selection, after driving 28 or more winners in his previous five seasons, including 51 in 2010-11. Kapunda based driver Matthew Smith completed his final year as a claiming driver by taking out the SA Leading Young Driver Award. Matthew drove 39 winners for the year (35 in SA), in his most successful year to date. South Australia runs an annual series of races for Young Drivers; the SA Young Drivers Challenge is run over six races, with the winner awarded on the highest average points. Victory in the 2013 series went to Michael Smith, who finished with an average of 11.0 points per drive.

Drivers Invitation Series
A change was made to the Reinswomen's Challenge meeting in 2012-13, with the date moved to February. Also incorporated into the night were the 2013 SA Oaks for 3yo fillies and The Heroine for mares. The Challenge featured six interstate drivers taking on four leading local drivers. The list featured Lola Weidemann (Qld), Amanda Turnbull (NSW), Erin Hollaway (Tas) and Jodi Quinlan, Kerryn Manning and Kate Gath (Vic). The locals were Gina Bell, Angela Chapman, Leah Harvey and Dani Hill. In a very tight result, Kerryn Manning won with 30 points from the four races; she defeated Gina Bell & Jodi Quinlan by one point.

Port Pirie conducted it's annual Drivers Invitation series in May. The meeting was moved to a Sunday in 2013 and the Club was pleased with the crowd numbers at the meeting. For the second year in a row the Series was tied, with Ryan Hryhorec & Kate Gath both finishing on 29 points. For Ryan it was the second year in a row that he had tied (2012 it was with John Caldow). The other drivers invited were Matthew Smith, David Harding, Dani Hill, John Caldow, Lance Justice, Scott Ewen, Lisa Miles David Murphy and Leah Harvey.

SAMOS Scheme
The South Australian Mares Owners Scheme (SAMOS) has been underway for three years and underwent some changes for 2012-13. Mares Bonus Certificates were increased to up to four, with mares encouraged to race longer to earn them. Mares receive Bonus Certificates for wins, that can be used for stallion services with participating studs. 2012-13 saw the most certificates redeemed to date and it is hoped this will add to foal numbers for SA. Harness Racing Australia has made changes to the import charges, with states sharing in the additional revenue. It is likely that much of this revenue will be directed to the breeding industry.

PREMIERSHIP WINNERS
Congratulations to the winners of SA Premierships for 2012/13

State Driver – David Harding 191 wins
State Trainer – Aaron Brown 98 wins
Female Driver – Dani Hill 94 wins
Female Trainer – Jill Neilson 54 wins
Young Driver – Matthew Smith 35 wins
State Horse – Hair Trigger, Lord Lincoln NZ, Nothing In Between and Zanardi NZ 10 wins

PETER SMITH
Racing Operations Manager

HARNESS RACING SA

SHELBOURN & "FOOTY"

2013

NAOMI SHELBOURN & SAWFOOT

Naomi Shelbourn (owner/trainer) of Saw Foot comes from stern stuff. Her father, Rex Shelbourn was driving well into his seventies. In fact, he piloted Ima Cherokee to a memorable win at Gawler in January 2005. Rex was 75 years old at the time.

Rex worked as an English airforce security officer. He spent considerable time in war torn Germany and despite his air force duties and the unpleasantries and time commitments that came with the job, he somehow found the time to work with thoroughbreds in and around the areas he was stationed in. Rex was in demand as a farrier and a breaker in those days. People with his skills were much sought after by those who had unruly horses or those who had working horses that needed to be shod. At that time horses were used extensively on farms and it was in the farmers' best interests to keep them in good condition.

The majority of German men who would break the horses in and attend to the farrier work had been enlisted by Mr. Adolph Hitler – sadly, never to return home.

On a brighter note, Rex's family had always been involved with thoroughbreds in the early days back in England. Rex developed a deep understanding of horses as a youngster. By the time he was a teenager he had developed a passion for all things equine.

However, it wasn't until Rex migrated to Australia (in 1949) that he realized he had an affinity with Standardbreds. The Standardbred fascinated Rex. He loved their strength, willingness and durability. He loved their sustained power and kind nature.

Fate decreed that Rex would become involved with Trotting.

When Rex migrated to Australia in 1949 he settled in the Aldgate area. He made the acquaintance of the Weatherall and the Thiele families. They were Trotting people and it wasn't long before Rex had the "bug" – about 5 minutes.

5 years later Rex moved to Blackwood and "set up shop". He became great mates with Sid Gill and Wally Bowyer. Gill and Bowyer were both highly regarded in Trotting circles. They were accomplished horsemen and had a plethora of classy conveyances in their stables.

His first winner as a driver was Ayr De Oro. Rex was only ever a hobbyist, but such were his skills, he produced winner after winner. Horses such as Aachtenan, Copadale, Scarborough's Pal, I'm Happy, Golden Brown, Friendly Port, Quick Single, Let's Sail, Monaver Boy, Trenton and Variety Jet were just some of the "more than handy" horses he put the polish on.

Rex, met his wife Shirley, while driving to and from the training track in Blackwood. As it happened, Rex resided in Blackwood (at the top of Shepherds Hill Road) and every day he drove his horses to a training track at the bottom of Shepherds Hill Road. After training he would drive them home again, back up Shepherds Hill Road. Shirley happened to live on Shepherds Hill Road and she used to watch Rex go past on a daily basis. It wasn't long before Rex was watching out for Shirley as he drove past. Eventually they started talking and to cut a long story short, the rest included marriage, a close knit family (two daughters) and a dedicated relationship that stood the test of time.

Ima Cherokee was Rex's last winner. Ima Cherokee is now in the care of Rex's daughter Naomi. He is a stocky little fellow with a gentle nature. Even though Ima Cherokee has retired from racing he occasionally graces the track. He has taken very appreciative members of the public for a "fast lap" (at a jog), in one of the specially built two seat bikes. Members of the public who are lucky enough to go for a lap get a real buzz out of it. It is a powerful advertising tool that is not used as much as it could or perhaps should be.

Naomi Shelbourn has followed in her father's footsteps as far as horses go. She is as good a trainer as there is going around in SA at the minute. She is meticulous in her attention to detail. Her horses want for nothing and are presented at the races looking immaculate. Naomi takes no end of pride in her horses (and dog). Naomi also works a full time job as a financial officer with Prime Valley Pastoral Meats.

Saw Foot has won seven races and been placed 16 times for Naomi. He has collected over $41,000 in stakes along the way. His victories include the Kapunda Cup and the SA Country Trotters Championship.

Two of Saw Foot's most memorable wins have come in Montes. He was ridden in his first Monte win by Lisa Ryan and in the second Monte by Megan Gee. Naomi wanted both Lisa and Megan to be acknowledged for their super rides in the two Monte wins. She is full of praise for both riders. Michael Smith does the bulk of the driving for the Shelbourn stable and he too is held in high regard by Naomi.

"Footy" was retired after his second Monte victory. Naomi is pulling the pin before anything goes wrong. He is a day to day racing proposition and the last thing Naomi wants is to

NAOMI SHELBOURN & SAWFOOT

see him break down. He has done a super job on the track and now he can enjoy his retirement.

I'm sure chasing the dog, rolling in the biggest mud patch he can find, lying around on a sunny day, demanding his breakfast, kicking his heels up and galloping around the paddock with his mates will be high on his list of things to do.

When someone is working full time and they have horses, there is not a lot of down time. In fact, when it's all said and done for the day, (and most people who work full time and have horses would agree) there's barely enough time left to scratch yourself. But, Naomi is adamant, she wouldn't have it any other way. Bon Jovi must have been talking about Naomi when he said "I'll live while I'm alive and I'll sleep when I'm dead."

Horses trained by Naomi that have saluted the judge recently, include Iris, Partie Smartie, What Sound and Saw Foot.

Naomi has done a remarkable job with Saw Foot and What Sound in particular because both of these horses have been plagued with hoof problems all the way through their careers. Naomi acknowledges the work her partner David Jolly has done and continues to do with her horses' feet. She insists that David is the reason Footy (Saw Foot) and Blackie (What Sound) keep on keeping on.

When her horses are mentioned, Naomi speaks very fondly of Saw Foot. She describes him as being a true gentleman. He is a proud horse. He holds his head high and carries himself with the aloofness of an aristocratic nobleman.

It's amazing how many horse people say that their horse shows off to the crowd or craves the attention and adoration of people. I've heard it said by too many trainers who have had good horses for it not to be true ……. and I quote "This horse knows he/she is special." Saw Foot is another of those horses. For some inexplicable reason he just knows he's special.

Originally, Saw Foot came from Victoria, where it was thought that he was on his mark and would struggle to be competitive.

The owners explored the options and decided to give him a chance in SA. Negotiations began and the owners settled for leading trainer, Gary Hill.

However, fortuitously for Naomi, Gary had too many horses on his books at that time and he suggested to the owners that Naomi take the horse. Naomi accepted him, sight unseen.

Horse racing is like a lottery. Everything has to come together. It starts with the breeder who has the responsibility of selecting the stallion that best suits their mare. Then the educator must introduce the horse to all things trotting and ensure that the horse is comfortable and confident in a racing environment. After that, the trainer takes over. If the horse is lucky enough to end up in the stables of a skilled trainer, there's a strong chance it might eventually race.

There are pitfalls all along the way and everyone in the industry can name top flight horses that never realised their potential.

Occasionally, a horse and trainer will form a special bond. Blacks A Fake and Natalie Rassmussen, Lance Justice and Smoken Up and Gary Hall Snr. and Im Themightyquinn immediately spring to mind.

However, there are many other industry participants who have experienced that same special "connection" between horse and carer. Saw Foot and Naomi bonded on day one. They share the same mutual understanding and regard for each other much like those mentioned above and much like hundreds of others.

HARNESS RACING SA

STEWARDING & INTEGRITY 2013

Stewarding & Integrity

I would like to thank the HRSA Ltd Board for the opportunity to provide this report and also for their continuing support during the 2012/13 season.

On behalf of my Panel I would also like to thank CEO John Lewis and the other members of the HRSA Ltd management team for their support over the past 12 months and I look forward to working closely with them in the future.

2012/13 Season

There were various policies that were introduced and/ or changes made during the season that impacted on racing and are worthy of comment. These include

- Change of Tactics Rule – as from 20 April 13 this rule is no longer recognised in SA. This was as a result of a recommendation from the I.A.C as it was felt that given the number of variable factors that have a bearing on how horses are best driven in a particular race, that the SA industry would be best served if it was simply left to Stewards to assess the tactics adopted by individual drivers and where warranted investigate any potential breach of Rule 149(1) which requires a driver to take all reasonable and permissible measures throughout a race to ensure that his horse is given full opportunity to win or obtain its best possible finishing position.
- Betezy Park Globe Derby Sprint Lane – following the relaying of the racing service by Davisons Earthmovers in late April, a new sprint lane was installed which has worked well and met with favourable response from participants. The repositioning of marker pegs on the home turn to their original configuration has resulted in a vast reduction in the number of incidents where horses have contacted pegs and has also all but eliminated the incidents of tightening that used to frequently occur.
- Scratching penalties – the stand down imposed for a normal scratching was reduced from 14 days to 10. In order for a further reduction to be given, a satisfactory Veterinary Certificate must be supplied with the horse having been examined either before or on raceday.
- Standing starts – orthodox standing starts were reintroduced late in the previous season. These starts have worked well in general with drivers adapting well to the practice of the field only being held for the minimum of time prior to barrier release.
- Clerks Of The Course – as from the 1 March 13 Clubs are required to ensure that there are a minimum of two approved Clerks of the Course in attendance for all meetings. This requirement can only be varied with the prior approval of the Chairman of Stewards.

A total of 181 meetings were held during the season with 134 of these being conducted at Betezy Park Globe Derby. 176 meetings are to be programmed for the 2013-14 season.

I can confirm the following statistics that resulted from this season's meetings:

Swabs
- A total of 1870 swabs in total
- 1454 were pre-race
- 416 were post-race

Fines
- 134 fines were imposed
- 57 (43%) were for whip related offences
- Fines totalled $18,200

Suspensions
- 59 suspensions were imposed
- 46 individual licence holders

Appeals
- 5 appeals were lodged with 2 recent applications yet to be heard by the Racing Appeals Tribunal.
- The 3 that have been heard were all dismissed, with 1 penalty being varied.

Integrity Review

In November 2012 the HRSA Ltd Board commissioned a review of its Integrity procedures by former SAJC Chairman of Stewards Tom Hayles. This review was commissioned as part of the HRSA Ltd Strategic Plan as an important aspect of governance of the code and was presented to the Board in January 2013.

Full details of the report are included in the Chief Executive's Report.

Stewards

Rodney Foureur
Darryl Southgate
Tony Burne
Simon Ewen
David Thuen
Paul Fitzgerald
Patrick Fricker
Jim Simpson
Stan Bright

I would like to express my appreciation to all members of the Panel for their efforts and support during the season.
To all South Australian participants, I wish you good luck for the 2013/14 season.

STEPHEN MULCAY
Chairman of Stewards

Racing Appeals Tribunal

ACTIVITIES OF THE TRIBUNAL FOR PERIOD
01-07-2012 TO 30-06-2013

	Carried over from 2012/2013	Appeals Lodged	Heard	Days	Hours
TRSA	Nil	3	3	3	4
HRSA	Nil	4	5	5	9
GRSA	Nil	5	5	3	7
			1 (Carried over from 2011/2012)		
TOTAL	**Nil**	**12**	**13**	**11**	**20**

The Results of Appeals July 2012 to June 2013	
Allowed in Full (Conviction quashed)	Nil
Allowed in Part (Penalty varied)	1
Dismissed	7
Referred back to Stewards	Nil
Withdrawn	5
Appeal by Stewards	Nil
Yet to be heard/completed	Nil
TOTAL	**13**

TRSA	HRSA	GRSA
Nil	Nil	Nil
Nil	1	Nil
2	3	2
Nil	Nil	Nil
1	1	3
Nil	Nil	Nil
Nil	Nil	Nil
3	**5**	**5**

Charge	TRSA	HRSA	GRSA
Present a horse/dog to race when not free of Prohibited Substance	Nil	Nil	3
Causing Inference/ Careless Riding	3	4	Nil
Careless Driving	Nil	1	Nil
Offensive Language/Conduct	Nil	Nil	1
Misconduct	Nil	Nil	1
TOTAL	**3**	**5**	**5**

HARNESS RACING SA

SA YOUNG DRIVER 2013

SOUTH EASTS YOUNG DRIVERS REPRESENTATIVE

In November 2013 Harness Racing SA were delighted to announce that Jayson Finnis had been selected to represent South Australia at the 2013 Australasian Young Drivers Championship in February. The series included racing on the night of the Final of the 2013 Inter Dominion to be held in Sydney on Sunday 3 March.

From a famous racing family in the State's South East, the 21 year old has had an outstanding career to date including winning two Southern Cross Finals and a Golden Nursery. It is also the first time that a driver from the South East has been selected to represent South Australia. Jayson has driven 28 winners in South Australia during the 2011/12 racing season, and also drove 8 winners interstate. In total, he has driven 153 winners since commencing as a driver around four years ago.

Jayson is the son of Barry and Katherine Finnis, the grandson of Peter and Lesley Medhurst as is part of a family with 100 years of harness racing in its blood.

From an early age Jayson had a passion for horses and commenced in the Pony Trots at the age of six. The Pony Trots gives aspiring young drivers the chance to learn essential basic skills that make the transition to 'real' racing driving all that must easier. "Frankie" (a Shetland Pony called Frankie Under Fire), provided Jayson with the opportunity to drive in races which he naturally excelled at and his progression to race driving was seamless.

Jayson is just starting his impressive driving career. His goal is to drive as many winners as he can and he receives wonderful support from long-time trainer Barry Finnis, and the high quality horses being bred and owned by Peter and Lesley Medhurst.

Jayson's State driving colours were presented to him at the Mount Gambier Gold Cup night, which for the first time, was programmed on a Saturday night, 16 February 2013.

Jayson participated in the AYDC's with State pride and passion and although he did not take home the championship, he let the rest of the national know that he going to rock the harness racing world for many years to come.

SPONSORSHIP

The position of Sponsorship Manager was established in June 2012. The duties include:

- To maintain current sponsorship revenue for SAHRC, HRSA and the Country Clubs, and
- To generate new sponsorship revenue for SAHRC, HRSA and the Country Clubs.

In addition; all records, contracts and signage were to be reviewed and brought up to date.

One of the first projects was to tidy up the signage around the track at Globe Derby Park. We started standardising the size of the signage where possible including black spaces between each sign to give some uniformity and also repainted those signs requiring upgrading. This was a significant task which had not been done for some time. However we are now in a position to say that it is looking neat and orderly and importantly presents well on Sky TV. Bearing in mind that most of the structures we were working with are now quite old and in need of either extensive repair or replacement.

In late August 2012 we secured the major sponsorship of corporate bookmaking company, Betezy, for three years including naming rights to Globe Derby Park – Betezy Park Globe Derby and the South Australian Pacing Cup. |A further sponsorship for 'on course client' activation followed resulting in a considerable contribution to the Industry.

Other new sponsors include Troy Products, Brown-Foreman, Yalumba, Glenferrie Farm and Adelaide Galvanising Industries who sponsor the time honoured Minor Derby «Free for All. A major sponsorship was also secured from Unibet for the Port Pirie Harness Racing Club for the next three years.

Existing sponsors Hygain, BGC Industries, Cape Divine, Just Wreaking Toyota, Lion Dairy & Drinks, Maughan Thiem, Nevele R Stud, SEW Eurodrive, SA TAB, Davison Earthmovers and Sloans Sands have been retained. SA Brewing and Schweppes Australia are currently under contract.

A great deal of importance has been placed on the servicing of sponsorship both existing and new including the strict adherence to the contract conditions eg. exclusive rights, signage placement, agreed race names and ticket provisions etc. This is an absolute must if we are to have any chance of maintaining the relationship with the sponsors and keeping them as sponsors.

It also includes regular contact by the telephone or personal (not email) to keep the lines of communication open and ensure that there is an ongoing relationship between the organisation (myself) and the Sponsors.

We are also currently in negotiations with eleven prospective sponsors who I have identified as highly likely to commit. Some of these we have been dealing with for some time, and other are reasonably new. We are continuously in contact with existing sponsors from a servicing and renewal point of view.

In conclusion, although the task was never going to be easy we feel that very good progress has been made, realistic targets set and positive plans have been put in place for the future. The foundations have now been set and the building has started.

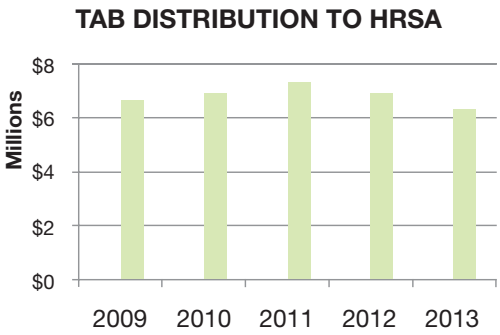
TORRIE OSBORN
Sponsorship Manager

HARNESS RACING SA

FINANCE 2013

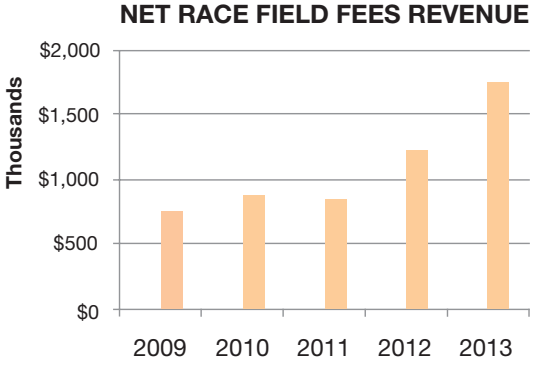
FINANCE

Harness Racing SA (HRSA) endured another challenging year in 2012/2013, following the reduction in TAB wagering, and associated revenue, as a result of the withdrawal of Australia's largest punter's wagering activities in March 2012. Total turnover with the SA TAB fell by nearly 12% on the previous year, resulting in a drop in revenue for the harness racing code of nearly $600,000.

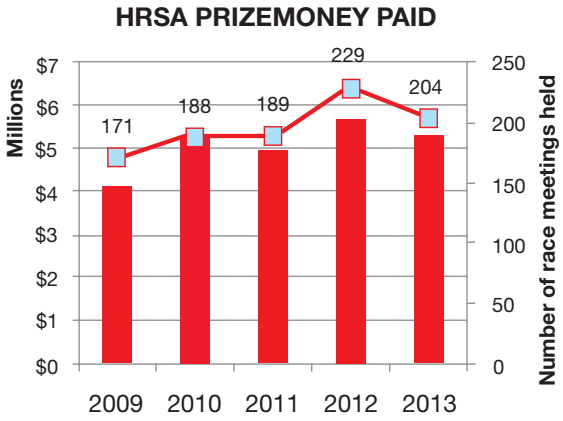


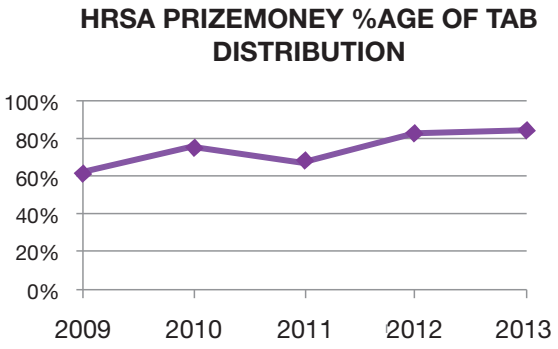
More significantly, the regular Tuesday night meetings held at Globe Derby Park ceased on 1 September 2012, resulting in a reduction of the total number of Globe Derby meetings for the year to 137, down from 175 the previous year. The associated reduction in TAB turnover on SA meetings, together with a 15% decline on wagering on interstate harness race meetings, resulted in the harness average market share being finalised at 12.02% as at 30 June 2013, down from 13.33% the previous year.

Net revenue from betting operations contributions (race field fees) increased by over $500,000, or 44%, following an increase in the contribution rate from 10% to 13% from 1 August 2013, and decline in payment to interstate wagering operators covering South Australian harness race meetings.



Prizemoney paid during the 2012/2013 year totaled $5.3 million, or 84% of TAB distribution. This amount was $371,000 less than the previous year, resulting from the cessation of Tuesday night Globe Derby Park meetings from 1 September 2012. Payments to clubs in the form of operating fees and venue improvement grants totaled $560,000.





As reported last year, the relationship between HRSA and the South Australian Harness Racing Club (SAHRC) was enhanced following the appointment of senior HRSA staff to carry out administrative functions on behalf of the club. The relocation of the club's day to day operations to the HRSA offices, and retirement of the Club secretary Ashley Kramer in early 2013 realised the appointment of the new club Finance Officer to undertake all financial duties on behalf of the club.

At a national level, Jardine Lloyd Thompson were re-appointed by Harness Racing Australia to act as brokers to administer the insurance liability and personal accident schemes. Further enhancements to the schemes include personal accident cover for stablehands, improved levels of cover for weekly benefits available under the personal accident policy, loss of income cover for non-harness related activities and the introduction of travel insurance for licensed persons.

Finally, I wish to thank the Board of HRSA and Chief Executive Officer, John Lewis, for their support throughout the year. Also, I acknowledge the valuable assistance of Kathryn Nicolai and Julie Issom from the Finance department.

OLIVER BOTT
Finance Manager

CORPORATE GOVERNANCE STATEMENT

1 Introduction

The Board of Harness Racing SA is committed to best practice corporate governance. This Corporate Governance Statement has been produced by the Board as an acknowledgement of its responsibility towards the ongoing maintenance of best practice corporate governance. This Statement is intended to supplement other general documents on the duties and responsibilities of Directors being implemented by HRSA.

This Statement is subject to annual review. This version was adopted by the Board of Directors on 25 September 2013.

2 Board of Directors

2.1 Composition of the Board

The Constitution of HRSA provides for the appointment of six non-executive Directors. Four Directors are appointed on the basis of their qualifications and experience in the competency areas of marketing, law, accounting and commerce, and business management. In addition, one Director is nominated by each of the South Australian Harness Racing Club Incorporated (SAHRC) and the South Australian County Harness Racing Clubs Association Incorporated (SACHRCA).

2.2 Board Responsibilities

The Board of Directors is responsible for monitoring the business and affairs of HRSA, setting of strategic direction, and overseeing the financial position, reporting systems and controls of HRSA. Directors observe conformity with their duties under Corporations law, HRSA's Constitution, and other relevant legislation.

2.3 Tenure

Board members are appointed for a term of up to three years. Retiring Directors are eligible to stand for re-appointment at the end of their term.

2.4 Director Independence

The Board has adopted the principle that all Directors are independent of Management and free of any business or other relationship with Clubs that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unencumbered and independent judgment.

3 Board Processes

3.1 Directors' Role

Directors understand and acknowledge the division of responsibility between Management and the Board, based on the belief that it is the role of the Board to be strategic and review and for Management to manage and deliver the organisation's objectives. They have also agreed the delegation of authorities to Management, as well as the goals of HRSA, Key Performance Indicators and the Financial Budget. Directors receive reports on a monthly basis of progress against the Financial Budget and Key Performance Indicators, as well as other management reports and regular control reports.

3.2 Directors' Commitment

Directors are required to understand the principles and standards of the harness racing industry generally and are expected to acquire the appropriate information and expertise to understand the general nature of the industry for which they are responsible.

All Directors must contribute to the establishment of clear strategic direction for HRSA and are expected to act consistently with these objectives and policies within that strategic direction once adopted.

Directors are required to exercise care and diligence in carrying out their duties, and to make judgements in good faith, and in what they believe to be in the best interests of HRSA and the harness racing industry in South Australia.

Directors are expected to serve on Board Committees. They are also expected to be willing to serve in areas where their expertise is of value in the decision making process.

Regular monthly reports are presented to Directors by Management. In addition to understanding and critically evaluating the contents of these reports, it is an obligation on Directors to enquire about any areas where they may have concerns and seek clarification until such concerns are satisfactorily resolved.

3.3 Board Meetings

The Board meets monthly or more regularly if required. Board papers are made available in advance of meetings and Directors are encouraged to seek

additional information from the Chief Executive Officer, if further clarification is needed prior to the meeting. Notwithstanding, as a rule, the appropriate place for all discussions of Board matters to take place is in the scheduled Board or Committee meetings. It is the obligation of the Chairman to ensure that Board meetings are conducted in such a way that all questions can be put and satisfactorily resolved and points of view can be discussed and documented.

4 Board Committees

The Board has established formal Committees to advise and guide the Board, and to assist in decision-making, oversight and control. Board Committee members are elected at the first Board meeting following the Annual General Meeting. Representatives of Management attend Committee meetings as required and Committees have written Terms of Reference. The minutes of all Board Committee meetings are tabled at the next Board meeting and any recommendations are considered therein.

The Board may establish further ad hoc committees as the need arises.

The Board Committees that currently exist are:

4.1 Governance Committee

The Governance Committee has the responsibility to ensure good corporate governance practices are adhered to and to monitor the respective roles of the Board and the Chief Executive Officer, including their performance in these roles. The Governance Committee will also develop and maintain succession planning, remuneration and recruitment strategies for Board and Chief Executive Officer functions, risk management and reporting practices of Harness Racing SA.

4.2 Finance Committee

The Finance Committee has the responsibility of assisting the Board in fulfilling its responsibilities relating to the accounting, auditing and statutory practices of HRSA.

4.3 Racing Committee

A Racing Committee has been established including detailed Terms of Reference which have been ratified by the Board. The general responsibilities of the Racing Committee will be the development and monitoring of strategy in relation to the optimisation of race dates, allocation of race meetings and programming of races.

5 Risk Management

The Board monitors the operational and financial performance of HRSA through regular reporting against budget and key performance measures. Policies and controls are developed and reviewed to minimise operational, financial, health and safety, and other areas of risk, and to ensure compliance with regulatory and community standards. In addition, risks are identified and managed through the audit program and by Management, and monitored by the Finance Committee. Insurance coverage of key operational risks is a necessary element of risk management. A Risk Management Register is in place and annually reviewed.

6 Business Conduct

6.1 Ethical Standards

The Board plays a key role in upholding the core values of HRSA and the harness racing industry and promoting high standards of corporate and business ethics, maintaining the highest standards of conduct and confidentiality in relation to all its dealings. These are reflected in the Board's Code of Conduct and its strict conformance to all relevant external regulations and legislation.

6.2 Conflicts of Interest

Part 2D of Corporations Law obliges Directors to disclose to the Board any actual or potential conflicts of interest. Further, in most instances, it restricts the voting rights of the affected Director in relation to matters in which there is an actual or potential conflict.

7 Communication

The Board aims to ensure Member Clubs and key stakeholders are kept informed of all developments impacting the affairs of HRSA and the harness racing industry and to provide appropriate information to assess the performance of the organisation and the industry. Information is provided in the Annual Report, regular newsletters, HRSA's website and specific letters as required when it is deemed information should be notified.

8 Corporate Social Responsibility

HRSA supports environmental initiatives in its daily activities with regard to waste management and energy conservation.

HARNESS RACING SA

CAVALLARO CONNECTION 2013

CAVALLARO CONNECTION

It would seem to most that the Cavallaro name has been in Harness Racing forever. As it happens that assumption is a fair way off the mark. There has not been generation upon generation of Cavallaro's involved with Harness racing. Neil Cavallaro was indeed the first.

Neil was born in Bendigo, Victoria. He spent his youth in and around the Echuca area with his family, which included Mum, Dad, three brothers and four sisters.

Frank Cavallaro, (one of Neil's brothers) still resides in Mildura. Frank is also involved with Harness Racing. Frank quite often brings horses to Adelaide and more often than not takes the prizemoney home with him. He is an astute trainer and has been one of the leading trainers in the Riverland for decades. Neil also trained in the Sunraysia area and was leading trainer for 5 years and leading driver for four out of the five years. He was also a regular on Mildura radio station 3MA on a segment, Let's Talk Trotting with John Groves. Brother Joe resides in Bendigo and has also had success within the industry, mainly breeding and racing his own horses. His daughter Tanya is a successful horsewoman, who also recently won the Monte at Bendigo. Joe's son Peter was a successful driver who had a very good strike rate.

Neil's father spent some time rounding up wild horses in outback Queensland. He would break them in and then sell them as riding and working horses. The Cavallaro family always had a horse or two around the place. Neil's father established a market garden business in the Murraylands area (near Echuca) and draught horses were an integral part of the business.

Neil initially worked for his father on the family market garden with his siblings at a very young age, this was recognised by the Australian Journal where Neil and brother Joe were pictured on the front page of the magazine working up the ground, one holding the scarifier and the other steering the horse.

During his teen years while Neil was working as a market gardener in Echuca with his father, he was also in charge of the draught horses that were used to plough the paddocks. This is where he gathered and developed basic horse skills, it was sure to say that Neil knew he had an innate horse sense at a very young age, he was a natural.

Somehow, Neil instinctively understood and was able to work with the most temperamental racehorses. Even though he had had little involvement with racehorses he was able to do things and control tricky horses that others had given up on.

Horse sense is something that very few people have. You can't define or explain it. Someone who has horse sense is someone who has horse sense. It can't be bought or given away. Basically, you're born with it.

A fellow named Tom Oliver resided nearby and he happened to be heavily involved with Standardbred horses. Unbeknownst to Neil, Mr. Oliver had been watching Neil handle the draught horses and he was impressed with Neil's manner, patience and resilience. He offered to show Neil the ins and outs of training Standardbreds. Neil was quick to take up the offer. He had already developed an affinity with horses and was keen to explore other equine activities.

Mr. Oliver inspired a keen young man with excellent horse sense. Neil learned the ins and outs of training Standardbreds. Neil took to Harness Racing like a duck to water. In no time at all he was preparing his own horses for the races. In no time at all he was preparing his own horses for the races. Interestingly, it was all happening for Neil at this time. He met and married a young lady named Maureen.

In 1983 Neil and Maureen purchased a 20 acre property at Angle Vale and built a track and stables. SA was steeped in Harness Racing tradition. In fact, SA was the premier state in Harness Racing in the 1960's/70's. We had the best horses, trainers, drivers and breeders. It was a lucrative business. Everyone who was anyone raced a trotting horse.

Neil's reputation for being an excellent conditioner and handler of horses had preceded him. It wasn't long before winners started rolling out of the Angle Vale stables at a great rate. Rosewood Dream underlined Neil's horsemanship when she won the first SA Oaks to be run at Globe Derby. She was a tricky horse to handle and for most, she probably wouldn't have even made it to the track, let alone win a Group One race.

Neil was one of the first people in the Trotting business to see merit in buying NZ horses. He pioneered the syndication and racing of NZ pacers here in SA. Many of Neil's best horses came from NZ. He had a close association with highly regarded horseman John Curtin. John resided in NZ and had a passion for harness racing. He sourced horses and recommended many of the horses that Neil brought to SA.

Our Minois was one such horse. She was a midget but she was topflight. She was a sit sprinter who invariably came from last with a withering run. She beat horses of the calibre of Whirley Dream on their merits in Group one races such as the West End Cup, Veterinary Surgeons Cup etc.

Our Preference and Bonamax were two other top class pacers that won Group One races for Neil. The brilliant Bonamax beat Chokin (arguably the best pacer going around in Australasia at the time) in the Gawler Derby. He also won the Italian Cup as a three year old. In fact, he was named horse of the year as a three year old. Neil was also very good with the trotters, one that comes to mind was the mare Lyn's Choice, who before coming to Neil's stable had produced two foals. She won the Cochran Cup and Heat of the Interdominion, started favourite for the Final but was knocked over at the start.

Winners continued to pour out of the Angle Vale stables of Neil Cavallaro. His children Carolyn, Paul and Angela all pitched in and helped with the day to day running of the stables.

Paul and Angela were driving trackwork every day at the Angle Vale complex. Trotting took every spare minute of their time. Before and after school, horses were the go. They would jump on babies, 2YO's and the older horses alike. They sat behind scrubbers and high class cup horses day in, day out. Needless to say their driving skills, sense of pace, timing and tactical abilities developed immeasurably.

Carolyn did not have the same passion for driving that Paul and Angela had. Her remarkable talent was handling the tricky horses. Her patience and quiet manner had a calming effect on the nervy, fiery horses.

Paul and Angela are both top flight drivers in their own right. They both represented South Australia on numerous occasions. Paul was the regular driver of SA's premier horse Conte De Cristo a few seasons ago. He won a staggering 45 races on him. Conte De Cristo was brilliant off the arm and he led more often than not. Paul was able to control the race from the front. He used his exceptional sense of pace to win race after race on Conte De Cristo.

They were an outstanding combination. There have been some wonderful partnerships over the years between horse and driver. Some notable ones include Vin Knight on Popular Alm (47 wins), Bruce Clarke on Gammalite (84 wins), Chris Lewis on Village Kid (89 wins), Natalie Rassmussen on Blacks A Fake (70 wins) and Lance Justice on Smoken Up (67 wins). Paul and Conte De Cristo would surely rank right up there amongst the best SA combinations of all time.

Neil has now scaled down his involvement in harness racing and only trains a few horses at a time. He enjoys watching his six grandchildren grow and make their way in the world. Neil never misses the opportunity to spend time with his family. A famous educationalist once said "The mark of a man is his family." In Neil's case this quote rings true. Neil has a family to be proud of and has written the first exciting chapters of the 'Cavallaro' harness racing story.

HARNESS RACING SA

2013 **financial statements**

Harness Racing SA Limited

ABN 68 094 559 930

DIRECTORS' REPORT

Principal Activities
The principal activities of the company during the financial year, in accordance with the company's constitution, were:

- to encourage, promote and conduct the sport of harness racing
- to provide industry control and direction for the harness racing industry
- to effectively market harness racing

Operating Result
The consolidated loss of the company for the financial year amounted to $255,193.

Review of Operations
A review of operations is contained in the reports by the Chairman & Chief Executive Officer within the Annual Report.

Financial Position
The net assets of the company as at 30 June 2013 are a deficit of $179,138.

Corporate Governance
Refer to the Corporate Governance Statement as contained within the Annual Report.

Significant Changes in State of Affairs
The operating loss and resultant net asset position emanated from a 12% reduction in off-course TAB turnover from the previous year, TAB Distribution revenue fell by over $700,000.

The operating budget for 2013/2014 reflects a reduction in number of race meetings and total prizemoney distribution for the year.

After Balance Date Events
No significant events have occurred after 30 June 2013.

Future Developments
The company will continue to operate in the interests of the industry and its shareholders.

Dividends
As the company has been formed as a company limited by guarantee, for the benefit of the harness racing industry in South Australia, no dividend is payable to members.

Indemnities and Insurance Premiums for Directors & Officers
During the financial year, the company paid an insurance premium in respect of a contract insuring the Directors of the company, Company Secretary, Mr John Lewis, and all Executive Officers of the company 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 Law. The contract of insurance prohibits disclosure to the nature of the liability and the amount of the premium.
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Proceedings on Behalf of Company
No person has applied for leave of the Court 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's Independence Declaration
The auditor has performed no other services during the year.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in the Audit Report.

Signed in accordance with the resolution of the Board of Directors

Mark Carey
CHAIRMAN

Chris Hartwig
DIRECTOR

Dated this 25th day of September 2013

Harness Racing SA Limited

ABN 68 094 559 930

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Harness Racing SA Ltd, we state that, in the opinion of Directors:

- The attached financial statements and notes thereto give a true and fair view of the financial position;
- The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, and comply with Accounting Standards;
- And there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Board of Directors

Mark Carey
CHAIRMAN

Chris Hartwig
DIRECTOR

Dated this 25th day of September 2013

Notes to the Financial Statements

For the financial year ended 30 June 2013

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost, and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern Basis

As at the 30 June 2013, the Company has a deficit in net current assets of $349,211
The operating loss for the year of report totals $255,193

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfied the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.
The following significant accounting policies have been adopted in the preparation and presentation of the financial report -

Accounts Payable - Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Acquisition of Assets - Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

Depreciation - Depreciation is provided on property, plant & equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

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

Motor Vehicles	4 years
Plant & Equipment	2-5 years

Employee Entitlements - Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and on-costs when it is probable that settlement will be required and when they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and on-costs, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of other employee entitlements which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Financial Instruments - Financial assets and financial liabilities are recognised when the Company becomes a party to contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Goods & Services Tax - Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- 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
- 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.

Income Tax - In accordance with Section 50 - 45 of the Income Tax assessment Act 1997, the Company is exempt from paying Income Tax.

Interest Bearing Liabilities - Debentures, bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

Recoverable Amount of Non-current Assets - Non-current assets are written down to recoverable amounts where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

Revenue Recognition (Sale of Goods and Disposal of Assets) - Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

Rendering of Services - Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Receivables - Trade receivables and other receivables are recorded at amounts due, less any provision for doubtful debts.

Significant management judgement in applying accounting policies - When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

2. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities included the following items of revenue and expenditure -

a) Revenue from Ordinary Activities	**2013 $**	**2012 $**
Rendering of Services		
TAB Distribution	5 231 550	5 945 660
Government Tax Relief	1 065 057	947 889
General	507 965	446 194
Race Field Fees (Net)	1 755 982	1 223 192
Southern Cross Series	109 049	92 499
	8 669 603	**8 655 434**
Interest Revenue		
Other Entities	5 135	25 639
Total Revenue from Ordinary Activities	**8 674 738**	**8 681 073**
b) Operating Expenditure		
Stakemonies	5 310 846	5 682 080
Racing Expenses	2 283 838	2 460 427
Southern Cross Series	233 910	255 022
Administration Expenses	967 686	962 406
Depreciation Expense	86 046	79 800
Borrowing Cost Expense	19 310	15 324
Loss on disposal of assets	0	0
Total Operating Expenses	**8 901 637**	**9 455 060**
Profit/(Loss) from Ordinary Activities	(226 898)	(773 987)
Less non-operating expenses	28 295	4 837
Net Profit/(Loss)	**(255 193)**	**(778 824)**

3. DIRECTORS' REMUNERATION

The aggregate of income paid or payable, or otherwise made available in respect of the financial year, to all Directors of the Company, directly or indirectly, by the Company or by any related party.	94 840	92 646

The Directors of HRSA Ltd during the course of the year were:

Mark Carey (Chairman)
Des Stanbury
Jo Podoliak
Chris Hartwig
John Levy
Peter Marshall

	2013 $	2012 $
4. REMUNERATION OF AUDITORS		
Auditing the Financial Report	9 200	8 500
5. CURRENT RECEIVABLES		
TAB Product Fee	345 644	372 081
Other Receivables	32 492	54 716
Total Current Receivables	**378 136**	**426 797**
6. OTHER CURRENT ASSETS		
Accrued Income	253 331	246 636
Prepayments	0	0
Total Other Current Assets	**253 331**	**246 636**
7. PROPERTY, PLANT & EQUIPMENT		
Gross Carrying Amount		
Opening Balance	712 114	427 279
Additions	45 432	284 835
Disposals		
Closing Balance	**757 546**	**712 114**
Accumulated Depreciation		
Opening Balance	418 488	338 688
Disposals		
Depreciation Expense	86 046	79 800
Closing Balance	**504 534**	**418 488**
Written down value of Property, Plant & Equipment	**253 012**	**293 626**
8. CURRENT PAYABLES AND REVENUE RECEIVED IN ADVANCE		
Trade Payables	457 626	414 928
Other Payables	119 758	69 171
Accrued Expenses	187 253	292 793
Revenue Received in Advance	14 250	15 375
Total Current Payables and Revenue Received in Advance	**778 887**	**792 267**
9. CURRENT INTEREST BEARING LIABILITIES		
Bank Overdraft	73 449	0
10. BORROWINGS		
Current		
Loan - Mobile Barrier	27 332	27 525
Non-Current		
Loan - Mobile Barrier	82 939	110 271
11. EMPLOYEE ENTITLEMENTS		
The aggregate employee entitlement liability recognised and included in the financial statements are as follows:		
Current	102 165	73 870
Number of FTE (full time equivalent) employees at end of financial year	9	9

	2013 $	2012 $
12. RETAINED PROFITS		
Balance at beginning of financial year	76 055	854 879
Net Profit/(Loss)	(255 193)	(778 824)
Balance of Retained Profits	**(179 138)**	**76 055**

13. ECONOMIC DEPENDENCY

A significant volume of the Company's revenue is derived from Tattsbet Pty Ltd, as a monthly Product Fee under the current Racing Distribution Agreement.

14. CONTRIBUTED EQUITY

HRSA Ltd is a company limited by a guarantee of $2 per member. As at 30 June 2013, the number of members was eleven (11).

15. SEGMENT INFORMATION

HRSA Ltd is the controlling body for harness racing in South Australia. The primary object for which the Company is established is for the encouragement of harness racing in SA. This includes the regulation and control of the harness racing code, and conduct of harness racing meetings within SA.

16. CAPITAL COMMITMENTS

For the 2013 financial year, HRSA has capital commitments earmarked in relation to the purchase of a mobile semaphore board and new Stewards' tower to be constructed at Globe Derby Park.

Mobile Semaphore Board	30 000
Stewards' Tower - Globe Derby Park	12 000

17. RELATED PARTY DISCLOSURES

Details of Directors' remuneration are disclosed in Note 3. Members of the Company or Board of Directors, or their relatives, may from time to time receive prizemoney for successful horses owned or trained by them. This prizemoney is paid by HRSA Ltd on the same terms and conditions as apply to any other owner or trainer.

18. FINANCIAL RISK MANAGEMENT

The main risks the company is exposed to through its financial statements are credit risk, liquidity risk and market risk consisting of interest rate risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013 $	2012 $
Financial Assets		
Cash & cash equivalents	0	117,700
Financial Investments	455	(4 771)
Total financial assets	**455**	**112 929**
Financial Liabilities		
Trade & other payables	577 385	484 099
Accrued expenses	187 253	292 793
Total financial liabilities	**764 637**	**776 892**

Financial risk management policies

The Board has overall responsibility for the establishment of the Company's financial risk management framework. This includes the development of policies covering specific areas such as credit risk, liquidity risk and market risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions of the Company's activities.

The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board. The Finance Manager has been delegated the authority for designing and implementing processes which follow the objectives and policies. The Board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below -

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company and arises principally from the Company's receivables.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which aremonitored monthly
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

Financial guarantee liabilities are treated as payable on demand since the Company has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability maturity analysis - Non-derivative

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows.

ii. Price risk

Financial Risk Management - Financial Risk - No Price Risk Exposure

19. NOTES TO THE STATEMENT OF CASH FLOWS	2013 $	2012 $
a) Reconciliation of Cash		
Cash	1 155	117 700
Bank overdraft	(73 449)	(4 771)
	(72 293)	**112 930**
b) Reconciliation of Net Profit/(Loss) to net cash flows from operating activities -		
Net Profit/(Loss)	(255 193)	(778 824)
Depreciation	86 046	79 800
Loss/(Profit) on sale of Fixed Assets	0	0
(Increase)/Decrease in Receivables	48 661	40 241
(Increase)/Decrease in Other Current Assets	(6 695)	(7 196)
Increase/(Decrease) in Payables	(13 380)	140 292
Increase/(Decrease) in Provisions	28 295	1 966
	(112 266)	**(523 721)**
c) Financing Facilities		
Bank overdraft - amount used	73 449	4 771
Bank overdraft - amount unused	176 551	245 229

20. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. The Board and management ensure that the overall risk management strategy is in line with this objective.

The Company's capital consists of financial liabilities, supported by financial assets.
Management effectively manages the Company's capital by assessing the Company's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control capital of the Company since the previous year.

21. KEY MANAGEMENT PERSONNEL	2013 $	2012 $
Key management remuneration	473 224	468 224
Long term salary benefits	42 590	42 140
Total key management remuneration	**515 814**	**510 364**

Unless otherwise disclosed, transactions between related parties (including key management personnel) are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with a non-related party at arm's length in the same circumstances.

Statement of Financial Performance

For the financial year ended 30 June 2013

	Notes	2013 $	2012 $
Revenues from Ordinary Activities			
TAB Distribution		5 231 550	5 945 660
Other Income		3 443 189	2 735 413
Total Revenues from Ordinary Activities		**8 674 738**	**8 681 073**
Operating Expenses			
Racing Expenses		7 828 595	8 397 530
Administration Expenses		1 053 732	1 042 206
Borrowing Costs		19 310	15 324
Total Operating Expenses		**8 901 637**	**9 455 060**
Net Profit/(Loss) from Ordinary Activities	2	(226 898)	(773 987)
Less Non-Operating Expenses		28 295	4 837
Net Profit/(Loss) after Non-Operating Expenses		**(255 193)**	**(778 824)**

The accompanying notes form part of these financial statements

Statement of Financial Position

As at financial year ended 30 June 2013

	Notes	2013 $	2012 $
Current Assets			
Cash		1 155	112 930
Receivables	5	378 136	426 797
Other	6	253 331	246 636
Total Current Assets		**632 622**	**786 362**
Non-current Assets			
Property, Plant & Equipment	7	253 011	293 626
Total Non-current Assets		**253 011**	**293 626**
Total Assets		**885 633**	**1 079 988**
Current Liabilities			
Payables & Revenue Received in Advance	8	778 887	792 267
Borrowings	10	27 332	27 525
Interest Bearing Liabilities	9	73 449	0
Provisions	11	102 165	73 870
Total Current Liabilities		**981 833**	**893 662**
Non-current Liabilities			
Borrowings	10	82 939	110 271
Total Non-current Liabilities		**82 939**	**110 271**
Total Liabilities		**1 064 772**	**1 003 933**
Net Assets		**(179 138)**	**76 055**
Equity			
Retain Profits/(Accumulated Losses)	12	(179 138)	76 055
Total Equity		**(179 138)**	**76 055**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the financial year ended 30 June 2013

	Retained Profits/ (Accumulated Losses) $	Total $
Balance at 1 July 2011	854,879	854,879
Loss attributable to members	(778,824)	(778,824)
Balance at 30 June 2012	76,055	76,055
Loss attributable to members	(255,193)	(255,193)
Balance at 30 June 2013	**(179,138)**	**(179,138)**

The accompanying notes form part of these financial statements

INDEPENDENT AUDITOR'S REPORT
HARNESS RACING SA LTD

Accru+
Harris Orchard

To the Directors of Harness Racing SA Ltd

Report on the Financial Report

We have audited the accompanying financial report of Harness Racing SA Ltd. This comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, 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.

Directors' Responsibility for the Financial Report

The directors of the Harness Racing SA Ltd are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001*, and is appropriate to meet the needs of the members. The directors' responsibility also includes 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Harness Racing SA Ltd on 23 September 2013, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of Harness Racing SA Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

ACCRU+ HARRIS ORCHARD

BEN WILLINGTON
PARTNER

Signed at Dulwich this 27th day of September 2013.

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Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart + Auckland

Accru Harris Orchard ABN 66 328 793 534 is an autonomous and separately accountable member of Accru and CPA Associates International Inc.

Accru+
Harris Orchard

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE BOARD OF HARNESS RACING SA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Accru Harris Orchard

ACCRU+ HARRIS ORCHARD

BEN WILLINGTON
PARTNER

Dulwich, SA
Dated: 23/9/2013

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Accru Harris Orchard ABN 66 328 793 534 is an autonomous and separately accountable member of Accru and CPA Associates International Inc.

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