HARNESS RACING SA

HARNESS RACING SA 2015

Annual Report

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)

Chairman's Report

Mark Carey

The South Australian 2014/15 racing year has been an extremely challenging year for the Code with a number of positive initiatives that has improved the Harness Racing position in South Australia and an "unforeseen" issue that took away some of the positive growth in our industry.

The Industry cannot develop and grow without increased wagering on the SA harness racing product and to make it even more challenging the industry in SA has a market share arrangement with the other two racing codes, unlike other states that have a fixed market share arrangements of TAB distribution. As a result of this, each Code's market share at the end of each financial year determines the following year's distribution of funding from the SATAB.

The Board's major focus has been to increase wagering on our product and as a result we have introduced a range of marketing initiatives to increase wagering of the SA Harness Racing. These include:-

- Fixed odds betting on all SA Harness Racing meetings.
- New wagering website (www.trotsguide.com.au) - this has also been extremely well received and includes speed maps, race fields, race trials, racing articles, and detailed form analysis for every horse in every harness race in SA. This website is now regarded as one of the most informative wagering websites in Australia.
- Programming of races to maximise wagering opportunities.
- Expanded full page colour form guide for Monday afternoon race meetings in The Advertiser
- Added support from Tattsbet in increasing pari-mutuel jackpots each week on SA Harness racing.

As a result of the positive growth in wagering initiatives on SA Harness racing the Board was for the first time in a number of years able to increase prizemoney to industry participants. In November, all penalty free races were lifted from $1,500 to $2,000 and from 1 February, 2015, country front stakes were raised from $5,400 on Saturday night to $7,000 and Friday night country front stakes were raised from $3,500 to $4,000. These increases were introduced to provide a much needed stimulus to participants with the intention to maintain and grow investments in harness racing.

The Board was, for the first time in a number of years, able to increase prizemoney to industry participants

Last year SA Harness Racing market share was 12.57%. At the end of December 2014 we were heading for a 13.5 to 14% market share at

the end of the 2014/15 financial year. However, in late January we were advised by Sky Channel that Saturday night meetings would be transferred to Sky 2.

As a result of SA Harness moving to Sky 2 dramatic drops in off course SA TAB turnover were experienced (up to 40%). In late February, to address this decline the HRSA Board shifted the main Saturday night meeting to Friday night on Sky 1 and placed the Fridays night meetings (Port Pirie and Globe Derby Park) to Saturday on Sky 2. It was considered that this move would lessen the impact on off course wagering turnover. The change whilst somewhat successful from an off course point of view, impacted on Clubs attendances and on course wagering.

Market share for the SA harness racing code at June 30 finished at 12.57% slightly above that achieved from the previous year. It is estimated that the Sky Channel decision effected HRSA's market share by 1 to 1.25% or in dollar terms a minimum of $500,000 in future income to the Code.

HRSA's contract with Sky Channel concluded on 30 June 2015 and we have negotiated a new 5 plus 5 year contract with terms that are suitable to all parties concerned, however this sets HRSA a challenge in respect to meeting certain KPI's to ensure our product remains on Sky 1.

This year saw many highlights as HRSA continued to run in conjunction with the Member Clubs excellent events during the year.

- The SAHRC Summer Carnival was run at Globe Derby Park in January 2015. Unusual heavy rain in the preceding days leading up to the event and on the morning of the meeting had a significant impact on crowds. A host of prominent interstate trainers again attend the night and the Emma Stewart trained, Gavin Lang driven pacer Guaranteed was able to win the $125,000 Tattsbet SA Cup in a race and track record mile rate of 1.54.4 – a truly outstanding feat given the weather and track conditions. The Andy Gath trained and Kate Gath driven 3YO pacer CC Chevron was successful in the Group 3 SA Pacers Derby whilst the Group 2 SA Trotter's Cup went to the Ray Goble local trained trotter Rejuvenation.
- The Southern Cross series were run at Port Pirie in August 2015. 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 throughout the year were well supported with Gawler, Port Pirie, Mt Gambier, Victor Harbor, Kapunda, Strathablyn Whyalla and Kadina

Market share for the SA harness racing code at June 30 finished at 12.68% slightly above that achieved from the previous year.

all conducting feature Cup events which were well supported and keenly contested events.

- The BOTRA Golden Nursery night was brought forward to May this year and again proved to be an outstanding night for owners of juvenile horses and all credit to the BOTRA committee who raised in excess of $50,000 in sponsorship to host the night and provide attractive and substantial prize money.
- The SA Square Trotters Carnival held in May/June provided an entertaining three day carnival series culminating with the SA Trotters Derby and the time honored Gramel Series.

From HRSA's administration point of view there were many positive achievements and outcomes during the year:

- Continued restructuring of SA harness racing dates and prize money.
- Implementation of the Integrity Report recommendations
- Increased sponsorship for the Harness Code
- Continued focus on wagering initiatives.

As reported last year, the SAHRC Committee formally advised HRSA that they were concluding the current management agreement with HRSA. HRSA had been providing a significant level of free management support to the Club in the areas of general management, finance, racing operations, sponsorship (jointly funded) and administrative support.

Since that time the HRSA Board has made a number of requests seeking financial updates and provided offers to the Club with regards to racing operations so as to guarantee racing at Globe Derby Park. Unfortunately, nothing has been provided or resolved and as such the Code is potentially at risk of losing the ability to race at Globe Derby Park if the Club is forced into administration.

It would be remiss of me not to mention the sad passing of two South Australian racing identities in Jim Hurley and Tony Lawrence.

The SAHRC committee demanded an increased meeting operation fee to which the HRSA Board has rejected (the HRSA Board sets the meeting operation fees not the Club) but has put forward other financial solutions for the Club to consider. These have all been rejected by the current SAHRC committee.

It would be remiss of me not to mention the sad passing of two South Australian racing identities in Jim Hurley and Tony Lawrence.

Jim Hurley or "Gentleman Jim" as he was affectionately known as in the industry was an accomplished trainer, driver and owner for more than 60 years. With over 1,000 winners, countless industry awards, the 1964 Inter Dominion winner Minuteman was his greatest highlight as an owner. At aged 90, Jim still held an active trainers licence and had a runner in this year's $125,000 SA Cup field. He was a true legend of the harness racing sport.

Tony Lawrence or "Tee" as he was known by most people was a passionate harness racing supporter for many years, conducting a weekly Harness Racing Show on local radio station 5RPH as well as a regular contributor to the weekly Harness Review program in Victoria on 979FM, where Tony provided a weekly report of news on South Australian harness racing. A keen punter and bookmaker over the years he also dabbled in horse ownership in what certainly was a lifetime love of the sport.

In the next 12 months we will see the SA Racing Industry finalise negotiations with UBet (Tattsbet) and the State Government with respect to the exclusivity arrangements for TAB to operate in this State. This is a one off opportunity to increase financial support to the Racing Industry in this State. The "clawback" in which the industry received upfront funding following the sale of the TAB in 2000 with the amount to be repaid over the next 15 years, finally concludes at the end of the 2015/16 financial year. This will result in additional funding (around $400,000) to be added to Harness Racing annual income.

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. 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, Chris Hartwig, John Levy, Peter Marshall, Roland Roccioletti and Des Stanbury, 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 UBet Group (formally Tattsbet), 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.

MARK CAREY
Chairman

Directors

Mark Carey Assoc Dip Business MAICD
Chairman
Director Nominated by SACHRCA
Commenced 9 May 2012

Des Stanbury
Director
Director Nominated by SAHRC
Commenced 1 October 2007

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

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

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

Roland Roccioletti MAICD, ESCI
Director
Independent Director (Marketing)
Commenced 1 October 2014

CEO's Report

John Lewis

I am pleased to make the following report in regards to the 2014/15 financial year.

NEW SKY RACING BROADCASTING AGREEMENT

Following several months of detailed negotiations which commenced in early January 2015, HRSA secured a new broadcasting agreement with Sky Racing for harness racing in South Australia. Unlike the previous agreement where any race meeting could be placed on Sky 2, the new agreement guarantees specific coverage on Sky 1 for at least 80% of all race meetings including all Mondays, all Friday Nights and a minimum of 26 Saturday Nights. Currently we have Sky 1 coverage on around 68% of all race meetings, with the risk of even more race meetings being relegated to Sky 2. There are also a number of Key Performance Indicators (KPIs) that we must also meet regarding minimum race numbers, field sizes and running races on time (latency). If we exceed these KPIs, there is the possibility of having more race meetings on Sky 1 on Saturday nights. In summary, this long term agreement with Sky Racing provides certainty and specific guarantees regarding Sky 1 coverage.

OPERATING PROFIT

For the second consecutive year, HRSA posted an operating profit. The operating profit was enhanced by the significant growth in revenue from race field fees which are paid by corporate bookmakers and interstate wagering operators. The code's financial performance enabled a prizemoney increase of $300K per annum which commenced in February 2015. The Board continued to adopt a number of key fundamentals in relation to our finances including low level administrative costs.

MARKET SHARE

For the second consecutive year, the market share for harness racing in South Australia increased, albeit modestly, to a rate of 12.68%,. This was an increase of 0.11% on the previous year (12.57%) and was achieved despite the decision by Sky Racing to relegate Saturday night race meetings to Sky 2 for the second half of the financial year.

PRIZEMONEY

HRSA allocated total prizemoney of $4.87 million for the 2014/15 financial year. HRSA's ongoing commitment to maximise prizemoney has been reinforced by the Board adopting a policy that prizemoney as a percentage of TAB revenue must be in the range of 80-85%. Harness racing continues to have the highest percentage return of all racing codes.

HRSA secured a new broadcasting agreement with Sky Racing

On 1 February 2015 HRSA formally announced a prizemoney increase of $300,000 per annum.

The increase provided a much needed stimulus to local participants with the intention to maintain and grow

their investment in harness racing. It was also a direct consequence of the HRSA Board's strategic initiatives put in place 12 months ago which has resulted in an improved financial performance and increased market share.

RACE MEETINGS ALLOCATION

HRSA approved 175 race meetings in the 2014/15 financial year. Race meetings were allocated to seven venues across South Australia as follows:

- Globe Derby Park (including Gawler Cup) – 122 race meetings;
- Pt Pirie (including Kadina Cup) – 29 race meetings;
- Mt Gambier – 13 race meetings;
- Kapunda – 4 race meetings;
- Victor Harbor – 3 race meetings; Strathalbyn – 2 race meetings;
- Whyalla – 2 race meetings.

INTEGRITY AND ANIMAL WELFARE

In the past 12 months, there have been a number of significant changes in the area of integrity and animal welfare. In early July 2014, the HRSA Board was the first racing authority in South Australia to formally approve the introduction of a prohibition threshold for the substance Cobalt to prevent its potential use as an equine performance enhancer in South Australian harness racing. In addition, cobalt represents a potential threat to the welfare of horses.

Under the leadership of our Chair of Stewards, we also instituted significant improvements in racing integrity and animal welfare including improvements to pre and post-race swabbing, stewards raceday observations and stable inspections, increased enforcement of the rules of racing including penalties and mandatory drug and alcohol awareness programs and the appointment of an Animal Welfare Officer.

In relation to staffing, we farewelled Rodney Foureur, Daryl Southgate and Tony Beirne from the stewards panel and welcomed Barbara Scott (Chair of Stewards) Chris Jasprizza (Steward) and Aron Quinton (Cadet Steward).

SA hosted the inaugural Australian Drivers Championship in October

AUSTRALIAN DRIVERS CHAMPIONSHIP

One of the racing highlights of the year was SA hosting of the inaugural Australian Drivers Championship on Saturday 18 October 2014. Leading Queensland reinsman, Pete McMullen was crowned the winner, which featured Australia's best drivers competing over six races for the title. McMullen won the championship by 4 points over Western Australian ace, Gary Hall Junior, with Tasmanian young gun Gareth Rattray finishing third on a countback from SA's David Harding and Chris Alford from Victoria. Each of the races were fiercely contested, with exquisite driving skills displayed by all Drivers on the night.

The final standings in the series were as follows:

1.	Pete McMullen (QLD)	57 points
2.	Gary Hall Jnr (WA)	53 points
3.	Gareth Rattray (TAS)	52 points
4.	Chris Alford (VIC)	52 points
5.	David Harding (SA)	52 points
6.	Blake Fitzpatrick (NSW)	45 points
7.	Greg Sugars (VIC)	45 points
8.	Ryan Hryhorec (SA)	43 points
9.	Chris Voak (WA)	38 points
10.	Amanda Turnbull (NSW)	38 points
11.	Mathew Neilson (QLD)	32 points
12.	Ricky Duggan (TAS)	17 points.

UBET LAUNCHED

The official launch of UBet was announced in Sydney on Wednesday 29 April 2015. Formally known as Tattsbet or the SATAB, the rebranding to UBet was a strategic and deliberative focus to 'take on' the corporate bookmakers and grow wagering under this new banner. A major benefit for UBet account holders is the free live streaming of all harness racing on Sky 1 and 2. From HRSA's perspective, since the appointment of Robbie Cooke as the Managing Director of the TattsGroup around two years ago, we have seen a much stronger focus on wagering including the introduction of fixed odds betting, improved form guides and a closer working relationship with the racing codes. Therefore the new re-branding to Ubet can only be only be positive news for harness racing in SA. It is also important to remember that money wagered locally through UBet will deliver a much higher financial return to the racing industry than money wagered through corporate bookmakers and interstate wagering operators.

STAFFING

After nearly four years in the role we farewelled our Racing Operations Manager, Peter Smith. Peter served in a variety of positions in racing over his career and made an outstanding contribution to harness racing and racing generally in South Australia. David Thuen was subsequently promoted to the role of HRSA Racing Operations Manager. We also farewelled long time HRSA employees, Rodney Foureur and Valerie Haydon. Both Rodney and Valerie made very important contributions to harness racing in South Australia. We also appointed Sue Gilbert as the Racing Administration Officer in September 2014 and Peter Lawrence as the Racing Operations Officer in April 2015.

EXTENDED FOR GUIDE ON MONDAYS

Following a successful trial period from October 2014 to January 2015, the HRSA Board approved the continuation of the extended form guide in The Advertiser on Mondays. Since the commencement of the form guide the extended form guide received widespread praise, and resulted in a significant increase in off course wagering on Monday race meetings. The form guide featured a modern one page colour format, comprehensive form analysis, speed maps for every race, tips from four harness racing experts, and driver and trainers premiership tables. The full page form guide concluded on 30 June 2015, with UBET revising its daily form guide in a new format.

REGIONAL INDUSTRY FORUMS

HRSA conducted industry forums in Mt Gambier on 4 August 2014 and Pt Pirie on 8 October 2014. We commenced the industry forums three years ago, and they have enabled our industry participants to be briefed on a range of industry matters, and importantly providing them with the opportunity to raise issues of concern for their respective regions. HRSA Directors and Management were present at both forums, and their were strong attendances by industry participants. A number of the key racing issues from each of the meetings were referred to the Racing Committee and the HRSA Board for consideration.

HRSA BOARD APPOINTMENTS

Following the recommendation of the Special Industry Committee, the HRSA Board re-appointed John Levy (Law) to the Board and also appointed Roland Roccioletti (Marketing) on 1 October 2014 for a three year term. Mr Levy has been a HRSA Director since 2011, and is a highly experienced and prominent Legal Practitioner. He is the Principal of JL Lawyers and is also a Board Member of the West Adelaide Football Club. He was also the Chairman of Greyhound Racing SA from 2006 to 2008.

Mr Roccioletti is the Managing Director of Future Proof Advisory and Strategic HR, and is also an experienced company director, He is the Chairman of Fox Creek Wines, and is also a Director with WEA South Australia and Young Adelaide Voices. Mr Roccioletti replaces Joanne Podoliak who has decided to retire from the Board due to ongoing business commitments.

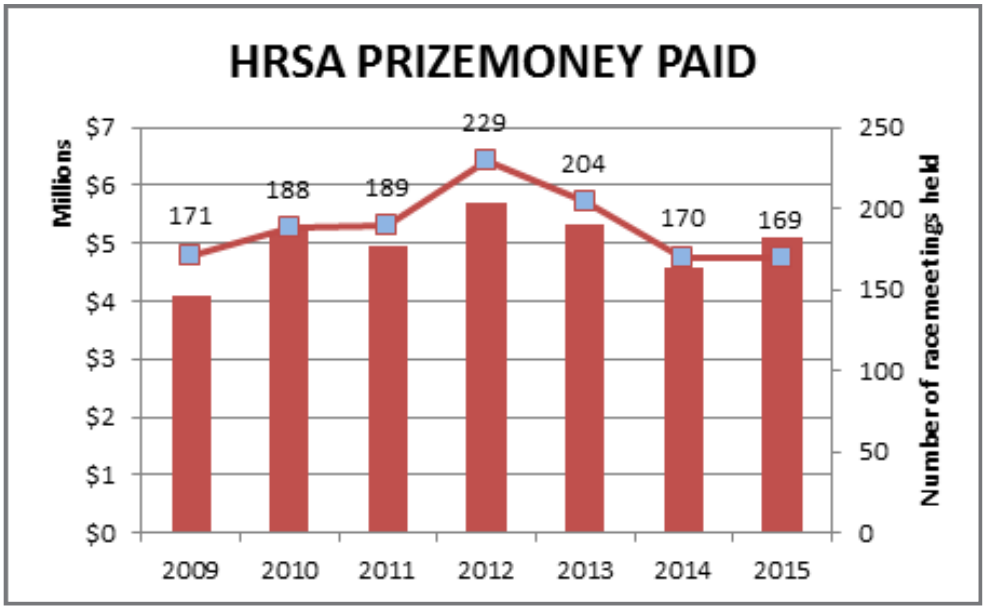
JOHN LEWIS BA LLB JP
Chief Executive Officer

Finance Manager's Report

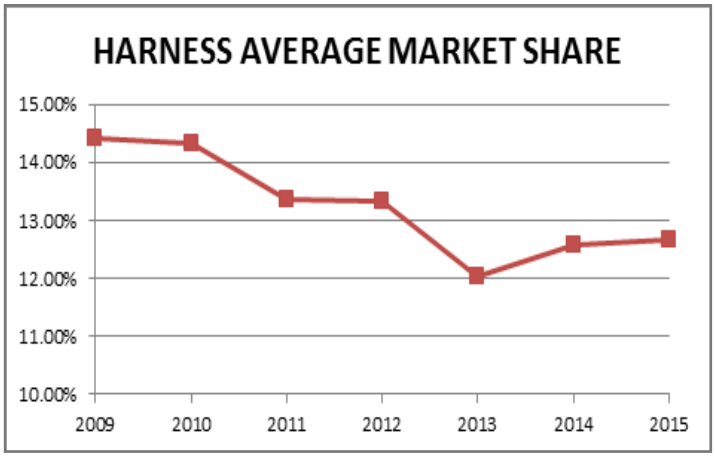
Oliver Bott

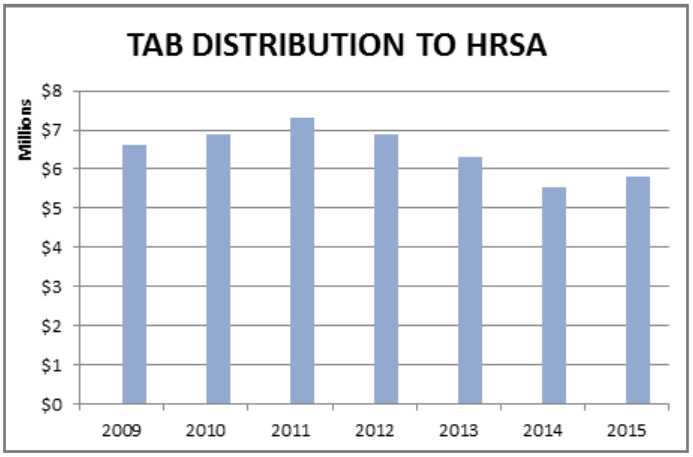
The 2014/2015 financial year concluded with a small operating surplus and minor improvement in market share, despite the challenges that were encountered during the course of the year.

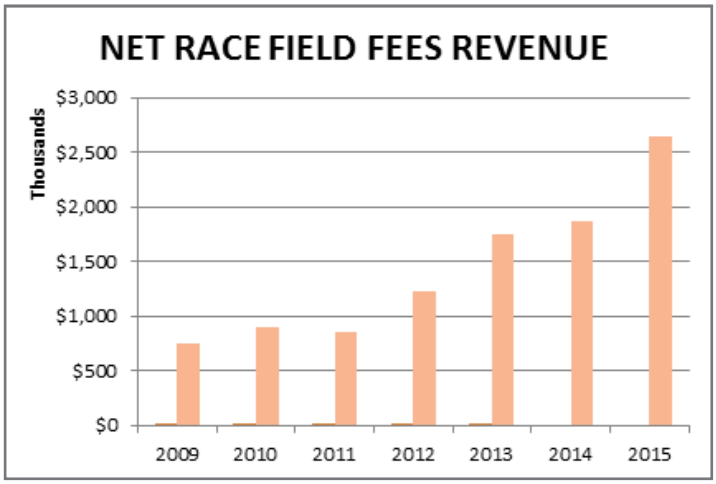
TAB turnover on SA harness race meetings increased by 5% on the previous year, resulting in a final market share of 12.68%, an increase of 0.11%. This was achieved despite conducting one less race meeting during the course of the year.

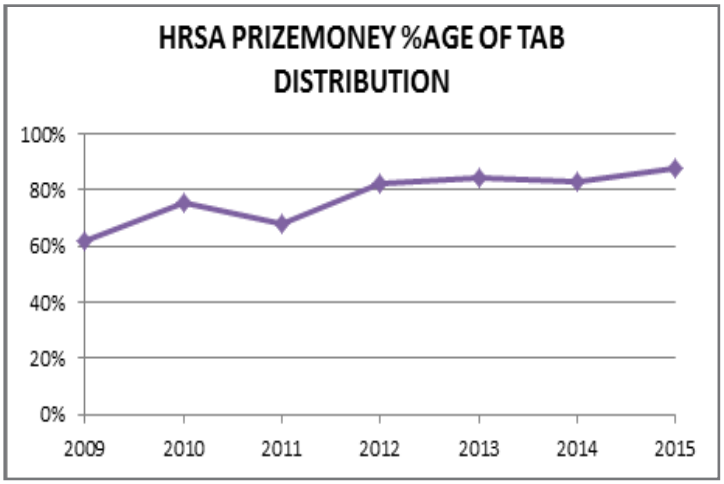


Net revenue from betting operations contributions (race field fees) increased by over 40%, following an increase in the gross proceeds rate to 15%, and floor rate of 1.5% of turnover.





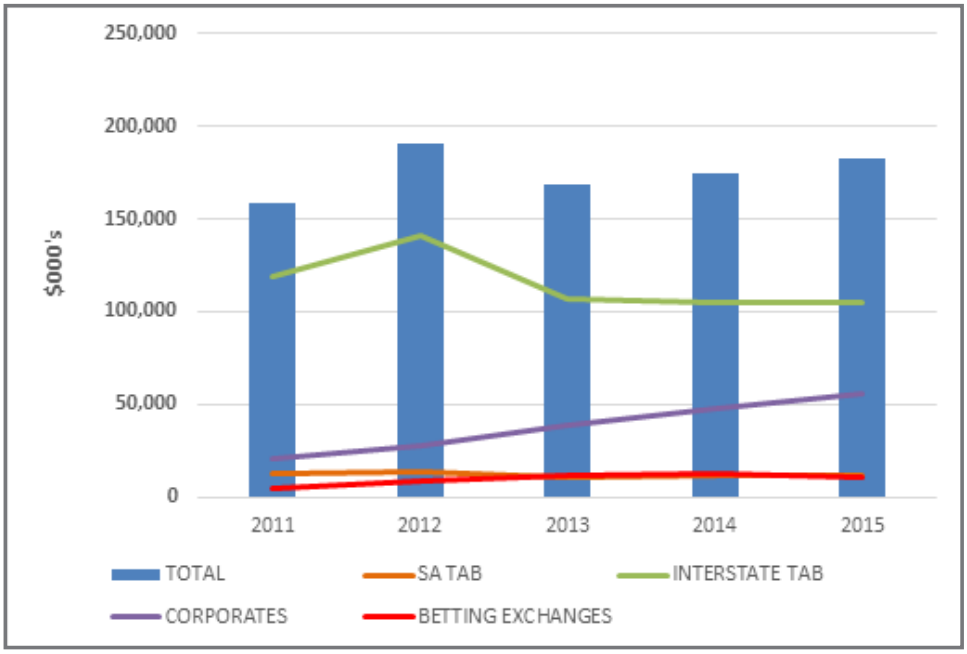




Prizemoney paid increased to over $5 million for the financial year, representing 88% of TAB distribution, the highest ratio in many years. This uplift was assisted by the announcement of a prizemoney increase on 1 February 2015.

Administration and racing expenditure was maintained within operating parameters.

HARNESS WAGERING TURNOVER ON SA PRODUCT BY OPERATOR



$000's	2011	2012	2013	2014	2015
TOTAL	158,020	190,675	168,063	174,925	182,842
SA TAB	12,933	13,871	10,415	11,065	11,626
INTERSTATE TAB	119,199	141,297	107,023	104,375	104,683
CORPORATES	20,922	27,480	38,893	47,383	55,546
BETTING EXCHANGES	4,966	8,027	11,732	12,102	10,987

I wish to thank the Board of HRSA and Chief Executive Officer John Lewis, for their on-going support throughout the year, as well as the assistance of Kathryn Nicolai in the Finance Department.

OLIVER BOTT FIPA MBA FAIM CPMgr JP
Finance Manager

RACING
QUEENSLAND
NSW

Stewarding & Integrity

Barbara Scott, Chair of Stewards

It was a busy year, with HRSA Stewards implementing new strategies to increase and strengthen integrity in harness racing in the state. These strategies will contribute to a level playing field for all participants.

There has been a change in personnel in the Stewards Department. Rodney Foureur and Darryl Southgate left HRSA and Chris Jasprizza was appointed, together with cadet Aron Quinton.

INTEGRITY

There are a number of Australian Harness Racing Rules (AHRR) which ensure a horse is presented to race free of prohibited substances. A 'one clear day' injection rule was introduced, strengthening the requirement that horses race on equal terms and ensuring a level playing field. In support of these rules, Stewards conducted a number of raceday observations and stable inspections.

HRSA Stewards became members of the International Racing Intelligence Information Service (IRIIS). This database gives Stewards and investigators a tool to research the latest information regarding illicit substances and share that information with other racing jurisdictions around the world. The fight against prohibited substances is international in scope therefore collaboration is imperative.

Stewards developed contacts and established a working relationship with all betting agencies. This has meant betting information on races under investigation has been provided in a timely manner, together with details of bets placed by licenced persons. The AHRR prohibit a driver from betting in a race in which they compete.

Stewards have increased and varied their testing for prohibited substances including conducting Out of Competition Testing, swabbing non-winners, post race total carbon dioxide (TCO2) testing and pre-race swabbing. In addition Racing Analytical Services Ltd (RASL) purchased a machine to test both blood and urine samples for cobalt and other trace metals. Previously selected urine swabs were sent to laboratories in Perth, Sydney or Hong Kong for analysis of cobalt, which caused delays in receiving results. This new machine means all urine swabs will now be tested for cobalt and other metals at the same time as routine screening for other substances. Authorities are currently working on establishing a cobalt threshold in plasma.

There were a number of positive samples during the racing season for various prohibited substances including methamphetamine, cobalt, dexamethasone, arsenic and TCO2.

An Official Trials Policy was introduced to ensure the integrity of the trial system for the benefit of the wagering public who rely on trial form. Stewards also increased their presence at trials and trackwork to ensure compliance with the AHRR and policies.

LICENCED PERSONS

There were several policies introduced that directly relate to licenced persons. These are the Drug & Alcohol Policy and the Code of Conduct and Dress Regulations policy. The Drug & Alcohol policy was introduced to communicate to licenced persons the standards required when responsible for the control of horses and to ensure all licenced people operate in a safe work environment. The purchase of an alcohol breath analyser and random urine testing of licenced persons supported that policy.

In addition mandatory Drug & Alcohol Awareness sessions were conducted for licenced drivers. These sessions focused on the dangers and effects of drugs and alcohol and were conducted to educate and support our participants.

Mandatory Drug & Alcohol Awareness sessions were conducted for licenced drivers

The Code of Conduct policy set out the standards of behaviour and presentation expected of licenced persons in the South Australian harness racing industry. Unacceptable conduct is detrimental to the image of harness racing and is not tolerated. Similarly, the appearance of licenced persons conveys an image of the sport and Dress Regulations ensure a positive image is conveyed.

ANIMAL WELFARE

There were a number of animal welfare policies introduced to ensure our horses are fit and healthy to race. In addition, Steward Chris Jasprizza was appointed as the Animal Welfare Officer. This role ensures HRSA upholds the welfare of Standardbred horses as a primary consideration in all activities, as well as reviewing and implementing policies that protect the welfare of horses. HRSA also formed a partnership with Chapel Lodge, a not for profit charity, which re-educates and re-homes retired Standardbreds for pleasure riding.

RACING

A sprint lane was implemented at Mount Gambier for the start of their 2014 racing season. It proved immediately successful with the first winner of the season using the sprint lane to win. Trotters races were regularly programmed and well supported at Mount Gambier in the season.

Globe Derby hosted the Australian Drivers Championship in October which saw twelve drivers (two nominated from each State) compete for the title of National Driving Champion, accumulating points across the six race series. This group of elite drivers represented the absolute 'cream' of Australian drivers, with David Harding and Ryan Hryhorec representing South Australia. David finished equal fourth with Chris Alford (VIC) and Gareth Rattray (TAS) and Ryan finished eighth. The series winner was Pete McMullen from Queensland.

From January 2015 Globe Derby raced with seven runners across the front row for both mobile and stands. This brought Globe Derby in line with other main tracks across Australia and gives an additional runner the option to progress forward at the start.

The Stewards have worked closely with John Rothe Productions to ensure race results and race replays are published on the website straight after the race. Communication from the Stewards to the public is crucial and apart from race results and replays, information is disseminated via the HRSA Twitter account and HRSA website, in particular the Steward & Integrity page of that website. The Steward & Integrity page contains information on non-raceday inquiries, post-race information, individual sectional times and follow up reports on horses' performances.

SWABS

There were 1227 swabs taken from horses during the season. Of these:

- 777 were pre-race
- 450 were post race

FINES

There were 99 fines imposed. Of these:

- 16% were for whip related offences
- Fines totalled $24,500

SUSPENSIONS

There were 78 suspensions imposed. Of these:

- 61 were for driving related offences.

DISQUALIFICATIONS

There were eight disqualifications. These were:

1. Under Rule 250(1) drug of abuse
2. Under Rule 231(2) misconduct
3. Under Rule 193(3) raceday treatment
4. Under Rule 194 obtain a substance that has not been registered, prescribed or labelled
5. Under Rule 190(1), (2) & (4) presenting a horse to race not free of a prohibited substance
6. Under Rule 231(1) threaten, abuse & assault
7. Under Rule 190(1), (2) & (4) presenting a horse to race not free of a prohibited substance
8. Under Rule 231(1) threaten, abuse & assault and Rule 243 conduct detrimental to the industry.

APPEALS

There were seventeen appeals lodged with 2 yet to be heard and awaiting an appeal date.

Of the fifteen appeals set down for hearing by the Racing Appeals Tribunal:

- 11 were dismissed. Of those, 6 had the penalty varied.
- 1 was upheld
- 3 were withdrawn

BARBARA SCOTT
Chair of Stewards

Racing Operations

David Thuen, Racing Operations Manager

The 2014-15 racing season was a successful season, however many challenges were presented to the Racing Office over this period. The task of producing even fields with large numbers to stimulate increased turnover is a constant battle, given the decline in the horse population in this state in recent years. Compounding the situation this year was the decision by Sky Racing to broadcast the majority of our Saturday Night Meetings on Sky Racing 2 during the latter part of the season.

Despite these challenges we saw a further increase to our market share this season, conducting 171 race meetings during the 2014-15 racing season. All of these meetings received TAB & Sky Racing coverage.

I would like to acknowledge the efforts of my predecessor Peter Smith, who had planned a large portion of the racing season prior to his departure at the end of September 2014. I would like to thank Sue Gilbert & Peter Lawrence for their assistance in the racing office, as well as Kathryn Nicolai and Leanne Galgey for the support they have provided to the Racing Office.

A number of policies were introduced during the season in an attempt to achieve this result and to improve the standard of racing in South Australia. One such policy was the reintroduction of 7 runners across the front row and an increase from 10 to 11 runners in mobile start events at Globe Derby Park. Also emergencies were reintroduced to all races in South Australia, where required. Both of these policies were introduced in an attempt to bolster field sizes and increase turnover.

The Board of HRSA approved an increase to stakemoney during the season, which saw a lift from $5,400 to $7,000 & $3,500 to $4,000 respectively for the two Country Penalty levels. This on top of non-penalty racing being lifted from $1,500 to $2,000 was a significant boost to the industry and a further attempt to increase field sizes.

Juvenile Racing is vital to the future of our industry and once again 2 & 3 year olds raced for $8,000 at metropolitan meetings, the highest base level for any class of horse in South Australia. Without these young horses coming through the system, our future race stocks would surely decline. There is a review underway on the current Southern Cross Racing & Breeding Incentive Scheme, further proof to the fact that we are constantly attempting to improve juvenile racing.

During the year HRSA transferred a number of the metropolitan meetings which were scheduled for Saturday Night to Friday Night. This was due to the decision by Sky Racing to demote a number of the Saturday Meetings from Sky 1 to Sky 2. HRSA made this decision to ensure that our main meeting of the week was being viewed by the largest audience possible, which is on Sky 1. This in turn meant that Port Pirie raced on a number of occasions this season on a Saturday Night. As From July, HRSA made the decision to revert back to racing at Globe Derby Park every Saturday Night. This decision was made after consulting with Sky Racing, as HRSA was advised that if

our race field numbers & field sizes improved on a Saturday Night we would stand a greater chance of being reinstated to the Sky 1 circuit on Saturday's. Given the largest pool of horses is in the area surrounding Globe Derby it was felt that racing at Globe Derby Park on a Saturday would give the Racing Office the best opportunity to attract the largest field sizes.

HRSA will continue to work closely with Sky Racing and liaise with them on a regular basis. It is vital for the future of this industry that we can return to having the majority of our race meetings covered on Sky Racing 1. This requires the support of the entire South Australian Harness Racing industry.

Finally, I wish to thank The Board of HRSA & Chief Executive Officer, John Lewis for firstly giving me the opportunity in the role of Racing Operations Manager and secondly for their continued support throughout the season.

RACING

South Australia's premier race on the calendar, the 2015 Tattsbet South Australian Pacing Cup was held on January 10. After the success of the race in 2014 it was agreed upon to once again hold the race over the shorter 2230m distance and use a group preferential barrier draw system. An exciting race saw Guaranteed, trained by Emma Stewart & driven by Gavin Lang prevail in track record time over Flaming Flutter who was trained & driven by former South Australians Geoff Webster & Greg Sugars respectively. Third position was filled by the South Australian owned mare Steam Washed.

Guaranteed wins the 2015 SA Cup in track record time

Also on this night the SA BOTRA South Australian Pacers Derby was won by C C Chevron, trained by Andy Gath & driven by former South Australian Kate Gath, whilst the Tattsbet South Australian Trotters Cup was won by local horse Rejuvenation, trained by Ray Goble & driven by Ryan Hryhorec.

SKY RACING SOUTHERN CROSS RACING SERIES

The Sky Racing Southern Cross Series was once again a major highlight of the season. The Finals were held for the first time at Port Pirie on Saturday August 1. Congratulations must go to the Committee of the Port Pirie Harness Racing Club for hosting this event at such short notice. The night provided exciting racing and the Club should be proud of their achievement.

Winners for 2015 were:

- 2YO Fillies – Rocknroll Magic, trained by Emma Stewart, driven by Mark Billinger.
- 2YO Colts & Geldings – Rap Artist, trained & driven by Mark Billinger.
- 3YO Fillies – Lovelist, trained by Emma Stewart, driven by Mark Billinger.
- 3YO Colts & Geldings – Hez The One, trained by Rebecca East, driven by Dani Hill.

SA BOTRA GOLDEN NURSERY

SA BOTRA once again combined with HRSA to conduct the 2YO Golden Nursery series. A total 127 horses made the one off payment to be eligible for the series. Heats were conducted on Friday May 22, culminating in Finals held on Friday May 29. Due to the contributions of both BOTRA & HRSA, both Finals were increased to $33,500. In total prizemoney of over $120,000 was offered on the night, making it the states third highest meeting of the year. The winners were Hilltop Sophia (fillies) and The Big Show (colts & geldings).

COUNTRY CUPS

Country Clubs continue to play a vital role in the industry with the highlight of each country club being the running of their individual Cup meetings, supported by HRSA. Mount Gambier, Victor Harbor, Kapunda, Whyalla & Port Pirie all hosted their own Cup meetings, with Port Pirie also hosting the Kadina Cup & Globe Derby Park hosting both the Gawler & Strathalbyn Cup's.

SQUARE TROTTERS

Trotters played an integral role in the 2014-15 racing season, highlighted by Gramel Night on May 9. Five races were held on the night for square gaiters, with all ages & classes of trotter catered for. The Gramel Final

itself was won by Chuck Wagon, trained by Jill Neilson & driven by Wayne Hill. Other features on the night were: The Legends Final-won by Framework Salute, The Trotters Derby-won by Amarula NZ & the 2yo Parker Classic-won by Cruisin Around.

The other major series for Trotters for the season was the Country Trotters Cups Series, culminating in the Fred Jones Country Trotters Cup Final on March 13 at Globe Derby Park. Horses qualified for this race by competing in various Country Trotters Cups around the State. The Final was won by Me An Kel NZ, trained by Luke O'Neill and driven by David Harding.

YOUNG DRIVERS

The Australasian Young Drivers Championships were held in New Zealand this season during the month of May. Harness Racing SA selected Jake Webster to represent South Australia. This was the second occasion that Jake had been selected, previously representing the state in 2011. Jake performed admirably, finishing with a third & 3 fourths.

Michael A Smith took out the SA Leading Young Driver Award. Michael drove 47 winners for the year (45 in SA).

South Australia runs an annual series of races for Young & Concession Drivers. The SA Young/Concession Drivers Challenge commenced in January. This season there were more opportunities for these drivers, with 10 races being held up until the end of the season. The winner of the series in 2015 was Josh Holberton. This was a great result for Josh, in just his first season of driving. This series continues to be vital for the growth of our up & coming drivers, with plans to extend the series even further in the 2015/16 season.

DRIVERS INVITATION SERIES

The 2014/15 Season saw the creation of The Australian Driving Championship Series. After heavy lobbying, South Australia was awarded the rights to host the inaugural series. The series was held on Saturday October 18 and comprised of two leading drivers from each of the six States of Australia, competing in a six race series. The night was a great success, with Queenslander Pete McMullen taking honours on the night. This event will be hosted by Tasmania in the 2015/16 season, with hopes that it will return to South Australia in the 2016/17 season.

The Reinswomen's Challenge meeting in 2015 was held on February 21, which coincided with the running of the 2015 SA Oaks & Mares Heroine. The Challenge featured leading female drivers from each State, including Western Australia for the first time. Victory in the Series went to South Australia's Gina Bell.

Port Pirie conducted its annual Drivers Invitation Series on Saturday June 20. Once again the club were able to attract a strong line up of drivers, including the eventual winner Anthony Butt, along with Lance Justice, Michael Bellman, Kate Gath & Lisa Miles from Victoria. These drivers pitted their skills against local drivers Mark Billinger, Ryan Hryhorec, Scott Ewen, Wayne Hill, Leah Harvey & Bradley Sims.

PREMIERSHIP WINNERS

Congratulations to the winners of SA Premierships for 2014-15

State Driver: David Harding
State Trainer: Ryan Hryhorec
Female Driver: Dani Hill
Female Trainer: Dani Hill
Young Driver: Michael A Smith
State Horse: Purple Royale

DAVID THUEN
Racing Operations Manager

COUNTRY CUP WINNERS

Victor Harbor	Onedin Hustler NZ	Trained by Lance Holberton, driven by Mark Billinger.
Whyalla	On The Razzle NZ;	Trained by Les Harding, driven by David Harding
Mount Gambier	Magical Bazz	Trained & driven by Jim Barker.
Kapunda	Land Of Panaarm	Trained by Rebecca Geurds, driven by Gina Bell
Gawler @ Globe Derby	Chilli Palmer NZ;	Trained by Amanda Grieve, driven by Alex Ashwood.
Kadina @ Port Pirie	The Smiler NZ	Trained & driven by Scott Ewen
Port Pirie	Big Gorilla	Trained & driven by Ryan Hryhorec.
Strathalbyn @ Globe Derby	Some Kinda Tactics NZ	Trained by Jonathan Kingston-Mayne, driven by Mark Billinger.

Racing Appeals Tribunal

Denis Edmunds, APM, Registrar, Racing Appeals Tribunal
ACTIVITIES OF THE TRIBUNAL FOR PERIOD 01/07/2014 TO 30/06/2015

RESULTS OF APPEALS HEARD 1 JULY 2014 TO 30 JUNE 2015		TRSA	HRSA	GRSA
Allowed in Full (Conviction quashed)	3	2	1	Nil
Allowed in Part (Penalty varied)	10	2	8	Nil
Dismissed	6	3	3	Nil
Referred back to Stewards	Nil	Nil	Nil	Nil
Appeal by Stewards	Nil	Nil	Nil	Nil
TOTAL	19	7	12	0

CODE	CARRIED OVER FROM 13/14	APPEALS LODGED	WITHDRAWN	HEARD	DAYS	HOURS	TO BE HEARD AS AT 1 JULY 2016
TRSA	2	8	3	6	7	18	1
HRSA	4	15	4	13	15	27	2
GRSA	1	0	1	0	Nil	Nil	0
TOTAL	7	23	8	19	22	45	3

CHARGES ARISING FROM ALL APPEALS LODGED	TRSA	HRSA	GRSA
Present a horse/dog to race when not free of Prohibited Substance	Nil	4	Nil
Riding/Driving offences	7	9	Nil
Rider/driver/trainer conduct offences	3	2	Nil
Possession of/have Drug of Abuse in body	Nil	5	Nil
Fail to Comply with Order/Direction of Stewards	Nil	Nil	Nil
TOTAL	10	20	Nil

Reports from the Associations

SQUARE TROTTERS ASSOCIATION (STA)

Gladly, the opportunities for Trotters in South Australia improved once again in season 2014/15 with our Association working closely with HRSA to maximize our exposure. There were more races for Juvenile trotters throughout the season and overall stakemoney was at its highest for Trotters.

The highlights for the year, as per normal, were the SA Trotters Cup, SA Country Trotters Cups & Fred Jones Country Trotters Cup, 2yo & 3yo Juvenile Classics and of course our Annual SA Trotters Carnival incorporating the Gramel Series.

The season was particularly successful for the highly talented Trotter Rejuvenation, trained by specialist trotting trainer Ray Goble and driven by Ryan Hryhorec. He was successful in 2 out of the 4 highest stakemoney trotting races for the season – being the $30,000 SA Trotters Cup and the Gawler Hambeltonian. The Luke O'Neill trained Me & Kel continued his consistency taking out the Fred Jones Country Trotters Cup while Chuck Wagon took out the prestigious Gramel Series this season for trainer Jill Neilson and driver Wayne Hill.

Changes were made to the format of the SA Trotters Carnival this year – there were no heats of the Gramel, and the final night of the Carnival catered for every class of Trotter including the 2yo's. The two main Juvenile Classics went to interstate visitors with Crusin Around taking out the 2yo Parker and Amarula winning the 3yo Trotters Derby for 2015. We would have liked more interstate participation over the Carnival, but unfortunately 14 interstate trotters withdrew after close of nominations and before acceptances, but it is always difficult to compete with major trotting races interstate. Moving forward, hopefully we can enhance the Carnival even further and entice the interstaters to cross the border to strengthen the caliber of Trotter.

Overall we were happy with what our Association achieved over the season but we are always working on ways to enhance the image and opportunities for the Trotter in SA. Lets hope season 2015/16 is bigger and better.

A reminder that Membership fees are now due to be eligible for Annual Awards and we also encourage anyone interested in contributing to the future of the Trotter in SA to volunteer their time and any ideas they may have by contacting our Association.

SOUTH AUSTRALIAN REINSWOMEN ASSOCIATION (SARA)

Firstly, it is important to acknowledge and thank members who continue to support SARA every year by renewing their membership and to welcome the new members for the 2014/15 season. It is with your support that SARA is able to encourage female participation in harness racing and to support harness racing in general.

Our main night of the season was the Reinswomen's Challenge held on 21st February 2015. The competing interstate drivers were, Lola Weideman, Natalie Emery, Lauren Jones, Lisa Miles, Ellen Tormey, Amy Day and our local reinswomen, representing South Australia were, Dani Hill, Leah Harvey, Angela Chapman and Gina Bell. It was Gina who took out the honours. It was great to have one of our own as the overall winner and it was a very special achievement for Gina who just missed out the year before. Gina received a $200 Hyland voucher and the winning horse of each Challenge race received a rug from SARA. We extend our gratitude to all the drivers who took time out of their busy schedules to participate in the night and to HRSA for their organisation and support of the Challenge.

The SARA Life Member's Pace was held on Sunday, 5th April. The life members are Sandra Hutchinson, Josie Justice and Isabel Squire. The trophies were provided by the life members and the rug and $500 extra stake money was provided by SARA. This season's winner was Lisa Ryan, driving Giddy Up for David Smith in a time of 1:59. Thank you to the owners and trainers for nominating their horses with female drivers to support the race.

Our award winners for this season were:

- Metropolitan Driver and Trainer: Dani Hill
- State Trainer: Dani Hill
- Second State Trainer: Jill Neilson
- Third State Trainer: Leah Harvey
- State Driver: Dani Hill
- Second State Driver: Lisa Ryan
- Third State Driver: Gina Bell

Dani Hill has continued to dominate the SARA awards and we congratulate her on finishing 3rd on the Leading State Driver Premiership table and 5th on the Leading State Trainer Premiership table. We also congratulate Lisa Ryan finishing as 10th overall state driver and Jill Neilson finishing 10th overall state trainer.

We look forward to another successful season.

SA PONY TROTS ASSOCIATION (SA PONIES)

Our season commenced in October where we had 20 drivers competing from the age of 6 to 16 years. Mount Gambier had a further 9 drivers.

This season the ponies raced at Kapunda 3 times and once at Victor Harbor also at the Gawler meeting held at Globe Derby Park. The country clubs always make the young drivers and their families feel very welcome.

During the season every Saturday Morning 5RPH Harness Racing Show (1197 am) gave the results from the previous Saturday night. Also each month BOTRA included stories and photos in their magazine.

During March Acacia Hryhorec represented South Australia at the NSW Pony Inter Dominion held at Menangle, although she didn't win she did South Australian Pony Trots proud.

During our pony season South Australia was invited to send a driver to New Zealand to represent our State in Pony Racing. Our representative was Kaela Hryhorec, who did South Australia proud by finishing equal third but was placed fourth on a count back.

Our Presentation Day was on Sunday, 26th April 2015 held in the Jubilee Room at Globe Derby Park. There was a good attendance of around 125 guests including members, families, friends and sponsors who attended a BBQ luncheon, with the meat kindly donated by Max Peake and Specialty Foods.

A big thank you goes out to the people who helped on the day.

These young drivers are the future of Harness Racing.

SA BREEDERS, OWNERS, TRAINERS & REINSPERSON ASSOCIATION (SA BOTRA)

BOTRA remains on an upward spiral. BOTRA has worked tirelessly over the course of the last five years and continues to work extremely hard. The 2014/15 season has been no exception.
In the 2014/15 season BOTRA's input and contributions to the industry have been many. Our flagship race (BOTRA Golden Nursery Stakes for 2YO Fillies and 2YO colts and Geldings) was again the highlight of the year, followed closely by another record breaking Xmas In July, Battler's Night x2, monthly bonuses, sponsorship of the acclaimed Harness On Radio Show hosted by a panel headed up by Ray Fewings, the ever popular BOTRA BBQs, the BOTRA Magazine, the Spider Fund, the new and used gear sale, refurbishment of the horse ambulance, then Yearling and All Aged Sale.

Ray Holberton and Lois Randall have spent many, many hours in discussions with HRSA listening to and responding to initiatives and ideas that could enhance our industry. They have worked tirelessly to ensure the best possible outcomes for our participants are achieved.

BOTRA has also developed a valuable working relationship with the Globe Derby Club and we hope to continue and consolidate this association in the upcoming seasons.

Our industry is varied and complex. There are a whole range of variables which may or may not be out of our control. The road ahead will be mostly smooth, but it will not be without its fair share of potholes along the way. They will threaten the profitability and marketability of our industry. We must tread carefully but at the same time plan our future and create opportunities for participants in the sport. No-one is going to hand Harness racing a silver spoon. The future is up to us.

The Golden Nursery Stakes race night was successful again this season.

The BOTRA membership is very healthy. It is great to see more and more participants joining BOTRA. That in itself is a key indicator. It is proof positive that BOTRA is well respected by the people who own the industry – owners, trainers, breeders and drivers.

BOTRA organized and conducted a yearling sale in 2015 that also included an all aged sale. The groundwork was undertaken by a select committee headed up by Lois Randall and Gary Newton. It was all hands on deck for the BOTRA team at the sales. Things went quite well and hopefully this initial sale will be the forerunner of bigger and better sales to come.

Our guest speaker at our Xmas In July was SA's own favourite son, Bruce McAveny. He was brilliant. He is a class act and was well received by the record number of people who attended. The BOTRA team all contributed to the Xmas In July function. It was another great day.

The stallion auction went very well. The studs who supported the event are to be congratulated. There were some outstanding stallions on offer. Most were snapped up by prominent SA breeders who obviously know a bargain when they see one.
Mr. Jim Jacques compered the Xmas In July function as only he can, once again.

On behalf of BOTRA I would like to publicly thank Jim for his wonderful contribution. Xmas In July is a fantastic day.

The used gear sale was huge. It was all hands on deck for the BOTRA team at the sale.

Also too, on behalf of BOTRA I would like to acknowledge HRSA for their "open door" policy. BOTRA is more than happy to continue its positive working relationship with HRSA into the new season and beyond.

Finally, I would like to acknowledge the BOTRA team. They are a terrific group of like-minded people who give their time and efforts to do what they can for the industry participants. A special mention to Bev Davison and Jac Bartlett who do a lot of work behind the scene.

BOTRA worked tirelessly in the season of 2014/15 and got what it deserved again:- another excellent year.

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 30 September 2015.

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 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

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

carrying out their duties, and to make judgments 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.

Directors' Report

HARNESS RACING SA LIMITED
ABN 68 094 559 930

PRINCIPAL ACTIVITES

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 profit of the company for the financial year amounted to $22,463.

REVIEW OF OPERATIONS

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

CORPORATE GOVERNANCE

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the company are to be reported, other than increases in revenue and increases in returns to participants through stakemoney uplifts.

AFTER BALANCE DATE EVENTS

No significant events have occurred after 30 June 2015.

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, except as otherwise disclosed in the financial statements.

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 30th day of September 2015

NOTES TO THE FINANCIAL STATEMENTS

As at financial year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial statements of Harness Racing S.A. Limited ("Company") are a general purpose financial report, that have been prepared in accordance with Australian Accounting Standards- Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Directors have determined that Harness Racing S.A. Limited is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards- Reduced Disclosure Requirements) as set out in MSB 1053 Application of Tiers of Australian Accounting Standards because it is a private sector entity that does not have public accountability.

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

Going Concern

Notwithstanding the deficiency of net assets, the financial statements have been prepared on a going concern basis.

The Directors have given consideration to the position of the company and have formed the opinion that it is appropriate to prepare the financial statements in accordance with the going concern concept.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements and have been consistently applied unless otherwise stated:

(a) Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(b) Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Impairment of Assets

At the end of each reporting period the entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(d) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(e) Trade Receivables

Trade receivables are recognised at amounts due less an allowance for uncollectable amounts. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence that the company will not be able to collect all amounts due according to the original terms.

(g) Investments and Other Financial Assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the entity commits to purchase or sells the asset. Accounting policies for each category of investment and other financial assets subsequent to initial recognition are set out below.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Impairment losses are measured as the difference between the investment's carrying amount and the present value of the estimated future cash flows. The cash flows are discounted at the investment's original effective interest rate. Impairment losses are recognised in profit or loss.

Available for sale financial assets
Available-for sale financial assets are non derivative financial assets that are either not capable of being classified into other categories of financial assets, due to their nature, of they are designated as such by management. They comprise investment in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Such assets are subsequently measured at fair value.

Reversals of impairment losses on equity instruments classified as availablefor-sale cannot be reversed through profit or loss. Reversals of impairment losses on debt instruments classified as availablefor-sale can be reversed through profit or Joss where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in profit or loss.

The fair value of quoted investments is determined by reference to Securities Exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(h) Fair Values
Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price for financial assets is the current bid price and the quoted market price.

Due to their short term nature, the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

(i) Property, Plant and Equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to the present values '1n determining the recoverable amounts.

Depreciation is calculated 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 Jives are used in the calculation of depreciation;
Motor Vehicles 4 years
Plant & equipment 2 5 years

(j) Leases
Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(k) Trade and Other Payables
Trade and other payables represent liabilities for goods and services provided to the entity prior to the end of the reporting period and which were unpaid at the end of the reporting period. These amounts are unsecured and have 30-60 day payment terms.

(l) Interest Bearing Liabilities
Debentures, bank loans & other loans are recorded at an amount equal to the net proceeds received. Interest expense in 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.

(m) Employee Benefits
Wages, Salaries and Annual Leave
Liabilities for wages and salaries (including non-momentary benefits) and annual leave are recognised in respect of the employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Long Service Leave
Liabilities for long service leave are recognised as part of the provision for employee benefits and are measured at the present value of expected future payments to be made in respect of the services provided by employees to the end of the reporting period. Long service leave accrues from 7 years of service.

(n) GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The amount of GST payable to the taxation authority is included as part of payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates, judgements and assumptions

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

3. SUBSEQUENT EVENTS

There have been no events after balance date that would have a significant effect on the financial statements .

4. PROFIT FROM ORDINARY ACTIVITIES

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

a) Revenue from Ordinary Activities	2015 $	2014 $
Rendering of Services		
TAB Distribution	4 817 145	4 594 177
Government Tax Relief	970 063	932 470
General	483 017	552 956
Race Field Fees (Net)	2 646 708	1 871 219
Southern Cross Series	120 557	150 706
	9 037 490	8 101 528
Interest Revenue		
Other Entities	4 395	1 441
Total Revenue from Ordinary Activities	**9 041 885**	**8 102 969**
b) Operating Expenditure		
Stakemonies	5 090 768	4 589 216
Racing Expenses	2 177 485	2 114 561
Southern Cross Series	260 990	220 730
Administration Expenses	1 174 433	977 198
Depreciation Expense	76 289	80 917
Borrowing Cost Expense	18 372	18 879

	2015	2014
	$	$
Loss on disposal of assets	3 043	285
Total Operating Expenses	8 801 380	8 001 786
Profiti(Loss) from Ordinary Activities	240 505	101 182
Less non-operating expenses	18 042	13 636
Less transfer to Provisions	200 000	0
Net Profit/(Loss)	22 463	87 547

5. 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.	92 500	92 500

The Directors of HRSA Ltd during the course of the year were:
Mark Carey (Chairman)
Des Stanbury
Joanne Podoliak (until 30 September 2014)
Roland Roccioletti (from 1 October 2014)
Chris Hartwig
John Levy
Peter Marshall

6. REMUNERATION OF AUDITORS

Auditing the Financial Report	9 880	9 500
Other	6 751	0

7. CURRENT RECEIVABLES

TAB Product Fee	321 342	280 721
Other Receivables	35 846	26 049
Total Current Receivables	357 189	306 770

8. OTHER CURRENT ASSETS

Accrued Income	337 606	329 957
Prepayments	15 677	0
Total Other Current Assets	353 284	329 957

9. PROPERTY, PLANT & EQUIPMENT

Gross Carrying Amount		
Opening Balance	743 271	757 546
Additions	37 204	106 538
Disposals	(36 899)	(120 813)
Closing Balance	743 576	743 271
Accumulated Depreciation		

	2015	2014
	$	$
Opening Balance	475 647	504 534
Disposals	(30 125)	(109 804)
Depreciation Expense	76 289	80 917
Closing Balance	521 811	475 647
Written down value of Property, Plant & Equipment	**221 765**	**267 624**

10. PAYABLES AND REVENUE RECEIVED IN ADVANCE

Current		
Trade Payables	156 268	363 989
Other Payables	94 659	133 386
Accrued Expenses	189 968	160 080
Revenue Received in Advance	5 000	0
Total Current Payables and Revenue Received in Advance	**445 895**	**657 455**
Non-Current		
Accrued Expenses	46 943	0
Total Non-Current Payables and Revenue Received in Advance	**46 943**	**0**

11. INTEREST BEARING LIABILITIES

Current		
Bank Overdraft	207 031	131 794
Hire Purchase Liability	8 437	3 404
	215 467	135 198
Non-Current		
Hire Purchase Liability	35 099	20 432

12. BORROWINGS

Current		
Loan- Mobile Barrier	0	32 529
Non-Current		
Loan - Mobile Barrier	0	47 820

13. PROVISIONS

Provision for Future Marketing Expenses	200 000	0
Employee Entitlements The aggregate employee entitlement liability recognised and included in the financial statements are as follows:		
Current	43 425	61 403
Non-Current	16 175	4 3458
Total Provisions	**259 600**	**104 861**

14. RETAINED PROFITS	2015 $	2014 $
Balance at beginning of financial year	(91 592)	(179 139)
Net Profit/(Loss)	22 463	87 547
Balance of Retained Profits	(69 129)	(91 592)

15. ECONOMIC DEPENDENCY

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

16. CONTRIBUTED EQUITY

HRSA Ltd is a company limited by a guarantee of $2 per member. As at 30 June 2015, the number of members was eleven (11).

17. 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.

18. CAPITAL COMMITMENTS

As at the date of report, HRSA has no capital commitments earmarked for the 2016 financial year.

19. 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 f1me 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.

20. 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:

	2015 $	2014 $
Financial Assets		
Cash & cash equivalents	0	0
Financial Investments	938	1 651
Total financial assets	**938**	**1 651**
Financial Liabilities		
Trade & other payables	250 927	497 375
Accured expenses	189 968	160 080
Total financial liabilities	**440 894**	**657 455**

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 are monitored 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 cash flows.

(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

21. NOTES TO THE STATEMENT OF CASH FLOWS	2015 $	2014 $
a) Reconciliation of Cash		
Cash	1 638	2 352
Bank overdraft	(207 031)	(131 794)
	(205 392)	(129 442)
b) Reconciliation of Net Profit/(Loss) to net cash flows		
from operating activities -		
Net ProfiU(Loss)	22 463	87 547
Depreciation	76 289	80 917
Loss/(Profit) on sate of Fixed Assets	3 043	285
(Increase)/Decrease in Receivables	(50 419)	71 366
(Increase)/Decrease in Other Current Assets	(23 327)	(76 626)
Increase/(Decrease) in Payables	(164 617)	(121 433)
Increase/(Decrease) in Provisions	182 022	2 696
	45 455	44 752
c) Financing Facilities		
Bank overdraft- amount used	207 031	131 794
Bank overdraft- amount unused	42 969	118 206

22. 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.

23. KEY MANAGEMENT PERSONNEL	2015 $	2014 $
Key management remuneration	498 796	480 919
Long term salary benefit	32 242	28 631
Total key management remuneration	531 038	509 550

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.

24. PROVISIONS & CONTINGENT LIABILITIES

	2015
	$
The Board of Harness Racing SA have identified an amount earmarked towards marketing initiatives for the following year of report.	200 000

SA Mare Owners' Scheme (SAMOS)

Harness Racing SA Ltd provides incentives to the owners of winning mares in the form of certificates, which entitle the owner to a discount to a contribution on service fees incurred at participating studs.
Where the liability arising from the issue of these certificates can be reasonably estimated, a provision has been included in these financial statements.

A contingent liability exists, however, in relation to other certificates where a future obligation arises, which cannot be measured with sufficient reliability to enable a provision to be made.

As at 30 June 2015, 984 SAMOS certificates had been issued, of which 190 had been redeemed.

STATEMENT OF FINANCIAL PERFORMANCE
For the financial year ended 30 June 2015

		2015	2014
	Notes	$	$
Revenues from Ordinary Activities			
TAB Distribution		4 817 145	4 594 177
Other Income		4 224 740	3 508 792
Total Revenues from Ordinary Activities		**9 041 885**	**8 102 969**
Operating Expenses			
Racing Expenses		7 529 243	6 924 507
Administration Expenses		1 253 765	1 058 400
Borrowing Costs		**18 372**	**18 879**
Total Operating Expenses		**8 801 380**	**8 001 786**
Net Profit/(Loss) from Ordinary Activities	4	**240 505**	**101 183**
less Non-Operating Expenses		18 042	13 636
less Transfer to Provisions		200 000	0
Net Profit/(Loss) after Non-Operating Expenses		**22 463**	**87 547**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
As at financial year ended 30 June 2015

		2015	2014
Current Assets	**Notes**	**$**	**$**
Cash		1 638	2 351
Receivables	7	357 189	306 770
Other	8	353 284	329 957
Total Current Assets		**712 111**	**639 078**
Non-current Assets			
Property, Plant & Equipment	9	221 765	267 624
Total Non-current Assets		**221 765**	**267 624**
Total Assets		**933 876**	**906 702**
Current Liabilities			
Payables & Revenue Received in Advance	10	445 895	657 455
Borrowings	12	0	32 529
Interest Bearing Liabilities	11	215 467	135198
Provisions	13	243 425	61 403
Total Current Liabilities		**904 788**	**886 585**
Non-current Liabilities			
Payables & Revenue Received in Advance	10	46 943	0
Provisions	13	16 175	43 457
Borrowings	12	0	47 820
Interest Bearing Liabilities	11	35 099	20 432
Total Non-current Liabilities		**98 217**	**111 709**
Total Liabilities		**1 003 005**	**998 294**
Net Assets		**(69 129)**	**(91 592)**
Equity			
Retain Profits/(Accumulated Losses)	14	(69 129)	(91 592)
Total Equity		**(69 129)**	**(91 592)**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2015

	Retained Profits/ (Accumulated Losses) $	Total $
Balance at 1July 2013	(179 139)	(179 139)
Profit attributable to members	87 547	87 547
Balance at 30 June 2014	(91 592)	(91 592)
Profit attributable to members	22 463	22 463
Balance at 30 June 2015	(69 129)	(69 129)

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2015

	Notes	2015 $	2014 $
Cash Receipts from Operating Activities			
Receipts in the course of operations		8 987 071	8 172 894
Payments in the course of operations		(8 946 012)	(8 129 583)
Interest received		4 396	1 442
Net cash provided by/(used in) Operating Activities	21{b)	45 455	44 753
Cash Flows from Investing Activities			
Payment for Plant & Equipment		(37 205)	(106 538)
Proceeds from sale Plant & Equipment		3 732	10 724
Net cash provided by/(used in) Investing Activities		(33 473)	(95 814)
Cash Flows from Financing Activities			
Proceeds from borrowings		24 743	23 836
Repayment of borrowings		(112 675)	(29 923)
Repayment of interest bearing liabilities		0	0
Net cash provided by/(used in) Financing Activities		(87 932)	(6 087)
Net increase/(decrease) in Cash held		(75 950)	(57 149)
Cash at beginning of financial year		(129 442)	(72 293)
Cash at end of financial year	21(a)	(205 392)	(129 442)

The accompanying notes form part of these financial statements

Directors' Declaration

HARNESS RACING SA LIMITED
ABN 68 094 559 930

In accordance with a resolution of the Directors of Harness Racing SA Ltd, the Directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
   (a) Comply with Australian Accounting Standards- Reduced Disclosure Requirements; and
   (b) Give a true and fair view of the financial position of the Company as at 301h June 2015 and its performance
   for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that Harness Racing SA Limited will be able to pay its
   debts as and when they become due and payable.

Mark Carey
CHAIRMAN

Chris Hartwig
DIRECTOR

Dated this 30th day of September 2015

MC
Chartered Accountants
Working with you, for you

Chartered Accountants

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UNLEY BC SA 5061

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AUDIT SERVICES

INDEPENDENT AUDIT REPORT TO THE DIRECTORS OF

HARNESS RACING S.A. LIMITED

Report on the Financial Report

We have audited the financial statements of Harness Racing S.A. Limited, ("the Company") for the year ended 30th June, 2015 consisting of:-

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to and forming part of the financial statements

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board. These Auditing 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 judgment, 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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* and Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Harness Racing S.A. Limited is in accordance with the *Corporations Act 2001* including:-

i. giving a true and fair view of the Company's financial position as at the 30th June, 2015 and of its performance for the year ended on that date;

ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

Dated this 12th day of October, 2015

BARRIE M. MANSOM
Principal of the firm of
MC, *Chartered Accountants*

Level 1, Suite 5,
102 Greenhill Road,
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AUDIT SERVICES

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AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF HARNESS RACING S.A LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30th June, 2015 there has not been any:-

1. Contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

2. Contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 12th day of October, 2015

BARRIE M. MANSOM
Principal of the firm of
MC, *Chartered Accountants*

Level 1, 102 Greenhill Road,
UNLEY. S. A. 5061

Harness Racing SA
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Globe Derby Park SA 5110