HARNESS RACING SA

ANNUAL REPORT 2014

HARNESS RACING SA

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Chairman's Report

The South Australian 2013/14 racing year has been a successful year for the Code with a number of initiatives that has improved the Harness Racing position in South Australia. Notwithstanding this comment there are still many issues which threaten the well-being and future of our industry.

Harness Racing in SA conducted 170 meetings throughout the year down from 204 the previous year due mainly to the decision to withdraw racing on Tuesday nights. During the year HRSA paid out $4.590m in stake money maintaining prize money levels paid out the previous year. HRSA's market share of pari-mutuel wagering had declined to 12.02% in 2013 – the lowest level since the industry was corporatized in 2000. I am pleased to advise that despite the reduction of race meetings we have been able to increase our market share to 12.57% arresting the spiraling downward trend. This is the first time in five years that market share has improved on the previous year.

The Board's 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 including fixed odds betting, a new wagering website and increasing support from Tattsbet in increasing pari-mutuel jackpots each week on SA Harness racing.

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

- The SAHRC Summer Carnival was run at Globe Derby Park in January 2014 and again attracted a wonderful crowd (5,500) and a host of prominent interstate trainers. In what was described as one of the best races seen this season Australia wide, the Andy Gath trained, Kate Gath driven pacer Caribbean Blaster was able to down the crowd favourite in Smoken Up to win the $125,000 Betezy SA Cup. Smoken Up was brave in defeat beaten less than a head and was attempting to become the first horse in SA Cup history to win five SA Cups having equaling the feat of four Cup wins achieved by Gammalite back in the early1980's.
- The Southern Cross series was revised and revamped this year with changes to the format and structure. $8,000 Heats, $12,000 Semi-finals and $60,000 Finals for two and three year olds for each sex were run at Globe Derby Park in the June, July, August period. . For the first time the decision was made to run the Southern Cross Finals on a on Sunday afternoon and this prove extremely popular attracting an excellent crowd. The Southern Cross Series provide SA owners and breeders the opportunity to share in significant prize money for the two and three year olds that are eligible for the Series and continues to be an important foundation for SA racing.
- The Country Cups throughout the year were well supported with Gawler, Port Pirie, Mt Gambier, Victor Harbor, Whyalla, Strathablyn and Kadina 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
- Revamped Southern Cross Series
- Expansion of the SAMOS Breeding scheme
- SA Harness Racing wagering initiatives

The Code's mission is to grow a strong and vibrant harness racing industry by developing a compelling racing product for our target markets, increasing participation, promoting racing excellence and integrity, generating revenue growth from wagering, and maximising returns to its stakeholders.

The next 12 to 18 months will see the SA Racing Industry begin negotiations with 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 three codes are closely working together to negotiate the best outcome for the SA Racing Industry.

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

I would like to acknowledge and thank the following:

- Fellow Directors Joanne Podoliak, John Levy, Chris Hartwig, Peter Marshall 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 Tatt's Group, Sky Channel, Harness Racing Australia as well as the numerous communities in which we conduct racing in South Australia.

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

MARK CAREY
Chairman

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

		Board meetings attended	Maximum possible to attend
Mark Carey	Director	11	11
Chris Hartwig	Director	8	11
John Levy	Director	10	11
Peter Marshall	Director	11	11
Joanne Podoliak	Director	11	11
Des Stanbury	Director	11	11

Board of Directors

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

Mr Des Stanbury
Director nominated by SAHRC
Commenced 1 October 2007

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

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

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

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

HRSA Board Committees

HRSA Committees

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

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

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

HRSA Advisory Committees

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

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

HARNESS RACING SA

CEO'S REPORT 2014

Chief Executive Officer's Report

The past 12 months proved to be a successful year for the code in a number of areas. This result was due to a range of factors including a solid financial result, and the implementation of a number of strategic wagering initiatives. The racing industry across Australia is competing fiercely for both the wagering and leisure dollar, and therefore our achievements over the last 12 months, particularly in wagering growth are extremely positive, and reverses the general trend nationally.

We also enjoyed some excellent racing throughout the year including the SA Cup Meeting on 11 January, which again featured a wonderful crowd with strong fields and terrific racing. This was typified by the 2014 SA Cup which was won by Carribean Blaster in a great finish, just holding off the champion, Smoken Up. With the bold decision to change the race conditions including reducing the race distance to 2230 metres, we had a very strong betting race, a quality field with great depth, and culminating in a superb finish. Our country venues also produced some excellent racing during the year including Pt Pirie, Mt Gambier, Victor Harbor, Strathalbyn, Kapunda and Whyalla. The Gawler HRC also had another very successful race meeting at Globe Derby Park.

Improved Financial Position

For the first time in several years, HRSA posted an operating profit of $87K. When you consider that the previous year's loss was $250K, this represented an improvement of around $340K which was an excellent result. In addition, the Board have adopted a number of key fundamentals in relation to our finances including that administrative costs continue to remain at a low level (compared to standard business practices), and that prizemoney maintains around the current percentage level of TAB revenue.

Wagering Initiatives Drive Market Share Increase

For the first time in five years, the market share as at 30 June 2014 for harness racing in South Australia increased to 12.57%, which is an increase of 0.55% on the previous year (12.02%). This reversed the general trend over many years where the harness racing market share had been in decline.

This was an excellent result and is due to a number of factors including the implementation of a number of wagering initiatives including:

- Fixed odds wagering – this has been extremely popular since its introduction in March 2014, and now accounts for around 40% of total local harness turnover with the TAB.
- New wagering website (www.trotsguide.com.au) - this has also been extremely well received and includes speedmaps, 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; and
- New wagering booklet - which is being distributed to selected Pubtab outlets across Adelaide, and ultimately will be 'rolled out' to selected Pubtabs and TAB agencies in regional South Australia.

Race Trials on Wagering Website

Another important wagering initiative announced by the Board was the video taping of all Trials at Globe Derby Park commencing in July 2014. By providing this information, this will be another important initiative to assist in stimulating wagering growth on harness racing in SA.

Fixed Price Wagering

Following considerable lobbying by HRSA, Tattsbet commenced offering a fixed price wagering service on all South Australian harness race meetings from 23 March 2014. This was one of the most positive and significant announcements for harness racing in South Australia for many years. The commencement of fixed price wagering in all harness race meetings in South Australia is a key aspect of attracting more punters to wager through Tattsbet, which ultimately provides an increased financial return back to the Code. This decision followed considerable lobbying by HRSA, which culminated in a meeting with the CEO of Tattsbet, Robbie Cooke. At that meeting, we 'put forward the case' regarding the importance of fixed odds wagering and other initiatives to increase wagering on harness racing in SA.

Race Meetings and Prizemoney

HRSA have allocated 175 race meetings in the 2014/15 financial year and total prizemoney allocation of $4.87 million, which is an increase of $250,000 on the previous year ($4.62m). In real terms we have maintained prizemoney at its current level, as the Southern Cross Finals are being held in the next financial year. Additionally, the prizemoney allocation for the next financial year is at 85% of TAB revenue, which once again reinforces that harness racing has the highest percentage return of all racing codes in South Australia.

Historic Appointment - New Chair of Stewards

In early 2014, we formally farewelled our Chairman of Stewards, Steve Mulcay, who returned to New Zealand to take up a new position as a Steward with the Racing Integrity Unit. Following a very detailed and thorough process undertaken by the selection panel, we appointed Barbara Scott as the new Chair of Stewards for South Australian Harness Racing. This was also an historic appointment, as it was first time in Australian racing history that a woman has been appointed to the position of Chair of Stewards with a racing code.

Ms Scott commenced as a Trainee Steward in regional NSW in 2006, and had been employed as a Steward with HRNSW for the past eight years. In that time she chaired over 150 race meetings across NSW including 60 race meetings at Menangle Paceway, the principal metropolitan harness racing venue in Sydney. She had also officiated at some of the biggest racing events in Australasian harness racing including the 2013 and 2014 Inter Dominions and the Miracle Mile.

Integrity Report – Actions Implemented

In last year's Annual Report, we stated that an independent review of integrity operations in SA Harness Racing was conducted by the former SAJC Chairman of Stewards Mr Tom Hayles. A number of actions have been implemented over the past 12 months including:

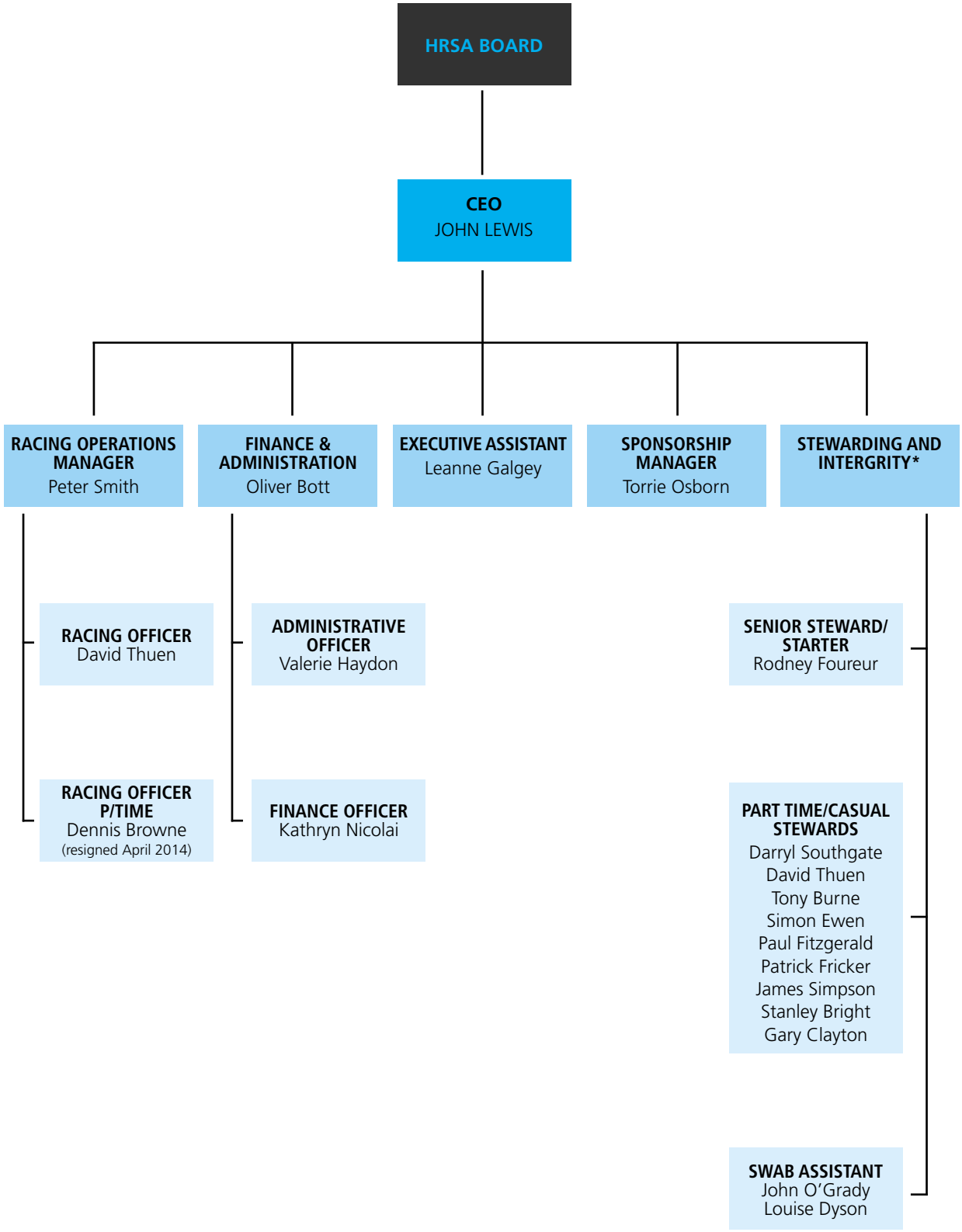
- the re-location of the Chairman of Stewards Tower at Globe Derby Park (GDP) from an unsuitable raceday location in the BOTRA room to a new Stewards Tower which was erected adjacent to the main track;
- Stricter controls and increased supervision in the stalls area at GDP;
- The introduction of new checking in procedures for horses arriving on course, as well as new processes of communication between stewards and gate staff.
- Improvements in the area of swabbing.
- Introduction of an additional camera and equipment at Mount Gambier which has improved their ability to control the meeting.
- Upgrading of the communication system used by stewards.
- Increased information and resources for Stewards relating to wagering intelligence reports and wagering trend.

Outsourcing of SAHRC Management Services Concluded

In March 2014, 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. The SAHRC appointed a new part time interim General Manager, who commenced on 17 March, and assumed responsibility for all Club operations at the venue.

JOHN LEWIS BA LLB JP
Chief Executive Officer

Organisational Chart



* Stephen Mulcay, Chairman of Stewards resigned 16th May 2014
* Barbara Scott, Chair of Stewards commenced 17th July 2014

HARNESS RACING SA

SUMMER CARNIVAL 2014

Summer Carnival 2014

The 2014 Summer Carnival kicked off on 4th January with a solid nine race program. Feature races for that night included the $10,000 Cape Devine/Just Wrecking Toyota's St Leger for 3 year olds and the $10,000 Tattsbet Summer Carnival Free for All, a traditional lead up race to the $125,000 Betezy Pacing Cup for the open class performers.

The SA owned *Adam Cartwright* was set as short priced favourite in the St Leger for local driver Jock Dunlop but he encountered gear problems and galloped in the run before finishing at the back of the field.

This changed the race dramatically with the eventual winner being the Kevin Brough trained *Paua Fella* who faced the breeze throughout before drawing away in the run to the finish to score an easy 13.90 metre win at the massive odds of $37. Mildura visit *That's Rite* battled on strongly to fill 2nd with the best of local horses, the Ryan Hryhorec trained *Glenferrie Affair* finishing in 3rd place after charging out and finding the lead.

This was a second leg of double for Brough and leading driver Matthew Craven who combined earlier in the night with the well supported *Four Starzz Fella* for long time owners of the stable who previously raced open grade pacer *In the Queue* with plenty of success.

The Free for All saw in form Mildura visitor *Timeless Era* sent out as favourite from the Boris Devcic stable with his form this season excellent including a win in the $10,000 Italian Cup back in November.

Despite the wide gate driver David Harding worked to the breeze mid race and he proved too strong in the run to the finish scoring a solid 4.6 metre victor over *Lark Rise* who was an honest effort in 2nd place with the early leader Mark Dennis battling away strongly in 3rd place.

The Summer Carnival Monte (saddle ridden trotters race) was taken out by Victorian *Lysenko* for the Chris Lang Jnr/ Taley Toulmin combination with this duo backing up their excellent recent form in these events throughout Victoria and South Australia.

On the 11th January, Globe Derby took centre stage as it conducted its most anticipated feature night of the season with the highlight being the Group 1 Betezy.com.au SA Cup for the open class performers.

The Group 3 SEW Eurodrive SA Derby was somewhat of an upset with the astute Kevin Brough/Matthew Craven combination taking the prize with tough 3 yo *Paua Fella*.

With the race favourite VC Manoeuvre galloping after the start and losing all chance, Craven wasted no time sending *Paua Fella* to the breeze before he outstayed his rivals in the run to the line scoring a 1.9 metre win over locally owned *Major Crocker* with *Gowan Brae* a distant 3rd.

Another feature for the night was for the trotters with a field of 12 lining up in the $30,000 Tattsbet Trotters Cup over the 2645 metre journey. The hot favourite was the Geoff Webster trained *Mister Zion* who although had the back mark of 30 metres to overcome was sent out at $18.0 favourite by punters.

In what was the grandstand it was the Emma Hamblin trained *Trappers Puzzle* who charged along the sprint lane to grab victory right on the line over the Brent Lilley trained *Zedalite* who ran a brave race after attempting to lead throughout with *Mister Zion* only a half neck away in 3rd place.

But the big race of the night, the race that 6000+ people came to see was the SA Cup.

The weather was absolutely perfect. The quality of the horses could not be questioned. There was a bevy of Australia's leading trainers and drivers seeking glory.

The crowd rolled in and settled on the lawns. The usual extra attractions blossomed. Fashions on the Fields, Pony Trots, Jazz Band, Super Slide, Bookmakers, Face Painting, Live Band, Food and Drinks and a young Gun MC Aaron Bain. The Stalls were quite something to see. Trainers and Drivers dressed to the nines and banners/ribbons attached to the back stalls of the feature race runners.

In what looked like one of the most even Cups on paper, *Youranut* from the leading stable of Ross Sugars was sent out as favourite with fellow Victorian *Caribbean Blaster*, *Abettorpunt* and the previous SA Cup champ, *Smoken Up* on the second row. Not many races can boast a field as strong as the 2014 SA Betezy Cup.

What a race! The first part of the race was exciting because drivers were trying to position their horses. There were moves and counter moves in the first lap that kept the spectators intrigued. Horses surged and settled. Drivers were on full alert. As soon as *Abettorpunt* started a move, *Smoken Up* jumped out and surged forward. As soon as *Smoken Up* came out in front, *Youranut* came out in front of *Smoken Up*. Greg Sugars dashed *Youranut* to the lead whilst *Smoken Up* strode boldly to the death seat.

A lap out *Caribbean Blaster*, who had settled back in the field, came out and started to circle the field. Kate Gath drove a master class race. The form analysts had all but written *Caribbean Blaster* off because of his poor draw however someone forgot to tell Kate Gath. She was positive from the get go. She found a way off the fence without too much trouble and from there on settle "*Blaster*". Kate coiled him up and did not ask for the supreme effort until she hit the home straight.

In 2013, Kate attacked *Smoken Up* with the *Blaster* at the 400m. She surged to the lead before the home straight. She was being hailed the winner. However, *Smoken Up (Trigger)* had time to rally and rally he did. In a race for the ages, *Smoken Up* came again after being well and truly headed and defeated *Caribbean Blaster.*

Now hindsight is a heck of a thing if you get a chance to use it and Kate Gath, is one smart cookie. She had the *Blaster* travelling sweetly out wide on the track before the turn. She could have charged to the lead before the home turn – but she didn't. Kate Gath waited. The *Blaster* was itching to give her all he had but Kate held him. This year, she saved the supreme effort for the straight. She surged past *Trigger* half way down the straight and she held the lead to the line. Make no mistake, *Trigger* was coming back but he ran out of ground. Kate Gath timed her run on the *Blaster* to absolute perfection.

The crowds rose and roared. *Smoken Up* was getting the better of *Youranut, Caribbean Blaster* was making ground out wide, *Pass Them By* was also threatening. The whole field as tightly packed. Coming into the straight it was climatic. *Smoken Up* and *Caribbean Blaster* had the lead. *Caribbean Blaster* took over 100m out. *Smoken Up* refused to lie down and surged at the line. It was going to be 2013 all over again. The roar went up, the crowd were screaming for *Trigger* to beat the *Gammalite* record of 5 SA Cup wins but Kate Gath and *Caribbean Blaster* were having none of that. The horses were all charging at the line, at breakneck speed, packed together that tightly there was not a breath between them. There was less than 10 metres between first and last. At the finish it was *Caribbean Blaster*, a worthy winner of the time honoured SA Cup and for Kate Gath, a born and raised South Australian.

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)

Industry Statistics 2013/14

LICENCEES

Total Licence Holders:	625
Trainers:	276
Drivers:	161
Stablehands:	309
Active Owners:	1750

Age	Trainer	Driver	Trainer / Driver	Stablehand	Total
Unknown	0	0	0	1	1
<26	1	9	4	30	44
26-40	20	17	19	59	115
41-50	22	8	26	48	104
51-65	68	6	48	99	221
>65	44	0	24	72	140
Total	155	40	121	309	625

BREEDING

Breeders per season:	207
Total namings in SA:	147

RACES

Racing conducted at 7 tracks	
Prizemoney total:	$4,589,216

	RACE MEETING SUMMARY 13/14	RACE MEETING SUMMARY 12/13	RACE MEETING SUMMARY 11/12	RACE MEETING SUMMARY 10/11
Total Number of Race meetings:	170	181	229	189
Total Number of Races run:	1308	1385	1686	1486
Total Number of Nominations:	15398	15865	18616	18249
Total Number of Starters:	10879	11968	13981	13044
Average Noms Per race:	11.77	11.45	11.04	12.28
Average Starters per race:	8.32	8.64	8.29	8.78
Average nominations per meeting:	90.6	87.17	81.29	96.56
Average Starters per meeting	64.0	65.76	61.05	69.02
Average Races per meeting:	7.69	7.61	7.36	7.86

SA Square Trotters Association

2013/14 Season Report

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

We believe the 2013/14 season has surely been a successful one, with our committee working efficiently alongside HRSA, with the trotter demonstrating a strong presence throughout the season. We have a great working rapport with Harness Racing SA, who do all they can in conjunction with us to benefit the profile and success of the trotter, and in turn Harness Racing in this state.

The Annual SA Trotters Carnival held in May 2014, which included the 43rd running of the Gramel Series, was once again a season highlight with prize money at an all time high. We welcomed some new sponsors to complement our long term supporters - These included Bryon Coles and family from Roseworthy Roadhouse, who offer great food, fuel and service 24/7, and Stuart Ashby from Springvale Stud who stands exciting trotting sires in Fling It and Framework. Specialty Foods, who has been our usual supplier of meat for our fundraising BBQ's over the years, including the famous scotch fillets steak sandwiches became a first time sponsor of this season's carnival. Once again David Hopkins and Hopkins Saddlery supported us immensely with a Scorpion Sulky, which this year was awarded on a draw basis which saw square gaiting enthusiast Barry Preston the winner. Troy Products also continued their much appreciated sponsorship with prize packs to all winners of trotting races during the carnival - 12 in total. Globe Derby Poultry Grain & Fodder and also the Spirou Family kindly were huge supporters during the carnival as per usual. Numerous others threw their much appreciated support our way, all making for a successful carnival.

The $30,000 SA Trotters Cup held in January 2014 was a keenly contested feature with a strong interstate presence, resulting in a fine spectacle and providing one of the summer carnival's highlights and tightest finishes with Victorians providing the trifecta. Trappers Puzzle just held out Zedalite with ex pacer Mister Zion a neck away 3rd from his 30m handicap in a mile rate of 2.03.9 over the 2645m journey.

Season 2013/14 was also successful with the running of the SA Trotters Country Cups Series. Country Cups where conducted at all country clubs, with the final being named in honor of Fred Jones, providing Harness Racing SA with another feature night during the season. The Barry Preston trained Siegfried took out this year's feature which was a great spectacle for trotting fans. The success of the final night was made possible due to the huge support and backing of John Callory, and media personalities including Bruce McAvaney and Mark Aiston. Many Hoteliers and Restaurateurs also made the night extra special with vouchers and give aways.

The 2013/14 Monte racing season was probably not as well supported as in previous years. Harness Racing Victoria and Harness Racing SA are currently working on dates for Monte racing for this coming season, hoping to attract more interest. At this point in time, it seems likely that SA will have 4 Monte races in 2015. The first to be held on January 3rd, being a $5400 heat of the National Monte Circuit for a $14,045 final at Melton at the end of January 2015. The other 3 Montes are likely to be mid March on Fred Jones Country Trotters Cup night, mid April at the Port Pirie Cup meeting and of course during the 2015 SA Trotters Carnival on May 9th 2015.

In summary the season has been one to remember. The Trotter continues to increase its market share and popularity. Our Association has been lead with professionalism and enthusiasm by President Jeff Procter, and the whole committee has done a wonderful job in support of the trotter in South Australia also. Our committee donates their time to drive the mobile, organise St Johns and sell refreshments at Sunday morning trials while our fundraising BBQs during the summer carnival and on Gawler Cup night are always popular and generate much needed fundraising for our association.

As always, we are looking at ways to improve in the coming season. We are working hard at refining the format of the 2015 SA Trotters Carnival to attract as much interstate participation as possible. We also believe that the coming season's Country Cups Series will be the best yet and are also hopeful that numbers of juvenile trotters in SA are on the increase. We would like to inform trotting enthusiasts that the owners of leading trotting sire Great Success have approached our association and are offering us a 20% discount if we can attract 10 or more mares for the coming season. If you are thinking of sending a mare to Great Success, we ask that you contact our association to take advantage of this offer.

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

SA Harness Racing Pony Association

HRSA ANNUAL REPORT

Our season commenced in October where we had 20 drivers competing from the age of 6 to 16 years, five were first season drivers. Mount Gambier had a further 11 drivers of which three of them were first season drivers.

This season the ponies raced at Kapunda and Strathalbyn also at the Gawler meeting held at Globe Derby Park. The country clubs always make the young drivers and their families feel very welcome. Also during the season the ponies competed is a several Pony Celebrity Challenges.

During the season every Saturday morning Tony Lawrence from 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.

Our Presentation Day was held in the Jubilee Room at Globe Derby Park on Sunday, 18th May 2014. There was a good attendance of around 120 guests including members, families, friends and sponsors in attendance to see these drivers be recognized for their achievements throughout the racing season who attended a BBQ luncheon, with the meat kindly donated by Max Peake and Specialty Foods.

These young drivers are the future of Harness Racing.

BOTRA Report 2013/14

BOTRA has continued its upward spiral in the 2013/14 season. Our flagship race (BOTRA Golden Nursery Stakes for 2YO Fillies and 2YO Colts and Geldings) was the highlight of the year, followed closely by a super Xmas In July, Toby's Big Shave, Battler's Night, Leigh Plunkett Foundation, (principally driven by John Coffey from Alabar), monthly bonuses, sponsorship of the acclaimed Harness On Radio Show hosted by Tony Lawrence, the ever popular BOTRA BBQs, the burgeoning BOTRA Magazine, the Spider Fund, the new and used gear sale and our move into a new office, representation on the IAC Racing Council etc.

BOTRA has worked hard in 2013/14 to improve and build on work done in the preceding years. Many new initiatives have been introduced and it is our ambition to continue to try new things and grow those things that have worked.

I must add that being actively involved in the sport of Harness Racing in SA is not all beer and skittles. BOTRA is always happy to talk to participants about the issues of the day. I understand that there is no such thing as a perfect world. It is impossible to please 100% of the people 100% of the time. However, BOTRA does everything it can to please most of the people most of the time. We believe that BOTRA is making a difference.

Our flagship event (The Golden Nursery Stakes) will rise again next season to $33,000 for the 2YO Fillies and $33,000 for the 2YO Colts and Geldings. This will give the race Group 2 status.

BOTRA is also hoping to organize a yearling sale for 2015 that will also include an all aged sale. The details are being discussed and reviewed by a select committee. Much work has to be done (in conjunction with HRSA and the Globe Derby Club). Hopefully, more information regarding the proposed sale will be sent out to industry participants in due course.

The Annual Xmas In July attracted record numbers this year. It was a great day. Lois Randall must be acknowledged for the sensational job she did planning and managing the day.

BOTRA would like to publicly thank Mr. Anthony Butt for giving his time and speaking so candidly to the large gathering of Harness Racing fans at the Xmas In July function. BOTRA would also like to thank Mr. Jim Jacques for being the MC for the afternoon. He is an unsung hero of Harness Racing to be sure.

The studs who donated Stallion services for the Xmas In July Stallion Auction were amazing. Every stallion in the stallion auction was sold.

On behalf of BOTRA I would like to thank Tony Lawrence for the time and effort he puts into the weekly radio program. It's a job very well done. The program airs every Saturday morning at 9am on 5RPH. It is positive and upbeat about the ins and outs of SA Harness racing. It is very well received by SA Harness Racing participants.

On behalf of BOTRA I would also like to acknowledge the support and co-operation of HRSA. HRSA communicate openly and are clear in their planning and management of our great industry. BOTRA looks forward to continuing that positive relationship with HRSA into the new season and beyond.

Finally, I give thanks to the BOTRA committee. They all chip in and aren't afraid to roll their sleeves up and get on with it. Many hands make light work! BOTRA would like to hear from anyone who is interested in being on the committee. We have a spare seat. If you want to make a difference, join us.

I am looking forward to the new season with enthusiasm and purpose.

Thank you.

Ray Holberton

Horse of the Year 2012/13 Season

The 2012/13 Horse of the Year awards were held on Sunday 3rd November 2013 in the Paceway Restaurant, Globe Derby Park

SA LEADING YOUNG DRIVER	**MATTHEW SMITH**
SA LEADING METROPOLITAN DRIVER	**DAVID HARDING**
SA LEADING STATE DRIVER	**DAVID HARDING**
SA LEADING METROPOLITAN TRAINER	**LES HARDING**
SA LEADING STATE TRAINER	**AARON BROWN**
SA LEADING STATE HORSE	**HAIR TRIGGER**
SA 2YO PACER	**FLAGBEARER**
SA 3YO PACER	**GETYA WINGS OUT**
SA 4YO & OLDER PACER	**ZANARDI NZ**
SA 2YO TROTTER	**BOUNDARY ROW**
SA 3YO TROTTER	**SOLAR SPIRIT**
SA 4YO & OLDER TROTTER	**ME AN KEL NZ**
SA CLAIMER	**FOURMOORE**
SA BROODMARE OF THE YEAR	**CLARENDEN DIVA**
NEVADA SMOKE AWARD	**SA BOTRA**
SA HORSE OF THE YEAR	**ZANARDI NZ**

SA Feature Races 2013-2014

DATE	RACE	STAKE	Winning horse	Winning Driver	Winning Trainer
Sat-19-Oct	Minor Derby FFA	$6,000	Timeless Era	David Harding	Boris Devcic
Sat-23-Nov	Italian Cup	$10,000	Timeless Era	David Harding	Boris Devcic
	National Monte Championship (Heat)	$5,400	Andys Favourite	Haley Toulmin	Chris Lang Jnr
Sat-07-Dec	Vet Surgeons Cup	$7,000	Mark Dennis NZ	David Harding	Lance Holberton
Sun-29-Dec	Whyalla Cup	$10,000	Harrison Maguire NZ	Ryan Hryhorec	Aaron Brown
Sat-04-Jan Summer Carnival	SA St Leger	$10,000	Paua Fella	Matthew Craven	Kevin Brough
	Summer Carnival Free For All	$10,000	Timeless Era	David Harding	Boris Devcic
	Summer Carnival Monte	$5,400	Lysenko	Haley Toulmin	Chris Lang Jnr
Sat-11-Jan Summer Carnival	Betezy SA Cup	$125,000	Caribbean Blaster	Kate Gath	Andy Gath
	SEW Eurodrive SA Pacers Derby	$30,000	Paua Fella	Matthew Craven	Kevin Brough
	SA Trotters Cup	$30,000	Trappers Puzzle	Michael Bellman	Emma Hamblin
	Justice Family Plate	$10,000	Regal Knight NZ	Kate Gath	Andy Gath
Sun-25-Jan	Mount Gambier Cup	$12,000	Paris to Berlin	Brent Howard	Barry Finnis
Mon-26-Jan	Victor Harbor Cup	$10,000	Glenferrie Rustler NZ	Wayne Hill	Greg Scholefield
Sat-08-Feb Reinswomen Challenge	SA Oaks-Fillies	$20,000	Dougs Courage	Ryan Hryhorec	Jeremy Seal
	SA Heroine-Mares	$6,000	Tuscan Sue	Dean Girardi	Don Girardi
Sat-22-Feb	Kindergarten Stks	$15,000	Blackntan	Mark Billinger	John Hill
Sat-2-March	Kapunda Cup	$8,000	Exposed NZ	Jake Webster	Robin Maguire
Sat-08-Mar Gawler Cup	Gawler Cup	$20,000	Mark Dennis NZ	Ryan Hryhorec	Lance Holberton
	Hambeltonian	$10,000	Mister Pepe	Jock Dunlop	Jock Dunlop
	Gawler Derby	$10,000	Big Bang Leonard	John Justice	John Justice
	Virgara Classic	$10,000	Padrisimo NZ	Kate Gath	Andy Gath
Sat-15-Mar	Fred Jones Country Trotters Cup	$12,000	Siegfried	Ryan Hryhorec	Barry Preston

DATE	RACE	STAKE	Winning horse	Winning Driver	Winning Trainer
Fri-21-Mar	Kadina Cup (at Port Pirie)	$10,000	Timeless Era	David Harding	Boris Devcic
Sat-29-Mar	Country Graduation-Final	$10,000	Caribbean Crest	David Harding	Toby Ryan
Sat-05-Apr	Mermaid Stakes Fillies	$10,000	Reil Quick	Danielle Hill	Tyson Linke
Sat-12-Apr	Lordship Stakes-C&G	$10,000	Amightyfinehorse	Danielle Hill	Jill Neilson
Sat-19-Apr	Port Pirie Cup	$14,000	Our Flyin Jazz NZ	David Harding	Les Harding
Fri-26-Apr	Pride of Petite Mares	$6,000	Nothingmuch NZ	Anthony Robinson	Kim Ponton
	Ladyship Stakes Fillies	$10,000	Whats Emma Got	Danielle Hill	Glenda Fuller
	North v South Challenge	$6,000	The Denman	Danielle Hill	Mick Darling
Sat-03-May	Maoris Idol Plate	$6,000	Shining Monarch	David Harding	Barry Preston
	SA Sires Produce	$10,000	Sacred Art	Mark Billinger	Jim Hurley
Sat-10-May Gramel Series	Gramel Final	$14,000	Lleyton H NZ	Jake Webster	Holly Alcorn
	SA Trotters Derby	$15,000	Asdenro	Haydon Gray	David Van Ryan
	SA Monte Trot	$6,000	Likeaplayboy	Mary Crosby	Lance Holberton
	Legends Trot Final	$8,000	Featherfoot Sun	David Harding	Ryan McMillan
	Trotters Dash	$6,000	Neville Vaughan NZ	Mark Billinger	Ryan McMillan
Mon-9-Jun	Strathalbyn Cup	$10,000	Sound System	Ricky Frearson	Rick Frearson
Mon-14 July	2yo Trotters Classic	$10,000	Bad Boy Leroy	Ian White	Bill White
Sun-03-Aug Southern Cross Finals	Southern Cross Final -2yo C&G	$60,000	Hez The One	David Harding	Rebecca East
	Southern Cross Final -2yo Fillies	$60,000	Whats Emma Got	Danielle Hill	Glenda Fuller
	Southern Cross Final -3yo C&G	$60,000	Major Crocker	David Harding	Vince Vallelonga
	Southern Cross Final -3yo Fillies	$60,000	Punch Line	David Harding	Emma Stewart
Sat-16-Aug	Breeders Plate	$10,000	Whats Emma Got	Danielle Hill	Glenda Fuller

HARNESS RACING SA

WAGERING INITIATIVES 2014

Wagering Initiatives

In July 2014, Harness Racing SA were very pleased to advise that, for the first time in five years, the final market share rate as at 30 June 2014 for harness racing in South Australia had increased. The final rate was 12.57%, which was an increase of 0.55% on the previous year (12.02%). This reversed the general trend over many years whereby the harness racing market share had been in decline.

The excellent result was due to a number of factors including the implementation of a number of wagering initiatives and a renewed commitment by the HRSA Board and Management to strategically grow wagering on the harness racing code including:

- Fixed odds wagering –has been extremely popular since its introduction earlier this year, and now accounts for around 40% of total local harness turnover with the TAB. It should be noted that this initiative had been successfully negotiated by HRSA following extensive lobbying and a meeting with the CEO of Tattsbet;
- New wagering website (www.trotsguide.com.au) - has also been very well received and includes speedmaps, race fields, Trotsguide TV, 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; and
- New wagering booklet - which was being distributed to selected Pubtab outlets across Adelaide, and ultimately will be 'rolled out' to selected Pubtabs and TAB agencies in regional South Australia.

www.trotsguide.com.au

Racing Operations

The 2013-14 racing season provided some major highlights and it also presented challenges for the Racing Office. Horse numbers continues to be the biggest challenge the industry faces in not only this state, but around Australia. South Australia has attempted to help itself in this area by trying to promote both foaling numbers and juvenile racing. However it will need all states to come together to address this problem; unfortunately it is the smaller states that will be most affected by this in the future.

While we managed to maintain our race average numbers per meeting for the year, there was a drop in our field sizes, compared to the increase in 2012-13. Introduction of more fixed odds betting on harness racing by Tattsbet has seen HRSA increase market share. It is hoped that this will continue during the 2014-15 racing season; it is somewhat of a re-balancing of the shares for each of the codes.

I would like to acknowledge the efforts of David Thuen, also Dennis Browne, who worked to assist David until April. I would also like to thank both Kathryn Nicolai and Valerie Hayden for the support they have provided to the Racing Office.

There was a further drop in the number of meetings in 2013-14, in total there were 176 race meetings programmed in South Australia; 126 at Betezy Park Globe Derby and 50 country meetings. All meetings during the year received TAB and Sky Racing coverage; a similar number are programmed for the 2014-15 season.

Port Pirie and Mount Gambier again conducted their Cup meetings on Saturday nights. Both were very successful meetings, with strong crowds in attendance. Both of these clubs continue to play vital roles in supporting significant horse populations. The Board of HRSA has increased support for both regions in 2014-15; it is hoped that Port Pirie meetings will continue to provide an important role in improving turnover. It will be important that by improving field sizes at Mount Gambier, turnover from these meetings will grow. HRSA continues to work with the other country clubs to maximise returns to both the Clubs and the industry.

At the beginning of 2013-14 the Racing Operation Manager's role included responsibility for the racing functions of the SA Harness Racing Club. This role was taken back by the Club in February 2014. I would like to thank the maintenance staff of Robert Hill, Neville Nitschke & Greg Norman for their support during this time.

HRSA continued to operate with the previous handicapping system for 'R' & 'C' penalties, which was brought in for 2012-13. While outside the Australian Handicapping Rules, it is considered vital in maintaining South Australia's horse population. We continue to support juvenile racing strongly and made changes to the Southern Cross racing to assist in this area. HRSA has made representation to HRA about changes to prizemoney thresholds for non-penalty and graduation (R) penalty races. HRSA will review prizemoney and programming, should these thresholds be approved by HRA.

As mentioned above HRSA approved changes to the Southern Cross series in 2013-14. This included changing to a heat, semi-final and final format, extending the racing over a longer period and increasing all finals to $60,000. The change resulted in larger field sizes and increased turnover, which was part of the reason for the changes. The finals were run in August and for the first time on a Sunday afternoon with Sky Racing 1 coverage. The result was a big crowd and excellent betting turnover. We were also lucky to have Smoken Up farewell SA harness racing at the meeting.

HRSA continues to have a close relationship with Sky Racing and is liaising with them on a regular basis. During 2013-14, South Australia ran less Sky 2 meetings in particularly on Friday nights; nevertheless they do have an impact on off-course turnover. They were however able to grant our request for the Southern Cross Sunday afternoon date. Again I would like to personally thank Stephen Robinson, Brad Clark and Simon Di Bartolomeo at Sky Racing for their efforts and understanding. While they can't always agree to our requests, I have always felt they make a genuine effort to assist where possible.

RACING

The BetEzy.com.au SA Cup was the highlight and a new preferential draw system and shorter distance drew together an excellent field and a good betting race. Most would agree it provided a great spectacle and the result saw Caribbean Blaster turn the tables on Smoken Up. The pair had finished the other way round in 2013. Carribean Blaster gave form Port Pirie driver, Kate Gath win her "home" feature for the first time. For Smoken Up, who would in August return for one last winm at Globe Derby, retire with four SA Cup wins and two seconds.

The other main races in the carnival were the $30,000 SEW Eurodrive SA Derby, won by Paua Fella, trained by Kevin Brough & driven by Matthew Craven. While the Seelite Windows & Doors SA Trotters Cup was won by Trappers Puzzle, driven by Michael Bellman. Harness Racing included

the Trotters Cup as a prelude of the The Great Southern Star, which was run at Melton.

Tattsbett.com Southern Cross Racing

The Tattsbet.com Southern Cross Series was a major highlight of the season, with the Final day producing great racing. Changes were made to the format and dates of the series. The series was run as heats, semi-finals and finals and run over a longer period, with the Finals run on the first Sunday in August.

Winners for 2014 were:

2YO Fillies – Whats Emma Got, trained by Glenda Fuller, driven by Dani Hill.

2YO Colts & Geldings – Hez The One, trained by Rebecca East, driven by David Harding.

3YO Fillies – Punch Line, trained by Emma Stewart, driven by David Harding.

3YO Colts & Geldings – Major Crocker, trained by Vince Vallelonga, driven by David Harding.

BOTRA Golden Nursery

SA BOTRA once again combined with HRSA to promote the 2YO Golden Nursery series. A total 132 horses made the one off payment to be eligible for the series, an increase of 16 on 2013. The series was run at the end of May, following changes to the Southern Cross Dates. BOTRA continued their expanded their support for the Final night, again running series for 3YO's as well as 4 & 5YO's; in total prizemoney & trophies totalled around $100,000, making it the states third highest meeting. Both Finals were increased to $25,000; with the winners being Call Her Julie (fillies) and Hez The One (colts & geldings).

Country Cups

Country Clubs ran their individual Cup meetings, with support from HRSA. All Country Cup meetings in 2013-14 had Sky Racing and SA TAB coverage. The Mount Gambier Cup was once again granted a Saturday night timeslot on Sky This meant that three of the Country Cups had Saturday timeslots, the others being Port Pirie & Gawler (run at Betezy Park Globe Derby). The winners were:

Whyalla – Harrison Maguire NZ; trained by Aaron Brown, driven by Ryan Hryhorec.

Mount Gambier – Paris To Berlin; trainer by Barry Finnis, driven by Brent Howard.

Victor Harbor – Glenferrie Rustler NZ; trained by Glen Scholefield, driven by Wayne Hill.

Kapunda – Exposed NZ; trained by Robin Maguire, driven by Jake Webster.

Gawler @ Globe Derby – Mark Dennis NZ; trained by Lance Holberton, driven by Ryan Hryhorec.

Kadina @ Port Pirie – Timeless Era; trained by Boris Devcic, driven by David Harding. Run over 1609m for the first time; state record 1.53.9.

Port Pirie – Our Flyin Jazz NZ; trained by Les Harding & driven by David Harding.

Strathalbyn – Sound System; trained by Rick Frearson Snr, driven by Rick Frearson Jnr.

Square Trotters

The Gramel Series was run as heats & final in 2014, with the $14,000 final won by Lleyton H NZ; trained by Holly Alcorn & driven by Jake Webster. The Legends Final was run for the third time,. this T0 –T2 series has proved a very popular part of the trotters carnival and was won by Featherfoot Sun, trained by Ryan Mcmillan and driven by David Harding. The other major series for Trotters were the Country Trotters Cups. These culminated in the Fred Jones Country Trotters Cup which was run at Globe Derby. The race was won by Siegfied, trained by Barry Preston and driven by Ryan Hryhorec; horses qualify for this race by running in the country cups around the state. The SA Trotters Derby was won by Asdenro, trained by David Van Ryn from Victoria and driven by Haydyn Gray. Monte racing for ridden trotters grew further in Australia, with Victoria in particular increasing their number of races. Five Monte events were conducted in South Australia in 2013-14; this included running a heat of the Aldebaran Park National Monte Championship on Italian Cup night; the Final was run at Melton. Port Pirie also conducted a Monte on their Cup night. The traditional Monte, sponsored by Sam & Pauline Spirou and Family during the Gramel Series was won by Likeaplayboy.

Young Drivers

The Australasian Young Drivers Championships were held in Sydney during the Inter Dominion in March 2014. Harness Racing SA selected Aaron Bain to represent South Australia; Aaron had driven 63 career winners from around 670 drives and he acquitted himself well in the series, driving two second place runners. Byron Hornhardt had easily his best season to date taking out the SA Leading Young Driver Award. Byron drove 36 winners for the year (35 in SA). South

Australia runs an annual series of races for Young Drivers; the SA Young Drivers Challenge is run over six races, with the winner awarded on the highest average points. Victory in the 2014 series went to Jacob Kerridge, who finished with an average of 10.17 points per drive, including driving two winners.

Drivers Invitation Series

the Reinswomen's Challenge meeting in 2014, was again run in February and incorporated the 2014 SA Oaks for 3yo fillies (won by Dougs Courage) and The Heroine for mares. The Challenge featured seven interstate drivers taking on three leading local drivers. The list featured Lola Weidemann & Narissa McMullen(Qld), Amy Day (NSW), Jodi Quinlan, Lisa Miles, Rebecca Bartley and Ellen Tormey (Vic). The locals were Gina Bell, Leah Harvey and Dani Hill. Lisa Miles won two of the four races to win with 42 points; she defeated Ellen Tormey, with Dani Hill third.

Port Pirie conducted its annual Drivers Invitation series in May, it was again conducted on a Sunday. Lisa Miles won the series finishing on 28 points; runner-up was David Harding on 26 points; then came Shayne Cramp on 22 points. The other drivers invited to drive were Wayne Hill, Ginger Gleeson, Byron Hornhardt, Ryan Hryhorec, Lance Justice, Scott Ewen, and Kate Gath.

SAMOS Scheme

The South Australian Mares Owners Scheme (SAMOS) has been underway for four years. Mares receive Bonus Certificates for wins, that can be used for stallion services with participating studs. 2013-14 again saw an increase in certificates redeemed to date and it is hoped this will add to foal numbers for SA.

PREMIERSHIP WINNERS

Congratulations to the winners of SA Premierships for 2013-14

State Driver - Ryan Hryhorec 199 wins
State Trainer – Ryan Hryhorec 66 wins
Female Driver – Dani Hill 91 wins
Female Trainer – Dani Hill 57 wins
Young Driver – Byron Hornhardt 35 wins
State Horse – Dougs Courage 13 wins

PETER SMITH
Racing Operations Manager

HARNESS RACING SA

WHAT'S EMMA GOT 2014

What's Emma Got

What's Emma Got is proving herself as a two year old of some worth in South Australia. Her race place rate is perfect, 11 starts, 8 wins and 3 seconds in her first season and a handy $67,000 in prizemoney. All this and a race career that is just starting.

Bred by Sharon Newman, the daughter of trainer Glenda Fuller. What's Emma Got comes from popular Sire Grinfromeartoear and dam Whativewegot, a New Zealand bred mare and was foaled in 2011.

Her final win before spending some well-earned time spelling was at the 2014 SA Breeder Plate. The star filly scored an easy victory, making it an impressive seven wins in a row.

In what looked a match race on paper between her and the John Hill trained Blackntan, Driver Danielle Hill was able to find the front shortly after the start on Whats Emma Got with Blackntan forced to race outside her throughout.

With the two of them drawing away from the rest of the field at the 400 metre mark Blackntan looked a big chance on the home turn but Whats Emma Got was able to kick away in the run to the line to score an easy 5.9 metre win over Blackntan who battled on strongly into 2nd place with Jereme Jetsetter back in 3rd.

The win continued her super season having been in the winners stall at 8 of 11 overall including wins in the Ladyship Stakes and Southern Cross Series Final earlier in the season.

Trainer Glenda Fuller is obviously thrilled with her filly's 2yo season.

"It was a nice field on Saturday night and it was good to win another feature with her" " She's done a great job all season and will go to the paddock now for 6 weeks now and come back as a 3yo" she said.

"I haven't had a good look at the program for next season yet but obviously the Southern Cross will be her main aim again I think" she added

HARNESS RACING SA

STEWARDING 2014

Stewarding

I would like to thank the HRSA Board for the opportunity to provide this report for the 2013/14 racing season and for their support since I commenced as Chair of Stewards on 17 July 2014.

Various policies and changes were introduced to benefit the industry. These included:-

- A review of the relocation of the ease out position from the 600 metre mark to the 400 metre mark. A three month trial was undertaken from 1 June 2014 to re-position the point on the track that a driver can ease another wider, to the 400 metres. During this trial, stewards monitored the racing overall, including the tactics adopted, any incidents of interference, any incidents of forcing another wider in breach of the rule and the perception of drivers giving their horse every opportunity. In addition feedback was sought from industry participants. As a result of this review, a recommendation was put to, and adopted by the Board of HRSA to return the ease out point to the 600 metres from the new racing season 2014/15.
- Penalty Guidelines were introduced. These are an administrative tool, that helps stewards to arrive at an appropriate penalty when a rule is breached. These guidelines assist with consistency in decision making and provide a transparent formula for arriving at a penalty. While the penalty guidelines suggest the type of penalty for a range of offences, stewards are able to use their discretion to ensure the penalty acts as a sufficient deterrent. Consistent with discounts applied for guilty pleas in criminal and civil matters, a guilty plea before the stewards will attract a lesser penalty.
- At all official trials, drivers are to wear full race attire. This coincided with replays of the trials at Globe Derby Park being made available to the public on the website.
- The practice of advising trainers when a blood sample taken from their horse returned a high TCO2 level, ceased. It was considered that warning trainers they were close to a prohibition level for TCO2 was inconsistent with the practice of non reporting of other substances that have a threshold level.
- The introduction of a local rule from 7 July 2014 which set a prohibition level of 200 micrograms of Cobalt per litre in urine. Testing for cobalt occurs after routine screening of urine is conducted for other prohibited substances.
- In line with HRSA commitment to drug free racing and integrity, stewards commenced raceday observations at trainers' stables.

A total of 170 race meetings were held during the season with 127 of these being conducted at Globe Derby Park.

Swabs

There were 1857 swabs taken from races and trials.
Of these:

- 1396 were pre-race
- 461 were post race

Fines

There were 129 fines imposed. Of these:

- 30% were for whip related offences
- Fines totalled $22,000

Suspensions

There were 69 suspensions imposed. Of these:

- 48 were for driving related offences

Disqualifications

There were three disqualifications imposed. These were:-

1. Under Rule 190(1),(2) & (4) presenting a horse to race not free of a prohibited substance
2. Under Rule 250(1) drug of abuse
3. Under Rule 190(3) a person left in charge of horse is guilty of an offence if the horse is presented to race not free of a prohibited substance.

Appeals

There were 10 appeals lodged with four yet to be heard and awaiting an appeal date.

Of the 6 appeals set down for hearing by the Racing Appeals Tribunal:

- Two were withdrawn
- Four were dismissed, with one having the penalty varied.

BARBARA SCOTT
Chair of Stewards

Racing Appeals Tribunal

ACTIVITIES OF THE TRIBUNAL FOR PERIOD
01-07-2013 TO 30-06-2014

	Carried over from 2012/2013	Appeals Lodged	Heard	Days	Hours
TRSA	Nil	8	6	6	23
HRSA	Nil	12	8	10	28
GRSA	Nil	1	Nil	Nil	Nil
TOTAL	**Nil**	**21**	**14**	**16**	**51**

The Results of Appeals July 2013 to June 2014	
Allowed in Full (Conviction quashed)	Nil
Allowed in Part (Penalty varied)	7
Dismissed	7
Referred back to Stewards	Nil
Withdrawn	Nil
Appeal by Stewards	Nil
Yet to be heard/completed	7
TOTAL	**21**

TRSA	HRSA	GRSA
Nil	Nil	Nil
2	5	Nil
4	3	2
Nil	Nil	Nil
Nil	Nil	Nil
Nil	Nil	Nil
2	4	1
8	**12**	**1**

Charge	TRSA	HRSA	GRSA
Present a horse/dog to race when not free of Prohibited Substance	Nil	1	Nil
Causing Inference/ Careless Riding	4	2	Nil
Assult/Improper Conduct/ Misconduct	Nil	3	1
Possession of Prohibited Substance	1	Nil	Nil
Fail to take all Reasonable steps to win or obtain best possible place	2	1	Nil
Have Drug of Abuse in body	Nil	4	Nil
Fail to Comply with Order/ Direction of Stewards	Nil	1	Nil
Revocation of Permit to Train - Jurisdiction	1	Nil	Nil
TOTAL	**8**	**12**	**1**

HARNESS RACING SA

SOUTHERN CROSS SERIES 2014

Southern Cross Series

The much anticipated Southern Cross Finals were conducted in Adelaide in August with some big money up for grabs with four $60,000 finals run on the super Sunday program at Globe Derby Park.

With a big crowd in attendance the weather was perfect, the band Frenzy excellent and the free kids rides popular, the scene was set for a great days racing and leading driver David Harding was certainly the star of the show winning three of the four finals.

The first of them was in the 3yo Colts and Geldings division with star *Major Crocker*.

Sent out as an unbackable $1.20 favourite from gate two he had certainly been in good form in the lead up races of the series winning his heat and semi in good style.

Sent straight to the front by Harding he was never troubled scoring an easy 6.3 metre victory with fellow Victorian *Mixedwithajasper* in 2nd spot after trailing the leader throughout with *Bolt Action Blood* running a career best race in 3rd place.

In winning *Major Crocker* made it three in a row and took his prizemoney past the $123,000 mark for Adelaide based owner Gary Crocker and he was certainly thrilled after the race.

"He just a nice horse, it's good to put a plan together with Vince Vallelonga, and for it to come off and win a big one at home" he said

"He still learning and hopefully he will come back as a nice 4yo next season" he added

The win continued a great run of success in this series for the family with Gary and his wife Sharon also involved in the ownership of *Wouldn't It Be Nice* who was a winner back in 2008 as well as *Phyl Crocker* in 2012 and his season got even better winning the Breeders *Crown Final in late August*.

The second of the finals was somewhat of an upset with *Punch Line* proving too strong in the 3yo fillies division.

With the Jeremy Seal trained *Dougs Courage* going for 15 straight wins she was certainly the popular elect with punters despite drawing outside the frontline. She was expected to lead easily but raced roughly after the start before having to work hard to eventually find the front.

While all this was happening Harding was able to manoeuvre *Punch Line* off the fence from gate 7 and straight around to face the breeze outside of his main danger.

She was too strong in the run to the line drawing away to score a dominant 14.5 mere win with *Our Little Artist* and *Royal Jacquard* filling the minor placing's with *Dougs Courage* back in 5th spot.

Owned by a large syndicate of owners headed by prominent owner breeder Bruce Cameron *Punch Line* has been of model of consistency throughout her career with Sundays win now her 6th from 13 starts overall.

Cameron was obviously thrilled with the win after the race.

"I thought she had a good chance and with plenty of speed early it worked out well for us" he said

"She's done a great job since she's been over here".

The win also continued a great run for Cameron and his co-owners with Sundays win adding to Beauty Secrets two wins in the series back in 2011 and 2012.

The third leg of Harding's treble was certainly a career highlight for trainer Rebecca East with *Hez The One* storming down the outside to claim the 2yo Colts and Geldings Division.

With *Blurred Lines* able to lead from gate one there was good early speed in the race with Jax Navaro and Blurred Lines running the first quarter in a slick 28.7.

It was left to the swoopers to fight the race out with *Blackntan* looking the winner in the run but *Hez The One* was simply too quick scoring a 7.7 metre win with Blackntan in 2nd sport with Blurred Lines battling on strongly back in 3rd place.

Sundays win was his 8th from nine starts overall and this feature added to his win earlier in season in the $25,000 Golden Nursery Final.

The final $60,000 feature was for the 2yo fillies and this one certainly went to script with start local *Whats Emma Got* continuing on her winning way.

Although drawn the backline she was sent straight around the field by Driver Dani Hill to find the front and she was never troubled scoring an easy 13 metre win with *Shaezee* and *Call Her Julie* filling the minor placings.

As thrilling as the finals were, the crowd came out to see one special horse race his last race at Globe Derby. *Smoken Up "Trigger"*.

Smoken Up got the perfect South Australian send-off, saying goodbye to his adoring fans with a fairytale victory.

On a day that featured four Southern Cross finals worth $60,000 each, it was all about an $8,000 race as trainer/driver Lance Justice gave Adelaide the chance to bid farewell to the four-time SA Cup champ.

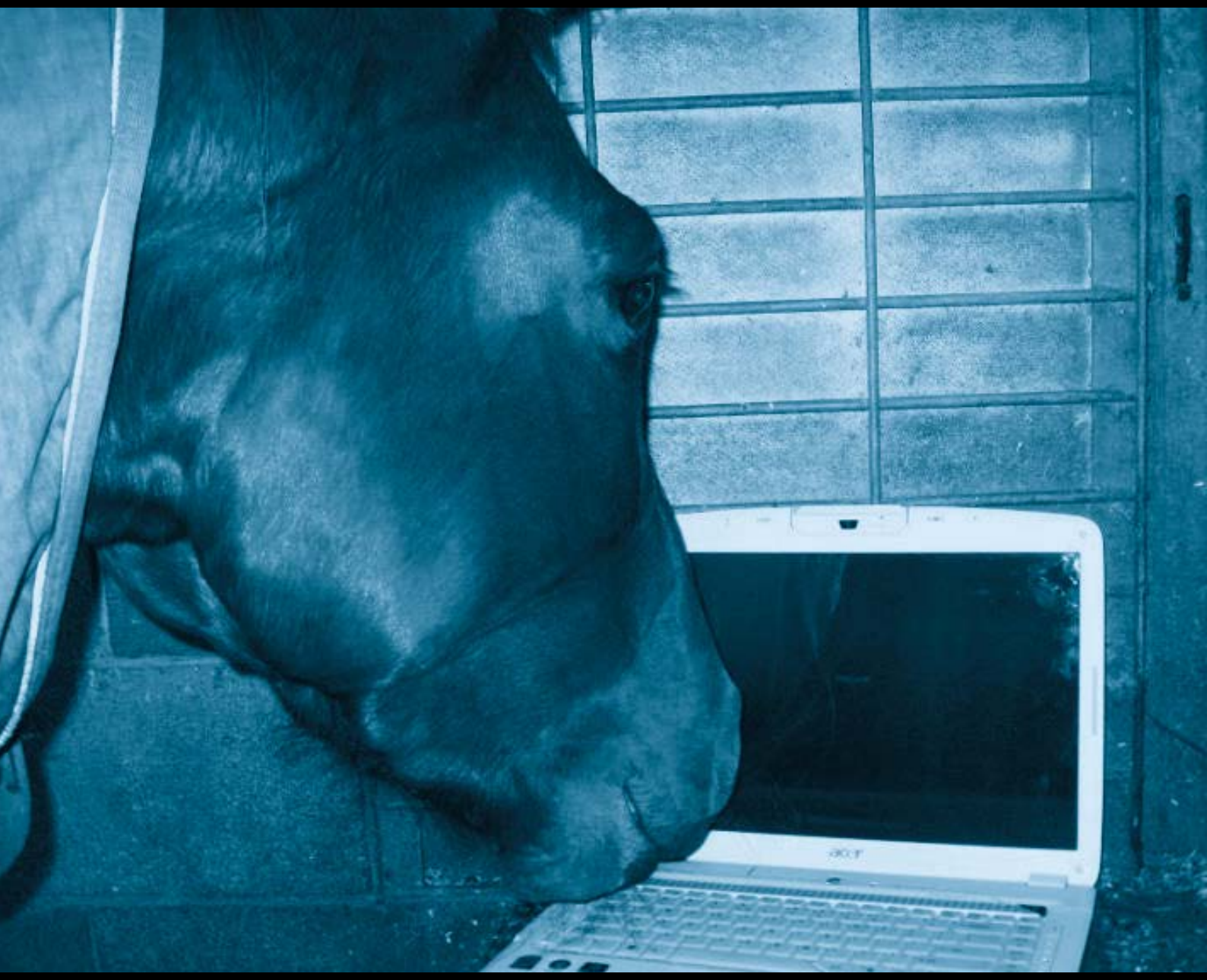
Even racecaller Jim Jacques apologised to the connections of the other horses and said there was only one he would be focussed on throughout the race.

Luckily everything went to script for one of the greats of Australian harness racing – he found the lead early, was challenged around the home turn before showing his customary toughness and lifting when required to score in front of a big crowd.

Smoken Up held off Darren Billinger's cult hero *Come on Frank* to win by 1.5m with *Astronaut* back in third taking his career record to 74 wins from 151 starts.

Even though the 11 year old was retiring, he proved there's still a bit of fight in the old campaigner yet, running a quick 1:57.0 mile rate, coming home in 56.7 seconds.

On the 3rd August 2014, South Australia *"Farewelled Smoken Up"* and produced four new Southern Cross Champions.

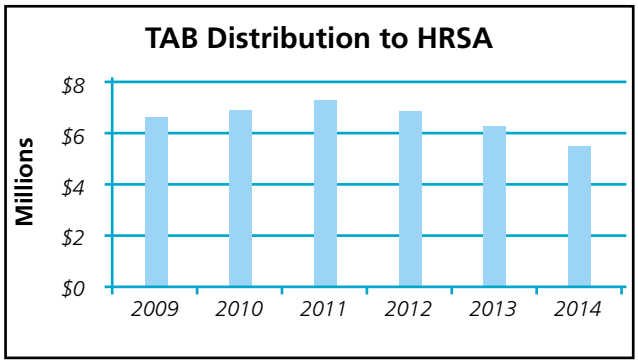


HARNESS RACING SA

FINANCE 2014

Finance Manager's Report

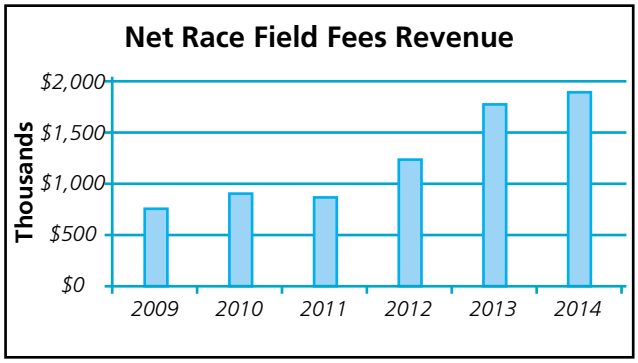
The 2013/2014 financial year concluded as somewhat of a consolidation period for Harness Racing SA Ltd (HRSA).



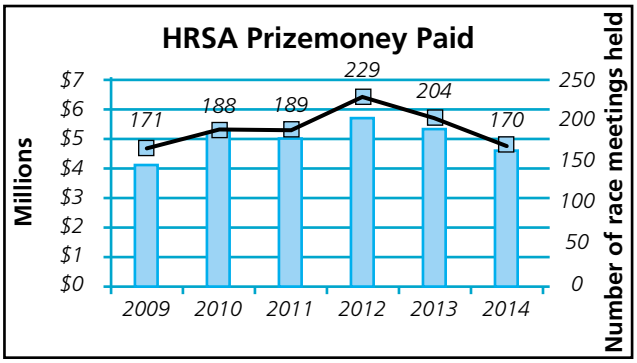
Total TAB turnover remained at 2013 levels, with the number of SA harness race meetings being conducted dropping back to 170 (down from 204 the previous year, due to additional Tuesday night Globe Derby Park meetings being conducted during July and August 2012).

Most significantly, the harness average market share increased from 12.02% in June 2013 to 12.57% in June 2014. This result was achieved through uplift in SA harness turnover of 6.24%, despite fewer meetings.

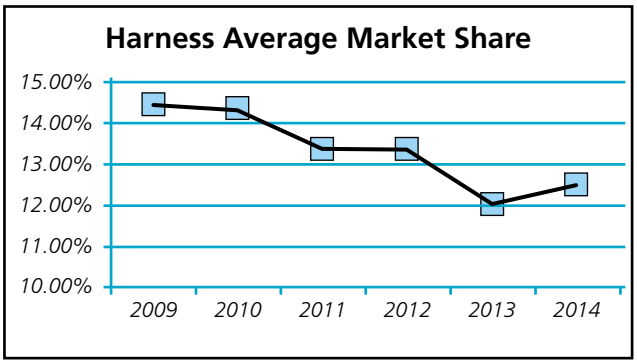
Net revenue from betting operations contributions (race field fees) increased by $115,000, following the increase in the contribution rate to 13% of gross proceeds, and the introduction of a "floor" rate on turnover.



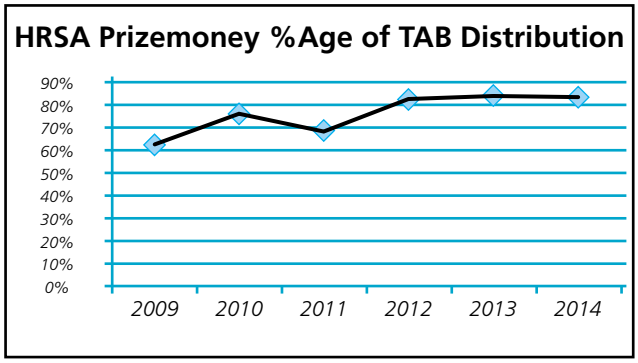
Prizemoney paid fell by $722,000 as a result of the reduction in number of meetings conducted, and re-scheduling of the finals of the Southern Cross series to August 2014. As a barometer, total prizemoney paid as a percentage of TAB distribution was 83%, consistent with 2012 and 2013 levels, which is in line with the Board's key performance indicator range.



Racing and administration expenditure was contained within desired benchmark levels, resulting in a modest operating profit for the year, the first since 2010.



Following a decision by the committee of the SA Harness Racing Club to amend the administrative relationship with HRSA, the finance functions returned to the club in March 2014. As a result, the functions of the HRSA club Finance Officer were transferred to the club.



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

Corporate Governance Statement

1 Introduction

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

This Statement is subject to annual review. This version was adopted by the Board of Directors on 24 September 2014.

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 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.

HARNESS RACING SA
2014 financial statements

Harness Racing SA Limited

ABN 68 094 559 930

DIRECTORS' REPORT

Principal Activities

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

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

Operating Result

The consolidated profit of the company for the financial year amounted to $87,547.

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

A stabilisation in TAB revenues and adjustment in stakemonies returned to industry participants enabled the company to return an operating profit for the year.

After Balance Date Events

No significant events have occurred after 30 June 2014.

Future Developments

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

Dividends

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

Indemnities and Insurance Premiums for Directors & Officers

During the financial year, the company paid an insurance premium in respect of a contract insuring the Directors of the company, Company Secretary, Mr John Lewis, and all Executive Officers of the company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure to the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

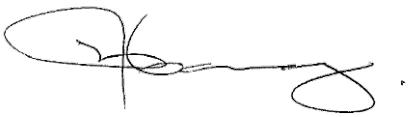
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor has performed no other services during the year.

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

Signed in accordance with the resolution of the Board of Directors



Mark Carey
CHAIRMAN

Chris Hartwig
DIRECTOR

Dated this 24th day of September 2014

Notes to the Financial Statements

For the financial year ended 30 June 2014

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 AASB 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 available-for-sale cannot be reversed through profit or loss. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through profit or loss 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 in 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 lives 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 -

	2014 $	2013 $
a) Revenue from Ordinary Activities		
Rendering of Services		
TAB Distribution	4 594 177	5 231 550
Government Tax Relief	932 470	1 065 057
General	552 956	507 965
Race Field Fees (Net)	1 871 219	1 755 982
Southern Cross Series	150 706	109 049
	8 101 528	**8 669 603**
Interest Revenue		
Other Entities	1 441	5 135
Total Revenue from Ordinary Activities	**8 102 969**	**8 674 738**
b) Operating Expenditure		
Stakemonies	4 589 216	5 310 846
Racing Expenses	2 114 561	2 283 838
Southern Cross Series	220 730	233 910
Administration Expenses	977 198	967 686
Depreciation Expense	80 917	86 046
Borrowing Cost Expense	18 879	19 310
Loss on disposal of assets	285	0
Total Operating Expenses	**8 001 786**	**8 901 637**
Profit/(Loss) from Ordinary Activities	101 183	(226 898)
Less non-operating expenses	13 636	28 295
Net Profit/(Loss)	**87 547**	**(255 193)**

	2014 $	2013 $
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	94 840
The Directors of HRSA Ltd during the course of the year were:		
Mark Carey (Chairman)		
Des Stanbury		
Jo Podoliak		
Chris Hartwig		
John Levy		
Peter Marshall		
6. REMUNERATION OF AUDITORS		
Auditing the Financial Report	9 500	9 200
7. CURRENT RECEIVABLES		
TAB Product Fee	280 721	345 644
Other Receivables	26 050	32 492
Total Current Receivables	**306 770**	**378 136**
8. OTHER CURRENT ASSETS		
Accrued Income	329 957	253 331
Prepayments	0	0
Total Other Current Assets	**329 957**	**253 331**
9. PROPERTY, PLANT & EQUIPMENT		
Gross Carrying Amount		
Opening Balance	757 546	712 114
Additions	106 538	45 432
Disposals		
Closing Balance	**864 084**	**757 546**
Accumulated Depreciation		
Opening Balance	504 534	418 488
Disposals	11 009	
Depreciation Expense	80 917	86 046
Closing Balance	**596 460**	**504 534**
Written down value of Property, Plant & Equipment	**267 624**	**253 012**
10. CURRENT PAYABLES AND REVENUE RECEIVED IN ADVANCE		
Trade Payables	363 989	457 626
Other Payables	133 386	119 758
Accrued Expenses	160 080	187 253
Revenue Received in Advance	0	14 250
Total Current Payables and Revenue Received in Advance	**657 455**	**778 887**

	2014 $	2013 $
11. INTEREST BEARING LIABILITIES		
Current		
Bank Overdraft	131 794	73 449
Hire Purchase Liability	3 404	0
	135 198	**73 449**
Non-Current		
Hire Purchase Liability	20 432 0	
12. BORROWINGS		
Current		
Loan - Mobile Barrier	32 529	27 332
Non-Current		
Loan - Mobile Barrier	47 820	82 939
13. EMPLOYEE ENTITLEMENTS		
The aggregate employee entitlement liability recognised and included in the financial statements are as follows:		
Current	104 861	102 165
Number of FTE (full time equivalent) employees at end of financial year	9	9
14. RETAINED PROFITS		
Balance at beginning of financial year	(179 138)	76 055
Net Profit/(Loss)	87 547	(255 193)
Balance of Retained Profits	**(91 592)**	**(179 138)**

15. ECONOMIC DEPENDENCY

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

16. CONTRIBUTED EQUITY

HRSA Ltd is a company limited by a guarantee of $2 per member. As at 30 June 2014, 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

For the 2015 financial year, HRSA has capital commitments earmarked in relation to - New Stewards' vehicle $ 30,000

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 time to time receive prizemoney for successful horses owned or trained by them. This prizemoney is paid by HRSA Ltd on the same terms and conditions as apply to any other owner or trainer.

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:

	2014 $	2013 $
Financial Assets		
Cash & cash equivalents	0	0
Financial Investments	1,651	455
Total financial assets	**1,651**	**455**
Financial Liabilities		
Trade & other payables	497 375	577 385
Accrued expenses	160 080	187 253
Total financial liabilities	**657 455**	**764 637**

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

	2014 $	2013 $
21. NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of Cash		
Cash	2 351	1 155
Bank overdraft	(131 794)	(73 449)
	(129 442)	**(72 293)**
b) Reconciliation of Net Profit/(Loss) to net cash flows from operating activities -		
Net Profit/(Loss)	87 547	(255 193)
Depreciation 80 917 86 046		
Loss/(Profit) on sale of Fixed Assets	285	0
(Increase)/Decrease in Receivables	71 366	48 661
(Increase)/Decrease in Other Current Assets	(76 626)	(6 695)
Increase/(Decrease) in Payables	(121 433)	(13 380)
Increase/(Decrease) in Provisions	2 696	28 295
	44 752	**(112 266)**
c) Financing Facilities		
Bank overdraft - amount used	131 794	73 449
Bank overdraft - amount unused	118 206	176 551

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.

	2014 $	2013 $
23. KEY MANAGEMENT PERSONNEL		
Key management remuneration	480 919	473 224
Long term salary benefits	28 631	42 590
Total key management remuneration	**509 550**	**515 814**

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

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 the value of $1000 on service fees incurred at participating studs.

These certificates are able to be used within five (5) years of the winning mare being retired from racing.

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 2014, 820 SAMOS certificates had been issued, of which 175 had been redeemed.

Statement of Financial Performance

For the financial year ended 30 June 2014

		2014 $	2013 $
Revenues from Ordinary Activities			
TAB Distribution		4 594 177	5 231 550
Other Income		3 508 792	3 443 189
Total Revenues from Ordinary Activities		**8 102 969**	**8 674 738**
Operating Expenses			
Racing Expenses		6 924 507	7 828 595
Administration Expenses		1 058 400	1 053 732
Borrowing Costs		18 879	19 310
Total Operating Expenses		**8 001 786**	**8 901 637**
Net Profit/(Loss) from Ordinary Activities	4	101 183	(226 898)
Less Non-Operating Expenses		13 636	28 295
Net Profit/(Loss) after Non-Operating Expenses		**87 547**	**(255 193)**

Statement of Financial Position

As at financial year ended 30 June 2014

		2014 $	2013 $
Current Assets			
Cash		2 351	1 155
Receivables	7	306 770	378 136
Other	8	329 957	253 331
Total Current Assets		**639 078**	**632 622**
Non-current Assets			
Property, Plant & Equipment	9	267 624	253 011
Total Non-current Assets		**267 624**	**253 011**
Total Assets		**906 702**	**885 633**
Current Liabilities			
Payables & Revenue Received in Advance	10	657 455	778 887
Borrowings	12	32 529	27 332
Interest Bearing Liabilities	11	135 198	73 449
Provisions	13	104 861	102 165
Total Current Liabilities		**930 042**	**981 833**
Non-current Liabilities			
Borrowings	12	47 820	82 939
Interest Bearing Liabilities	11	20 432	0
Total Non-current Liabilities		**68 252**	**82 939**
Total Liabilities		**998 294**	**1 064 772**
Net Assets		**(91 592)**	**(179 138)**
Equity			
Retain Profits/(Accumulated Losses)	14	(91 592)	(179 138)
Total Equity		**(91 592)**	**(179 138)**

Changes in Equity

For the financial year ended 30 June 2014

	Retained Profits/ (Accumulated Losses) $	Total $
Balance at 1 July 2012	76 055	76 055
Profit attributable to members	(255 193)	(255 193)
Balance at 30 June 2013	**(179 138)**	**(179 138)**
Profit attributable to members	87 547	87 547
Balance at 30 June 2014	**(91 592)**	**(91 592)**

Harness Racing SA Limited

ABN 68 094 559 930

DIRECTORS' DECLARATION

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 30th June 2014 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 24th day of September 2014

MC
Chartered Accountants
Working with you, for you

AUDIT SERVICES

Chartered Accountants

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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, 2014 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, 2014 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.*

Other Matters

The financial report of Harness Racing S.A. Limited for the year ended 30th June 2013 was audited by another auditor who expressed an unqualified opinion on that financial report on 27th September 2013.

Dated this 25th day of September, 2014

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

Level 1, Suite 5,
102 Greenhill Road,
UNLEY. S. AUST. 5061

MC
Chartered Accountants
Working with you, for you

DIRECTORS

BARRIE M. MANSOM FCA, CTA, JP

AILEEN POWELL CA, CTA

Chartered Accountants

All correspondence to:
PO Box 1236
UNLEY BC SA 5061

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, 2014 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 25th day of September 2014

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

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

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