



QUEENSLAND RACING  
INTEGRITY COMMISSION

Engagement | Education | Enforcement

# Annual Report

2020–2021

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This annual report provides information about the Queensland Racing Integrity Commission's financial and non-financial performance for 2020–21. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the annual report requirements for Queensland Government agencies.

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# Letter of compliance/ Certification of financial statements

20 September 2021

The Honourable Grace Grace MP  
Minister for Education  
Minister for Industrial Relations and  
Minister for Racing  
PO Box 15033  
CITY EAST QLD 4002

Dear Minister,

I am pleased to submit, for presentation to Parliament, the Annual Report 2020-21 and Financial Statements for the Queensland Racing Integrity Commission.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, and the *Racing Integrity Act 2016*.
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies for the 2020-21 reporting period.

See [page 69](#) for a checklist outlining the annual reporting requirements.

Yours sincerely,



Mr Paul Brown PSM  
*Acting Racing Integrity Commissioner*  
Queensland Racing Integrity Commission

# General information

## Acting Commissioner's report

It is with pleasure that I present the fifth annual report of the Queensland Racing Integrity Commission.

The period of this report has seen the inaugural Racing Integrity Commissioner, Mr Ross Barnett APM resign from the Queensland Racing Integrity Commission (the Commission) on 1 January 2021. I undertook the role of Acting Commissioner from 2 January 2021. At the time of writing, an advertisement for the Commissioner's role has been circulated and a replacement Commissioner will be announced in the near future.

Part of this year was again impacted by the COVID-19 pandemic, but due to the Commission, Racing Queensland and industry participants working closely together to implement the appropriate protocols, checks and balances, racing continued. During these difficult times, Commission staff embraced the working from home model, which allowed the Commission to vacate the Brisbane CBD Corporate Office and join the operational team at Albion. This move has created significant budgetary savings for the Commission.

The Commission and Racing Queensland continue to work together, under the Joint Martin Inquiry Working Group (JMIWG) to deliver recommendations contained in Part One of the Inquiry into animal cruelty in the management of retired Thoroughbred and Standardbred horses in Queensland (the Martin Inquiry). As at 30 June 2021, the JMIWG met 14 times. The Commission has also implemented a number of recommendations, including the recruitment of two Integrity Investigation Team Stewards to conduct audits and inspections of stables and the development of a penalty standard for those who do not fulfil their obligations in respect to providing timely retirement and death notifications.

The relocation of Brisbane Thoroughbred stewards from the Albion office to Eagle Farm Racecourse and the establishment of a permanent stewarding panel at the Cairns Jockey Club have been two positive moves for the industry, as accessibility to stewards for participants in both areas has significantly increased resulting in efficiencies. Engagement sessions with racing industry participants have continued over the period with sessions being undertaken across Queensland for the three codes of racing (Thoroughbred, Harness and Greyhound). Additionally, regular meetings are held with the Animal Liberation Queensland Branch and other animal welfare organisations.

## General information *(continued)*

Several strategic projects and activities have been undertaken during this period including:

- the introduction of hair sampling of racing animals
- new integrity investigation responses to major racing carnivals throughout the State
- continuation of the cadet training program including the development of second-year program materials
- continuation of the Racing Animal Welfare (RAW) grants program to support animal welfare initiatives
- further rollout of the online licensing and registration system, RandLE
- a review of rostering and fatigue management practices within the Commission, and
- progression of procurement planning activities to source a new race day replay system for stewards at most TAB racing venues.

As the Commission enters its sixth year of operation, and transitions from a new agency to an established one, reviews of business unit functions need to be undertaken to ensure our services meet industry and community expectations, as well as, improving internal efficiencies and effectiveness. Reviews are consistent with the Queensland Government's savings and debt plan. In 2019–20, an independent external review of the Racing Science Centre was performed, which identified opportunities to enhance resources and unnecessary workflow duplication. In 2020–21, an independent external review of the Veterinary Services and Animal Welfare Unit was conducted with the final report to be released in 2021–22.

As part of the 2021–22 State budget process, the Commission was successful in obtaining \$4.2 million over four years and \$1 million per year ongoing in Government funding, which will provide for several new steward positions to support the expanding racing calendar. Two new full-time equivalent positions to support kennel and stable inspections and a communications officer will also be employed to develop proactive education and engagement activities to support industry compliance in response to the Martin Inquiry recommendations. See [page 27](#) for more information.

Despite the ongoing challenges of COVID-19 and an increased racing calendar, the commitment, passion and dedication of all Commission staff has ensured that racing and racing associated activities continued with integrity. I would like to personally thank all Commission staff for their dedication and commitment to their roles.

I would also like to thank the CEO and staff of Racing Queensland for their ongoing support and co-operation throughout the year and acknowledge the work of the committees and staff of individual race clubs across the three codes in Queensland.

Mr Mark Ainsworth APM  
*Acting Racing Integrity Commissioner*  
Queensland Racing Integrity Commission

*Note:* On 2 July 2021, Mr Mark Ainsworth APM commenced his retirement. An international recruitment campaign has commenced to appoint a Racing Integrity Commissioner, which is being managed by the Department of Agriculture and Fisheries. In the interim, Mr Paul Brown PSM will act as Commissioner and Mr Darryl Johnson APM will act as Deputy Commissioner Operations.

## General information (*continued*)

### About the Queensland Racing Integrity Commission

The Queensland Racing Integrity Commission (the Commission) is an independent statutory body, which oversees the integrity and welfare standards of racing animals and participants in Queensland.

The Commission was established by the *Racing Integrity Act 2016* (the Racing Integrity Act) and began operation on 1 July 2016.

The Commission is a unit of public administration under the *Crime and Corruption Act 2001* and accountable to the Queensland Government under the *Financial Accountability Act 2009*.

The Commission works in partnership with the Queensland racing industry to monitor racing activities, uphold the Rules of Racing, and make sure that everyone has the opportunity to compete on an even playing field.

The Commission provides animal welfare, sample testing, licensing and registration, race day stewarding and compliance and enforcement services to the industry.

The main purposes of the Racing Integrity Act are:

- to maintain public confidence in the racing of animals in Queensland for which betting is lawful
- to ensure the integrity of all persons involved with racing or betting under the Racing Integrity Act or the *Racing Act 2002* (the Racing Act)
- to safeguard the welfare of all animals involved in racing under the Racing Integrity Act or the Racing Act.

The Commission maintained responsibility for coordinating the implementation of a number of longer-term recommendations arising from the Queensland Greyhound Racing Industry Commission of Inquiry (MacSporran Report).

Additionally, the Commission is progressing implementation of a number of recommendations, which arose from the Inquiry into animal cruelty in the management of retired Thoroughbred and Standardbred horses in Queensland (Martin Inquiry).

The Commission's progress against implementation of the MacSporran Report and Martin Inquiry recommendations is outlined on [page 27](#).

### Our vision and strategic objectives

The Commission's vision is for an ethical and safe racing industry in Queensland.

We work with the racing industry and the community to fulfil this vision by:

- safeguarding the welfare of animals involved in racing
- ensuring industry integrity through the consistent and fair administration of the rules of racing
- exercising best practice, skills, and processes to detect, investigate, and prosecute compliance and integrity breaches
- maintaining public confidence in the integrity of Queensland's racing industry.

### Our stakeholders

- The Queensland Public
- Queensland racing industry participants
- Racing Queensland
- The Minister for Education, Minister for Industrial Relations and Minister for Racing
- Partner agencies including the Royal Society for the Prevention of Cruelty to Animals (RSPCA), Department of Agriculture and Fisheries (DAF), the Queensland Police Service (QPS), the Australian Border Force and other enforcement agencies.

## General information *(continued)*

### Our legislative and regulatory framework

The Racing Integrity Act is administered by the Department of Agriculture and Fisheries (DAF) and is the primary legislation governing the Commission's business.

The *Animal Care and Protection Act 2001* and the *Criminal Code Act 1899* contain a broad range of offences to protect racing and non-racing animals in Queensland, including offences for acts of animal cruelty and breaching a duty of care to an animal. The *Criminal Code Act 1899* also provides for the criminal offence of serious animal cruelty and match-fixing.

Under the Racing Integrity Act, the Commission is responsible for overseeing the integrity of race meetings, including matters preliminary to race meetings, and as such is responsible for enforcing elements of both the national and local Rules of Racing for all racing codes.

The Commission can make Standards for each code of racing under section 58 of the Racing Integrity Act. Standards made under the Racing Integrity Act are statutory instruments.

The Commission has made the following Standards:

- Standard for suitability of person to apply or hold a Racing Bookmaker's licence under the Racing Integrity Act.
- Standard for Licensing Scheme – Thoroughbreds.
- Standard for Licensing Scheme – Greyhounds.
- Standard for Licensing Scheme – Harness.

### Our powers and specialist capabilities

#### *Investigative and enforcement powers*

The Commission has a range of investigative and enforcement powers that help us to engage, deter, detect, and respond to integrity and compliance breaches.

Authorised Officers, appointed under the Racing Integrity Act, have a range of powers including the power to enter premises, by consent or under warrant; conduct searches; seize evidence; and issue animal welfare directions.

Stewards have powers under the respective Rules of Racing to supervise race meetings, including activities preliminary to race meetings, and apply corrective measures or penalty decisions to support compliance with the relevant Rules of Racing.

Where necessary, the Commission will undertake joint operations with the RSPCA or the QPS to ensure offences against animal welfare and racing integrity are investigated and, where appropriate, prosecuted. The Commission's partnership with the Queensland Racing Crime Squad (QRCS), QPS, provides a specialist, high-level investigative and intelligence capability tasked with investigating and responding to serious animal cruelty and major and organised crime across all three codes of racing.

#### *Coercive powers*

The Racing Integrity Commissioner (the Commissioner) holds the following coercive powers under the Racing Integrity Act:

- Powers for audits and investigations.
- The Commissioner may administer an oath or affirmation to a person appearing as a witness before the Commissioner and receive evidence on oath or affirmation or by statutory declaration.
- Power to require attendance and giving of evidence.
- If the Commissioner reasonably believes a person has information relevant to an audit or investigation, the Commissioner may, by notice given to the person, require the person to attend a hearing to answer questions relevant to the audit or investigation.
- Power to require information, document, or thing.
- If the Commissioner reasonably believes a person has information or a document or thing relevant to an audit or investigation, the Commissioner may, by notice given to the person, require the person to provide the information in writing or produce the document or thing.



## General information (*continued*)

### Ministerial directions

The Minister may give the Commission a written direction about the performance of its functions or the exercise of its powers if the Minister is satisfied it is in the best interests of the Queensland racing industry to give the direction.

Under section 13 of the Racing Integrity Act, the Commission must include in its annual report, prepared under the *Financial Accountability Act 2009*, section 63, details of any direction given by the Minister during the financial year to which the report relates.

In 2020-21, the Minister did not provide any directions to the Commission.

### Operational focus – achievements and challenges

The Commission continues to evolve and incorporate business improvement activities into its process and practices. As the Commission continues to mature, corporate management and governance functions are also evolving within the organisation.

In 2020-21, the following key actions were achieved by the Commission:

- Revised operational planning led by investigative stewards in response to racing carnivals by relevant frontline Commission officers.
- Employment of two investigative stewards and a Communications Officer to support the enforcement of equine retirement reporting and communicating with registered owners and trainers regarding their reporting obligations and moral requirements in managing retiring/ed racehorses. See [page 27](#) for more information.
- The permanent relocation of thoroughbred stewards to a dedicated fit-for-purpose facility at the Eagle Farm Racecourse, which will allow improved access to the approximately 430 horses stabled on-course at Eagle Farm; and facilitate a better working relationship between stewards and trainers and other participants at both Eagle Farm and Doomben.
- The creation of a thoroughbred stewarding office at the Cairns Jockey Club, staffed by two stewards, to support regional areas in Far North Queensland.
- Introduction of hair sampling of racing animals as part of its testing regime. Hair sampling determines if there has been any use of prohibited substances in the lead up time well before a race.
- Publishing of elevated TCO<sub>2</sub> levels detected in equine racing animals to increase transparency. All horses notified on this list (including past notifications) are now required to be presented by their trainers to stewards for pre-race testing for the following six race starts.
- Establishment of the Greyhound Racing Injury Working Group, which meets monthly to review every serious and catastrophic injury occurring during the previous month and includes membership from Racing Queensland and industry stakeholders.

## General information (*continued*)

- Industry engagement sessions conducted by the Commission in Brisbane, Cairns, Townsville, Bundaberg, Monto, Rockhampton, and Home Hill.
- Development of an Authorised Officer Capability Framework.
- Development of an Electronics Records Management Policy and Procedure.
- Development of penalty standards to enforce retirement notifications in equine racing animals.
- Updated the Bookmaker Licensing Process, including a new Telecommunications Policy.
- An update to the Thoroughbred Licensing Standard.

The following key actions are planned for 2021–22:

- Continue to deliver on the MacSporran Report recommendations by undertaking a holistic review of greyhound lifecycle data to inform the government's position on deferred recommendations 9 and 10.
- Continue to work with relevant agencies to implement and support recommendations from the Martin Inquiry.
- Finalisation of the review of the Commission's overarching Compliance and Enforcement Strategy.
- Implement relevant activities from the Commission's renewed Regulatory Framework and its supporting strategies, which will provide direction and vision for the Commission's operations over the next four years.
- Implementation of recommendations and activities resulting from the Rostering Consolidation Project.
- Implementation of the second year Steward Cadet Program activities.
- Review the Commission's Harness Licensing Standard to ensure it continues to be relevant and aligned to respective requirements including the Rules of Racing, the Racing Integrity Act, and the Commission's strategic and operational priorities.
- Support Racing Queensland's retraining/rehoming program for Thoroughbred and Standardbred horses (Off the Track program), bred for the racing industry as an activity from the Martin Inquiry recommendations.
- Maintain a '100% of winners' sampling regime to effectively deter prohibited substance use.
- Support the Department of Agriculture and Fisheries in the review of the *Racing Integrity Act 2016*.
- Increase stakeholder engagement meetings hosted or attended by the Commissioner to raise industry and community awareness of the Commission's role and purpose.
- Establish an Equine Injury Working Group to monitor euthanasia and injury rates for racing animals on track and publish the information on the Commission's website.
- Implement more robust animal welfare and integrity standards in the Queensland racing industry with \$4.2 million over four years and \$1.1 million per annum ongoing (from 2024–2025) to increase resource capacity to meet the Queensland racing program, kennel and stable inspections and compliance education and engagement.

# Non-financial performance

## Queensland Government’s objectives for the community

Our purpose is to work with the racing industry and community to protect racing animals, ensure high standards of integrity and safety, and enhance public confidence, in pursuit of our vision of an ethical and safe racing industry. The Commission contributes to advancing the Queensland Government’s priorities by meeting the following objectives for the community:

- **Safeguarding our health** – The Commission will safeguard the jobs and health of its staff and licensed racing industry participants by being pandemic-ready.
  - Flexible working arrangements proved that many roles could be undertaken remotely. Consequently, the Commission was able to reduce its physical footprint to the Albion Headquarters and closed the city office in November 2020, resulting in significant cost savings.
  - On return to the workplace, all staff were required to undertake a COVID return to work induction and sign an agreement, which included acknowledgement that they are not to attend a workplace if unwell. Signage, hand sanitiser, masks and other PPE were provided at all work locations and in Commission vehicles.
  - Changes in health advice and border matters are monitored and communicated to staff as required.
- **Growing our regions** – Provide frontline support for regional and remote communities to service an expanding racing calendar.
  - Of the 1,611 race meetings attended by the Commission across the three codes of racing in 2020-21, 223 race meetings were non-TAB meetings, which is largely applicable to regional and remote communities. For many of the regional and remote areas, these race meetings are integral social and economic events for their communities. The Commission provides stewards and sample collection officers to these non-TAB race meetings.
  - The establishment of a permanent stewarding panel at the Cairns Jockey Club has improved accessibility to stewards for industry participants and better supports Far North Queensland race meetings, which was previously all managed by stewards based in Townsville.
- **Backing our frontline services** – Provide quality frontline services for an ethical and safe racing industry.
  - 1,947 original stewarding decisions made for the three codes of racing.
  - 835 race day inspections conducted by the Integrity and Investigations Team (IIT) for the three codes of racing.
  - 937 kennel and stable inspections conducted by IIT and stewards.
  - 5,641 licence applications received and processed.
  - 13,980 animal registration applications received and processed.
  - 63 intelligence submissions received by the QCRS.
  - 460 contacts received through the Commission’s Report Something portal, which includes webform, email, telephone and face-to-face.
  - 23,881 samples were received by the Commission’s Racing Science Centre. The testing of the samples received resulted in 41 reportable prohibited substance findings in 41 samples (0.17%).
  - 62 welfare and integrity investigations were finalised.

## Non-financial performance *(continued)*

### Progress against our strategic objectives

<b>Objective 1. Safeguard the welfare of animals involved in racing</b>		
<b>Performance indicators</b>	<b>Notes</b>	<b>Results</b>
Percentage of re-homed greyhounds returned to the Greyhound Adoption Program	1	1.75%
Percentage of greyhounds accepted into the Greyhound Adoption Program re-homed within four months	2	Not available
Euthanasia rates for Greyhounds	3	0.44 euthanasias per 1,000 starts
Euthanasia rates for Standardbreds	4	0 euthanasias per 1,000 starts
Euthanasia rates for Thoroughbreds	5	0.74 euthanasias per 1,000 starts

### **Objective 1. Safeguard the welfare of animals involved in racing**

*Notes:*

- Of the 228 greyhounds rehomed in 2020–21, four greyhounds were returned by their new owners to the Greyhound Adoption Program (GAP). GAP staff try their best to match families with the most suitable greyhound – taking into consideration a family’s composition, daily routines, and energy levels. The above result indicates increased GAP staff ability to match applicants with the most suitable greyhounds.
- This measure will be discontinued as the time that greyhounds spend in GAP before being suitable for adoption, or actually being adopted, is subject to variables outside the control of the Commission or the GAP. The ways in which greyhounds are bred, raised and raced directly influence their suitability as pets and the time required for rehabilitation, behavioural modification and matching to suitable homes will vary considerably between individual dogs. In addition, there are variables such as:
  - female dogs coming into season, which delays assessment and desexing for two months
  - injuries, chronic and emergent health issues that must be assessed and treated
  - recovery from desexing is 10 days at minimum for females, seven days for males
  - some individual dogs require additional time for behaviour modification activities and training
  - illnesses such as kennel cough and gastroenteritis can travel quickly through kennels, and outbreaks will significantly impact the progress of greyhounds through the program.

This measure is not reflective of the current processes and procedures of the GAP as part of the assessment, intake and adoption of retired racing greyhounds.
- Of the 49,960 race starts for 2020–21, 22 greyhounds were euthanised on track. Every greyhound is counted each time it races in the reporting period to standardise euthanasia rates per 1,000 starts.
- Of the 24,273 race starts for 2020–21, no standardbreds were euthanised on track. Every standardbred is counted each time it races in the reporting period to standardise euthanasia rates per 1,000 starts.
- Of the 41,529 race starts for 2020–21, 31 thoroughbreds were euthanised on track. Every thoroughbred is counted each time it races in the reporting period to standardise euthanasia rates per 1,000 starts.

The Commission also safeguards the welfare of animals involved in racing in the following ways:

- 937 kennel and stable inspections were conducted by stewards and the Integrity Investigations Team
- 62 welfare and integrity investigations finalised.

## Non-financial performance *(continued)*

### **Objective 2. Ensure industry integrity through the consistent and fair administration of the rules of racing**

Performance indicators	Notes	Results
Percentage of original decisions accepted without challenge	1	92.40%
Percentage of original decisions, challenged at Internal Review, confirmed	2	90.80%
Percentage of external review (QCAT) matters finalised in favour of the Commission	3	88%

**Notes:**

- In 2020-21, there were 1,947 original decisions made by Commission stewards and 148 applications for internal review.  
Of the 152 internal reviews finalised in 2020-21, 14 decisions were amended or substituted at internal review. The low number of penalties or decisions altered compared to the number of internal reviews finalised demonstrates consistent and appropriate decision-making in terms of penalties from Commission stewards.
- Of the 152 internal reviews finalised in 2020-21, 14 decisions were amended or substituted.
- Of the 84 QCAT matters finalised in 2020-21:
  - QCAT found in favour of the applicant in 10 matters
  - QCAT found in favour of the Commission in 13 matters
  - 8 matters were settled with the applicant and the review application withdrawn
  - for the remaining finalised matters (53), the applicant withdrew the application and accepted the original decision of the Commission.

Other results against this objective includes:

- 1,611 race meetings attended.
- 1,947 original decisions made by race-day stewards.

### **Objective 3. Exercise best practice, skills and processes to detect, investigate, and prosecute compliance and integrity breaches**

Performance indicators	Notes	Results
Percentage of original decisions, challenged at Internal Review, confirmed	1	90.80%
Percentage of external review (QCAT) matters finalised in favour of the Commission	2	88%
Number of successful legal challenges to double certified reports on analysis		Nil

**Notes:**

- Of the 152 internal reviews finalised in 2020-21, 14 decisions were amended or substituted.
- Of the 84 QCAT matters finalised in 2020-21:
  - QCAT found in favour of the applicant in 10 matters
  - QCAT found in favour of the Commission in 13 matters
  - 8 matters were settled with the applicant and the review application withdrawn
  - for the remaining finalised matters (53), the applicant withdrew the application and accepted the original decision of the Commission.

Other results against this objective includes:

- 1,611 race meetings attended
- 1,947 original decisions made by race-day stewards
- A total of 73% of industry participants across all three codes perceive the Commission as somewhat firm and fair.

## Non-financial performance *(continued)*

<b>Objective 4. Maintain public confidence in the integrity of Queensland's racing industry</b>		
<b>Performance indicators</b>	<b>Notes</b>	<b>Results</b>
Percentage of community members who: <ul style="list-style-type: none"> <li>– are somewhat or very confident in the integrity of the Queensland racing industry; and</li> <li>– believe that the integrity of racing has improved a lot or a little over the past 12 months</li> </ul>	1	<ul style="list-style-type: none"> <li>– 59% of community members rated the overall level of racing integrity as okay, good or very good.</li> <li>– 62% of community members stated there had been improvement in the level of integrity of racing in the last 12 months.</li> </ul>

*Note:*

1. Each year the Commission partners with an independent social research company to conduct a survey of Queensland community and industry members and their attitudes towards racing.

A key learning for the Commission from the 2020-21 Community Perceptions Survey was how well the public knows the Commission's role and purpose. From the 1,000 people surveyed, 59% indicated they had never heard of the Commission, 26% had heard of the Commission but knew next to nothing of its role or purpose, and 15% somewhat knew/knew very well of the existence of the Commission and its purpose.

In 2021-22, the Commission has an action plan to establish an annual engagement program to raise industry and community awareness of the Commission's role and purpose.

## Progress against our Service Delivery Standards for 2020-21

### *Objective*

The Commission's service area objectives were to protect racing animals, ensure high standards of racing integrity and safety, and maintain public confidence in the Queensland racing industry.

### *Description*

The Commission oversees the integrity and welfare standards of racing animals and participants in Queensland. The Commission works in partnership with the industry to licence racing industry participants, oversee the integrity of racing activities, uphold the Rules of Racing, safeguard the welfare of racing animals and manage scientific testing and analysis.

### *Services*

- Veterinary services and animal welfare
- Compliance and enforcement
- Sampling and analytical services.

## Non-financial performance *(continued)*

Queensland Racing Integrity Commission service standards	Notes	2020-21 Target/Est.	2020-21 Actual
Percentage of rehomed greyhounds returned to Greyhound Adoption Program (GAP)	1	4%	1.75%
Percentage of greyhounds accepted into GAP rehomed within four months	2	90%	Not available
Cost, per dog (per day) presented to GAP, of services delivered by GAP		\$21	\$20
Percentage of original decisions, challenged at Internal Review, and confirmed	3	80%	90.80%
Cost, per licence, of receiving and assessing animal registrations, licence applications and issuing licence products	4	\$100	\$88
Percentage of community members surveyed who:			
– are somewhat or very confident in the integrity of the Queensland racing industry		65%	59%
– believe that the integrity of racing has improved a lot or a little over the past 12 months		65%	62%
Cost, per sample of racing animals tested for prohibited substances	5	\$327	\$242

### Notes:

- The variance between the 2020–21 Target/Estimate and 2020-21 Estimated Actual indicates increased GAP staff ability to match applicants with the most suitable greyhounds. This includes taking into account the applicant's household composition, daily routines, and energy levels.
- This measure will be discontinued as the time that greyhounds spend in GAP before being suitable for adoption, or actually being adopted is subject to variables outside the control of the Commission or the GAP. The ways in which greyhounds are bred, raised and raced directly influence their suitability as pets and the time required for rehabilitation, behavioural modification and matching to suitable homes will vary considerably between individual dogs. In addition, there are variables such as:
  - female dogs coming into season, which delays assessment and desexing for 2 months
  - injuries, chronic and emergent health issues must be assessed and treated
  - recovery from desexing is 10 days at minimum for females, 7 days for males
  - some individual dogs require additional time for behaviour modification activities and training
  - illnesses such as kennel cough and gastroenteritis can travel quickly through kennels, and outbreaks will significantly impact the progress of greyhounds through the program.

This measure is not reflective of the current processes and procedures of the GAP as part of the assessment, intake and adoption of retired racing greyhounds.
- The variance between the 2020–21 Target/Estimate and 2020-21 Estimated Actual demonstrates an increase in internal review applications in relation to race riding breaches, of which the original decisions are confirmed by the internal reviewer.
- The variance between the 2020–21 Target/Estimate and the 2020-21 Estimated Actual is due to changes, which have already been implemented by transitioning most licensing categories to the 3-year, online process. This has led to a reduction in the volume of licence applications and renewals processed, as well as allow licensees to manage and update their own account information.
- An increased racing calendar means an increased testing regime based on the Commission's Sampling and Analytical Services Strategy of testing 100% of winning animals. This results in a variance between the 2020-21 Target/Estimate and the 2020-21 Estimated Actual being lower than originally targeted cost per sample overall.

## Staffing

Queensland Racing Integrity Commission	Notes	2020-21 Budget	2020-21 Est. Actual
Queensland Racing Integrity Commission	1	162	162

### Note:

- Full-time equivalent positions (FTEs) budgeted for as at 30 June



# Financial performance

Our annual financial statements present the Commission’s financial performance and overall position as at 30 June 2021 and can be found on pages 28–62. The financial statements include a comparison of actual financial results with the budget estimates published in the 2020–21 State Budget Papers. An explanation of major budget variances for revenue and expenditure is included under Note 8 – Budgetary Reporting Disclosures.

This financial overview provides information about the Commission’s funding and revenue collected on behalf of the State, a summary of the Commission’s financial performance and position, and comments on significant movements in comparative and actual results.

## Financial overview

### State Grant Funding

The Commission is primarily funded by the State in the form of government grants for the delivery of its services. Our administering department, the DAF receives the grant funding from the Consolidated Fund by way of administered appropriations and pays the grant to the Commission on a quarterly basis.

As part of its response to recommendations from the Martin Inquiry, the Government allocated \$1.2 million over four years effective from 2020–21 to the Commission for additional resources to enforce animal welfare compliance and to deliver a targeted education program.

As part of the Queensland Government 2021–22 State Budget outcomes, the government has provided an additional \$4.2 million over four years and \$1.1 million ongoing to the Commission. This funding is to support the expanding Queensland racing calendar while driving animal welfare and integrity improvements across the three codes of racing.

The Government has also provided additional funding supplementation to meet staff enterprise bargaining (EB) increases.

Total grant funding received for 2020–21 was \$29.4 million, consisting of an operating grant of \$28.9 million, and a capital grant of \$0.5 million to support our investment in core laboratory equipment and technology at the Racing Science Centre (RSC) to enable the provision of high quality and contemporary drug testing services.

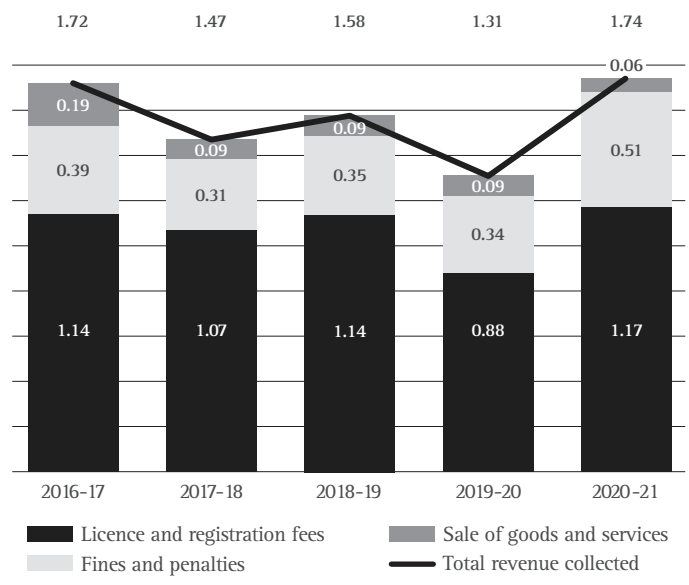
Total budgeted State grant funding for 2021–22 is \$31.4 million, comprising of an operating grant of \$30.9 million and a capital grant of \$0.5 million. This will not match the \$32.77 million in total income listed on page 16 as total income includes grant funding, user fees and charges collected, interest and other sundry revenue.

### Revenue collected on behalf of the State

Any revenue collected from administering the rules of racing, animal welfare; licensing of racing participants and animal registrations is returned to the State on a quarterly basis via our administering department. As the Commission does not control the revenue, the transactions associated with the revenue is reported separately in the financial statements, under Note 7.5 – Agency Transactions.

Over the past five years, the Commission has made significant business improvements in licensing and registration, including standardised licence categories and a staged transition from an annual licensing model to a three-year model. The RandLE system provides an online payment gateway to participants, reducing licence processing times and moving participants away from paper-based to online applications.

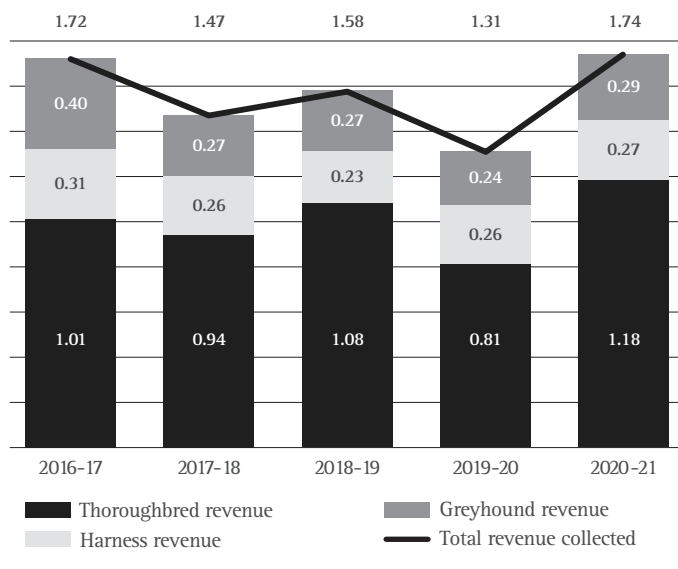
Figure 1. Revenue collected by type  
5-year comparison (\$ million)





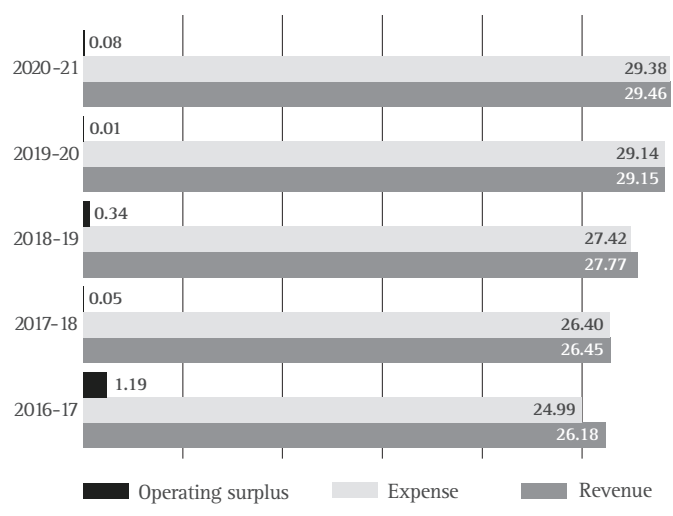
## Financial performance (continued)

**Figure 2. Revenue collected by racing code**  
5-year comparison (\$ million)



The Commission operated within its budget during 2020-21 and achieved an operating surplus of \$83,651 at the end of the financial year.

**Figure 3. Financial results**  
5-year comparison (\$ million)

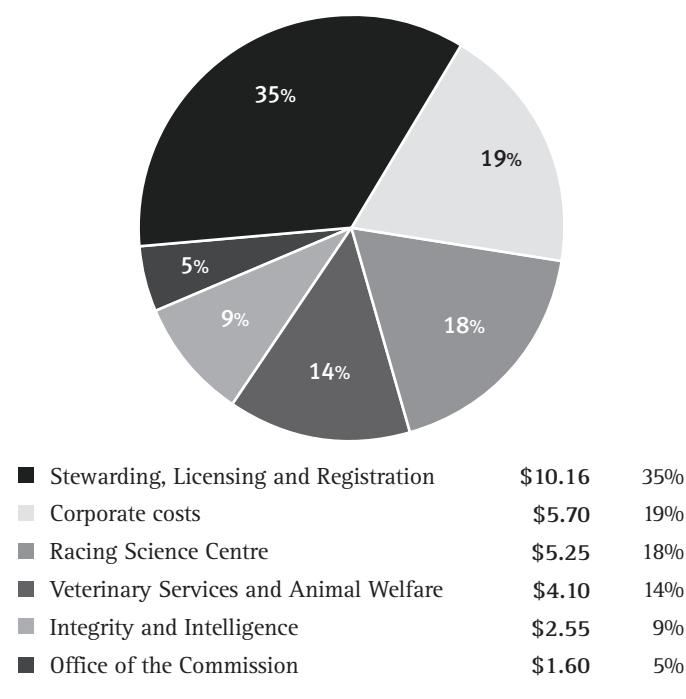


## Financial performance

The Commission's financial performance is detailed on page 29 of the Financial Statements in the Statement of Comprehensive Income. The Statement of Comprehensive Income compares revenues received against expenses incurred over a 12-month period.

Excess revenue over expenses results in an operating surplus, whilst excess expenses over revenue results in an operating deficit. Expenses that are not recognised in the profit and loss, for example, adjustments to asset revaluations, are included under Other Comprehensive Income and added/deducted to/from the operating surplus to derive the total comprehensive income.

**Figure 4. 2020-21 Operating costs**  
what we spent our money on (\$ million)



	2020-21 Actual	2020-21 Original budget	2020-21 Budget variance	2021-22 Budget
	\$M	\$M	\$M	\$M
Total income	29.46	29.71	0.24	32.77
Less: total expenses	29.38	29.71	0.33	32.77
Operating result	0.08	-	0.08	-

## Financial performance *(continued)*

### Income

Total income for 2020–21 was \$29.5 million, increasing by \$0.4 million or 1.37% from the previous financial year (2019–20: \$29.1 million) and comprises the following:

- \$28.9 million (97.89%) through State grant funding for Commission outputs
- \$0.5 million (1.86%) in services received free of charge from Queensland Police Services (QPS) for police seconded to the Queensland Racing Crime Squad (QRCS). The Commission recognises the free of charge services as both a revenue and expense item, with no bottom-line impact to the operating budget.
- \$0.1 million (0.25%) in other revenue earnings including interest on bank accounts.

### Expenditure

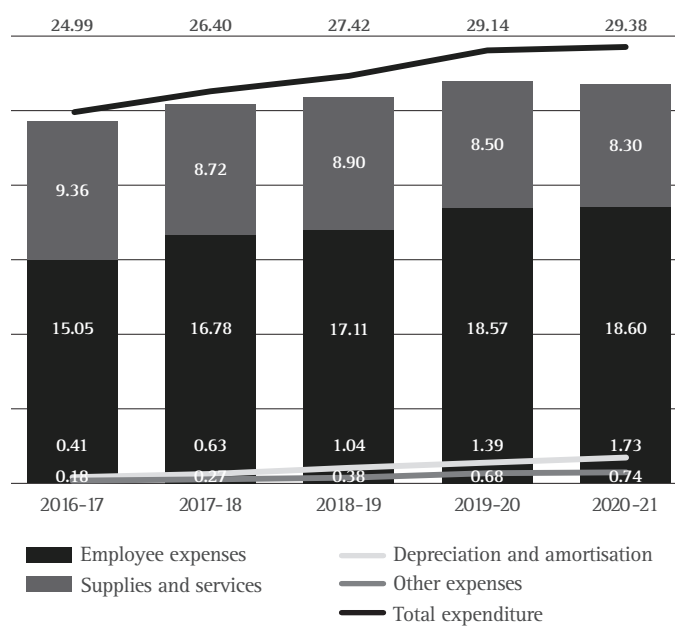
Total expenditure for 2020–21 was \$29.4 million, increasing by 0.3 million or 0.83% from the previous financial year (2019–20: \$29.1 million), and comprises the following:

- \$18.6 million (63.30%) in employee costs, increasing by \$26,000 or 0.14% since the previous financial year for 155 FTE staff (as at 30 June 2021). The minor increase is primarily due to higher use of temp agency staff (reported under supplies and services) to backfill staff vacancies. As a result, the Commission achieved a budget underspend of \$0.4 million in employee expenses for 2020–21.
- \$8.3 million (28.26%) for supplies and services expenses, decreasing by \$0.2 million or 2.31% from the previous financial year. The Commission achieved budget savings during the financial year primarily in travel costs (largely due to COVID-19); and motor vehicle expenses, offset by higher laboratory testing expenses, race day vet expenses, and temp agency costs. The highest five categories of supplies and services expenditure, accounting for almost 73% of total costs, include:

- consultants and contractors' expenditure, which includes support services for business administration, finance, human resources, legal, transcriptions, project management and internal audit – \$1.6 million (2019–20: \$1.7 million)
- office accommodation and property maintenance expenses, which includes GAP and RSC property maintenance – \$1.2 million (2019–20: \$1.1 million)
- corporate service arrangements with other government agencies for information technology, financial, payroll and business system support – \$1.1 million (2019–20: \$1.1 million)

- animal care expenses, which includes race day vet services, and Greyhound Adoption Program (GAP) costs like vet fees and supplies, kennelling fees, and dog food and materials to maintain GAP animals – \$1.1 million (2019–20: \$0.9 million)
- laboratory and testing expenses for our RSC, which delivers a comprehensive range of prohibited substance testing services for all three codes of racing – \$1 million (2019–20: \$0.9 million)
- \$1.7 million (5.90%) in depreciation and amortisation write-offs, increasing by almost \$0.4 million from the previous financial year. However, the Commission achieved budget underspend of \$136,000 in this line item of expenditure due to RSC capital program delays, including delivery delays due to COVID-19.
- \$0.7 million (2.53%) for other expenses, increasing by almost \$0.1 million from the previous financial year. Other expenses include free of charge services provided by the QPS for the QRCS, which is based at the Commission; payments to the Queensland Audit Office (QAO) for audit fees, insurance premiums paid to the Queensland Government Insurance Fund (QGIF); and grants and sponsorship payments to support the Commission's animal welfare priorities.

Figure 5. Expenditure  
5-year comparison (\$ million)



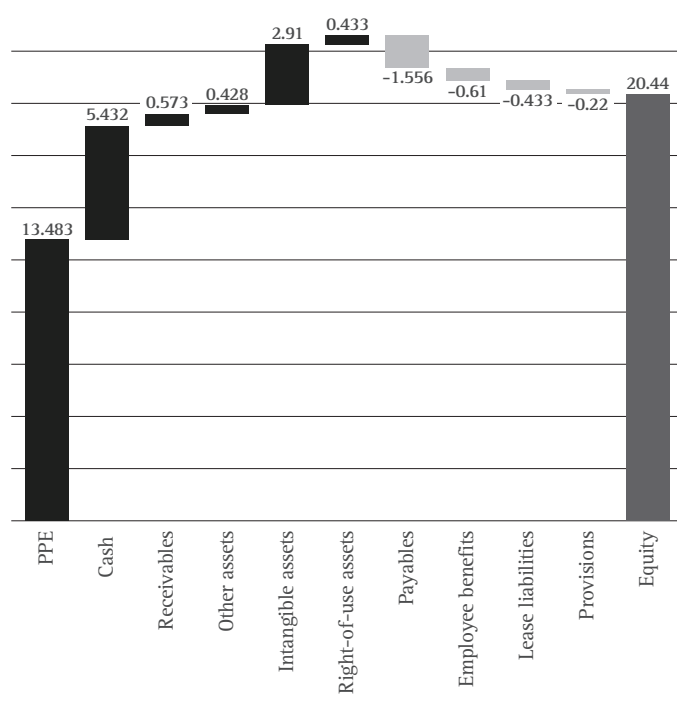
## Financial performance (continued)

### Financial position

The Commission's financial position is detailed on [page 30](#) of the Financial Statements in the Statement of Financial Position.

The Statement of Financial Position highlights the financial health of the Commission. It shows what the Commission owns (assets), what it owes (liabilities) and its net worth (equity).

Figure 6. Financial position balances (\$ million)



### Equity

The Commission's equity is detailed on [page 31](#) of the Financial Statements in the Statement of Changes in Equity. Equity is the net worth of the Commission and is represented by total assets, less total liabilities in the Statement of Financial Position.

The Commission was in a strong net worth position as at 30 June 2021 with net assets totalling \$20.4 million, increasing by \$0.6 million or 3.07% from the previous financial year.

Breakdown of equity	2019-20 Actual	2020-21 Actual
	\$M	\$M
Opening balance	15.55	19.83
Operating result for the year	0.01	0.08
Increase in revaluation surplus	1.54	-
Adjustments due to new accounting standards	0.03	-
Equity injections	2.70	0.52
<b>Total equity</b>	<b>19.83</b>	<b>20.44</b>

The Commission's equity has steadily increased over the past five years primarily due to capital grant injections for the continued rollout of the RSC capital program and to finalise the development of the Randle system.

Additionally, the Commission undertook a comprehensive revaluation of the RSC buildings during 2019-20 resulting in an upwards revaluation by \$1.5 million.

## Financial performance *(continued)*

### Assets

As at 30 June 2021, the Commission held assets valued at \$23.3 million, represented by \$6.4 million in current assets and \$16.9 million in non-current assets. Current assets include \$5.4 million in cash held at bank mainly to settle amounts owed to suppliers and accrued employee benefits. The balance of the cash represents depreciation and amortisation funding for future non-current asset replacements.

Non-current assets consist mainly of RSC assets. This includes the land and buildings at Albion where the RSC is housed. As at 30 June 2021, these land and buildings had a written down value of \$8.4 million, decreasing by 2.96% from the previous financial year, due to the depreciation write-offs (2019-20: \$8.6 million).

Intangible assets were valued at \$3.1 million as at 30 June 2021 and comprise business systems that support our operations, namely RandLE, our complaints management system (ICMS) and our laboratory management system (LIMS).

To date, the Commission has invested \$3.2 million in capital funding for RandLE. The system has enabled the Commission to fulfil multiple MacSparran Report recommendations and provides a contemporary online licensing environment for the Queensland racing industry. In 2021-22, the Commission will continue investment in RandLE, with \$0.8 million capital funding allocated for further development work, including the implementation of mobile devices for kennel and stable inspections, as well as stock checks to satisfy recommendations from the Martin Inquiry.

### Liabilities

The Commission's liabilities include amounts owed to suppliers, employee entitlements owing and liabilities in relation to accommodation lease provisions. As at 30 June 2021, these liabilities were valued at \$2.8 million, increasing by 62.29% from the previous financial year (2019-20: \$1.7 million). The increase is largely due to higher payments owing to suppliers at financial year end. Additionally, the Commission entered into new lease arrangements during the financial year for stewarding offices at the Eagle Farm Racecourse and Cairns Jockey Club and for our Townsville GAP. These leases have been recognised as right of use assets and liabilities in accordance with accounting standards.

## Chief Finance Officer (CFO) Statement

Section 77(b) of the *Financial Accountability Act 2009* (The Act) requires Accountable Officers to delegate the establishment and review of financial internal controls to the Chief Finance Officer (CFO). The Act further requires that the CFO provide the Accountable Officer with a statement about whether the financial internal controls of the department have operated efficiently, effectively and economically during the financial year.

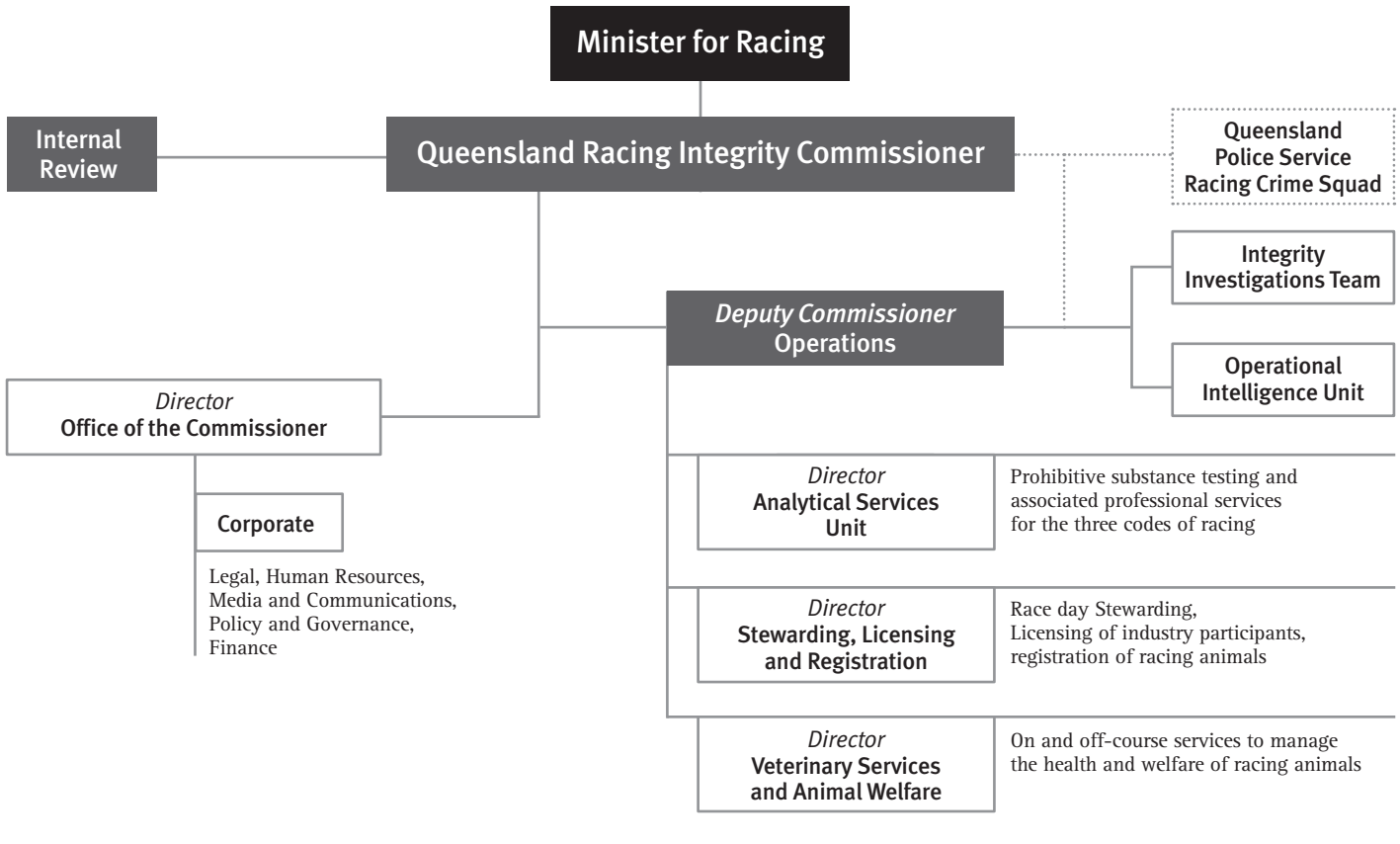
The *Financial and Performance Management Standard 2019* (The Standard) also prescribes that the statement must be provided before, or at the same time the CFO certifies the annual financial statements confirming the number of key issues associated with the department's financial management.

Whilst the Commission is a statutory body, and therefore, exempt from the legislative requirement to provide the CFO statement, it has adopted best practice by providing the accountable officer with a CFO statement for the financial year ended 30 June 2021, attesting to the financial internal controls of the Commission operating efficiently, effectively and economically.

The CFO statement has been presented to the Commission's Audit and Risk Management Committee.

# Management and structure

## Organisational structure



## Our leaders

Reporting directly to the Minister for Education, Minister for Industrial Relations and Minister for Racing, the Commissioner sets the strategic direction for the Commission. The Commissioner is supported by an executive group comprising of the Deputy Commissioner Operations; Director, Office of the Commissioner; Director, Veterinary Services and Animal Welfare; Director, Stewarding, Licensing and Registration; and Director, Analytical Services Unit.

As at 30 June 2021, the Acting Racing Integrity Commissioner and executive members were:

- Mark Ainsworth APM *Acting Racing Integrity Commissioner*
- Paul Brown PSM *Acting Deputy Commissioner Operations*
- Radhika Munien *Acting Director, Office of the Commissioner*
- Dr Martin Lenz *Director, Veterinary Services and Animal Welfare*
- Ali Wade *Director, Stewarding, Licensing and Registration*
- Dr Shawn Stanley *Director, Analytical Services Unit.*

## Management and structure *(continued)*

### Management groups and committees

The Commissioner is supported in his role by formal governance committees.

#### *Executive Leadership Team*

Comprised of the Commissioner, the Deputy Commissioner Operations and all Directors, the Executive Leadership Team (ELT) provides strategic direction and oversight and ensures that diverse views about strategic issues inform our decision-making and service delivery. The following four special purpose committees report to the ELT. During 2020–21, the Executive Leadership Team met four times.

Please note that matters relating to the previous Information Management Committee are now overseen by the ELT Committee, as part of a governance review recommendation from PwC per their 2020–21 internal audit plan.

#### *Audit and Risk Committee*

The Audit and Risk Committee's primary role is to provide expert independent advice on the financial, operational, compliance and performance aspects of the Commission's business, with specific regard to the risks identified and mitigation required. The Audit and Risk Committee met five times during the reporting year. For further information on the Audit and Risk Committee's membership and core business see [Risk management and accountability](#).

#### *Racing Animal Welfare Committee*

The Racing Animal Welfare Committee acts as an independent advisory body that provides assistance to the Commissioner (reporting through the ELT) in safeguarding the welfare of animals involved in racing. It includes external representatives from Racing Queensland, the RSPCA and Biosecurity Queensland. The Committee met twice during the reporting year.

#### *Integrity Committee*

The Integrity Committee is an inter-jurisdictional group that assists the Commissioner to uphold the integrity of racing by overseeing the performance management of all major racing integrity issues where there is potential to impact on the racing industry's reputation. External representation includes the Victorian Racing Integrity Commissioner, Chief Executive Officer for the New South Wales Greyhounds Welfare Integrity Commission, and the General Managers from the Tasmanian Office of Racing Integrity and the New Zealand Racing Integrity Unit. The Integrity Committee was not able to meet during 2020–21 but members maintained contact and continued to share information and intelligence outside scheduled meetings.

#### *Workplace Health and Safety Committee*

The Workplace Health and Safety (WHS) Committee was established under section 75 of the *Work Health and Safety Act 2011*. It supports the implementation of effective WHS policies, practices and systems that comply with the relevant legislation, regulations, standards, and Commission policy. The Committee met three times during this reporting period. Membership includes staff representatives across the vocations employed by the Commission. As a result, the Committee has implemented a range of initiatives to increase WHS awareness and compliance across the organisation.



## Management and structure *(continued)*

### Public sector ethics

The Commission expects the highest standards of ethical behaviour from its staff. Performance development agreements are utilised to review conduct and performance against the Commission's standards.

Mandatory annual training for all staff occurs in *The Code of Conduct for the Queensland Public Service*, workplace conduct, use of social media, work health and safety matters and domestic violence awareness training.

Positive Workplace Behaviours and Reasonable Management Action training continues to support all staff in embedding a healthy workplace culture.

All staff are required to declare any real or perceived conflict of interests in the racing industry and review such declarations annually or as required due to a change in circumstances.

### Human rights

The Commission is committed to acting compatibly with the *Human Rights Act 2019* and will ensure complaints that allege actions or decisions of the Commission that have been inconsistent with the Act are appropriately considered and responded to in accordance with the Act.

As part of a standing governance agenda item at the Commission's ELT meetings, human rights is considered and discussed in the context of service delivery, developing policies and procedures, designing projects, managing risks, making decisions, managing complaints and legislation amendments.

The Commission did not receive any human rights complaints in 2020-21.

### Our values

We have developed our own workplace values to help define our culture and set clear expectations about how we treat each other and approach our work. They are:

- **Professionalism** – carrying out duties effectively, impartially and with confidentiality, including only the essential use of available authority.
- **Fairness** – treating people with respect and making objective, evidence-based and consistent decisions.
- **Accountability** – accepting responsibility for our actions and decisions.
- **Transparency** – accepting scrutiny of our cost-effective use of public assets.
- **Courage** – doing the right thing regardless of the circumstances and
- **Collaboration** – working with Racing Queensland, the Queensland Police Service Racing Crime Squad, all racing participants and the community for a better industry in Queensland.

These values are reflected in the Commission's Strategic Plan 2020–2024 (2020 revision) and Workforce Development Plan.

# Risk management and accountability

## Risk management

In lieu of establishing a separate Risk Management Committee, the Commission's ELT meets biannually to review its risk profiles and to ensure appropriate mitigations are in place. The Commission's risk management system includes:

- discussion and decision-making arising from Audit and Risk Committee and ELT meetings
- implementing recommendations from internal audit (PwC)
- recording all risks into the relevant Committee risk register
- providing risk management capability to the ELT through training and education.

## Audit and Risk Committee

Our Audit and Risk Committee is comprised of three members, including two external members, one of whom is the Chair, and one internal member (see table below). The Commission's internal auditor, PwC, and the Queensland Audit Office (QAO) have had standing invitations to attend committee meetings. The Committee observes the terms of its charter and has due regard to Queensland Treasury's *Audit Committee Guidelines*.

The Audit and Risk Committee oversees the Commission's risk and audit management processes and assists the Commissioner by providing advice on issues and associated mitigations they identify.

During 2020-21, the Committee had oversight of:

- the Commission's internal strategic risk management processes
- the development of our internal audit priorities, through the Commission's Internal Audit Plan
- the progress of implementing the findings of the internal audit of the Scientific Testing Decision Making Process Review, RandLE Post-implementation Review, Committee Effectiveness Review and Workplace Health and Safety Review (finalised in 2021-22)
- the QAO's Audit Plan for the Commission
- our Internal Audit Reports.

Name	Position	Meetings attended	Remuneration
Graham Carpenter	Chair (external)	5	\$1,200 per meeting (Excl. GST)
Sandie Angus	External member	5	\$1,000 per meeting (Excl. GST)
Mark Ainsworth APM	Deputy Commissioner Operations	3	N/A
Paul Brown PSM	Acting Deputy Commissioner Operations	1	N/A



## Risk management and accountability (*continued*)

### Internal Audit

In 2020-21, our Internal Audit services were provided by PwC, who worked with the Commissioner and executives to provide an independent objective assessment of our policies and processes in order to ensure that we were effectively delivering our services and mitigating our risks. The internal audit function has due regard to the Queensland Treasury's *Audit Committee Guidelines*.

PwC developed an internal audit plan for the Commission that mapped out the business functions and controls that would be audited. The plan was informed by the Commission's Strategic and Operational Plans, the Compliance and Enforcement Framework, and our Commission's risk registers.

During 2020-21, PwC finalised the following audits and reviews:

- Scientific Testing Decision Making Process Review.
- RandLE Post-implementation Review.
- Committee Effectiveness Review.

As a consequence of the Government's Savings and Debt Plan, the Commission will in 2021-22 employ a full-time Internal Audit Officer to undertake the internal audit and risk role reporting directly to the Commissioner.

### External scrutiny

The Commission is audited by the QAO in accordance with the *Financial Accountability Act 2009*. The QAO has a standing invitation to our Audit and Risk Committee meetings and worked closely with PwC to ensure our internal and external audit activities provided coverage of key controls and risk areas. All external audit reports are reviewed and monitored by the Audit and Risk Committee.

As part of their 2020-21 audit plan, the QAO reviewed the Commission's financial internal controls and financial transactional testing for the period 1 July 2020 to 30 June 2021. Based on the results of their testing, no significant deficiencies were identified, and QAO assessed the Commission's internal control environment as generally effective.

All financial reporting and audit deliverable milestones agreed with the QAO for 2020-21 were met by the Commission. The QAO has completed the 2020-21 financial audit of the Commission's financial accounts and issued an unmodified audit opinion. [See Appendix 1 – Independent Auditor's Report.](#)

### Information systems and recordkeeping

Internally, our information systems and recordkeeping services are provided by Information Technology Partners (ITP), a Queensland Government shared service provider operated by the DAF.

ITP provides the Commission with a range of desktop, policy and support services, including administration of an electronic document and records management system that ensures we are compliant with the *Public Records Act 2002*, the *Public Service Act 2008* and the Queensland State Archives Records Governance Policy.

# Human Resources

## Workforce profile

The Commission continued its track record of being service delivery focused, and achieves this through allocating 85% of our total full-time employees (FTE) to performing frontline work in animal welfare and racing integrity.

As at 30 June 2021, the Commission had a total of 155 FTEs, which equates to a headcount of 229. A total of 131.03 of these FTE positions are dedicated to frontline, operational roles including stewarding and race-day operations, scientific testing and analysis, veterinary services and animal welfare, integrity services and licensing and registration.

As at 30 June 2021, we employed 88 casual staff who are dedicated completely to frontline service provision. The majority of casual staff support the permanent workforce in race day stewarding across Queensland or provide integrity services such as sample collections from racing animals for laboratory testing against prohibited substances. The remaining casual staff support the staff and work of the GAP.

Employment type	Gender	Head count
Temporary full-time	Male	4
	Female	6
Temporary part-time	Male	0
	Female	0
Permanent full-time	Male	27
	Female	60
Permanent part-time	Male	1
	Female	8
Casual	Male	49
	Female	39
Contract	Male	32
	Female	3

Our permanent separation rate (as a percentage of our total FTE) for the year was 11.4%. The Commission's separations can be attributed to staff transferring to other Government entities and racing jurisdictions.

## Strategic workforce planning and performance

The Commission has engaged in a staged review of work units with a view to examining resource allocation against the Strategic Plan after five years of operation. First stage of the review was the Racing Science Centre with actions implemented. The second stage is the review of Veterinary Services and Animal Welfare, which is still ongoing. Following this, a review of the Office of the Commissioner directorate will be undertaken to ensure the delivery of corporate services meets the needs of the Commission's operational business units and the Commission is also meeting its government reporting obligations effectively.

There is a continued focus on improving workforce culture and resource allocation to achieve the best possible human resourcing outcomes for racing and animal welfare and integrity within a tight fiscal environment.

In response to COVID-19, the Commission rapidly implemented and activated a number of workforce strategies to continue to support the racing calendar, whilst providing maximum safety for employees. The Commission:

- isolated essential race day and veterinary staff to work from home when not officiating at race events to minimise risk of infection
- implemented safety precautions and protocols to allow for ongoing attention to animal welfare matters
- implemented safety protocols for both staff and potential adoption families to facilitate a heightened demand for adoption of greyhounds through the Greyhound Adoption Program
- continued to provide ongoing testing of samples through the Analytical Services Unit based at the Racing Science Centre
- implemented remote working for all staff, where roles were suitable, utilising technology to maintain business needs
- utilised skills across the Commission to support areas of need
- contributed to the whole-of-sector Queensland Government COVID-19 response through participation in the Employee Mobilisation Service
- developed and utilised a staged return to work 'normal' plan in line with whole-of-sector arrangements
- developed COVID-19 safe risk assessments for all areas of the Commission incorporating social distancing, good hygiene practices and a strict 'stay at home' if unwell policy.

## Human Resources (*continued*)

The Commission continues to seek the best candidates in relevant employment fields of expertise and advertises longer-term and permanent roles on the Queensland Government Smart Jobs website and appropriate industry forums to attract potential candidates nationally, internationally, and internally for specialist technical roles.

The development of new stewards is supported by the performance development cycle. The performance development cycle is a requirement for all staff, which continues to develop as a regular workforce performance strategy. It is designed to promote continuous engagement between the staff member and their supervisor to discuss performance expectations and feedback. The process also provides the mechanism to engage employees and supervisors to reflect on their individual and work unit activities against the Commission's Strategic Plan and implement strategies to continue to build skills and capabilities to support those strategic outcomes. For example, in the past 12 months the Commission has worked with the Australian Institute of Management to implement a program of capability development for staff across a number of core skill areas such as project management, supervisory skills and individual time management.

The Commission remains committed to the highest standards of conduct and behaviour as an integrity organisation. The Commission has a phased approach to employee complaints and conduct issues. Where issues are of a minor nature, as classified against whole-of-sector standards, the Commission promotes local resolution. However, as required, the Commission continues to undertake formal investigations into inappropriate conduct by staff where the issue is identified as significant or serious.

### Employee wellbeing

The Queensland Public Sector principles relating to flexible working arrangements and a healthy work-life balance underpin the practices of the Commission, and supporting our staff is our priority.

During the COVID-19 pandemic, the Commission continued to support the racing industry by optimising flexible and remote working arrangements for appropriate roles. Flexible work arrangements have proved so successful for some teams that it has been introduced as an ongoing business model. As a result, the Commission reduced its physical footprint by closing its corporate office located in the Brisbane CBD in October 2020 and relocated to one main office location at Albion.

Fatigue management remains a high priority for the Commission, given the requirements for staff to travel extensive distances to undertake racing, integrity, and animal welfare functions across the State. Our Fatigue Management Policy continues to be reviewed and, where necessary, strengthened to support staff who are required to undertake extensive travel. A Rostering Consolidation Project was initiated in early 2021 to assist the Commission with managing fatigue for stewards, racetrack and field-based staff. The completion of this project will result in an improved resourcing allocation to meet an increased racing calendar.

LifeWorks is the service provider contracted to provide the Employee Assistance Program to employees who can access counselling and support services via telephone, online and face-to-face.

All staff are made aware of the services they can access through LifeWorks via the intranet, posters and emails. The Commission is committed to an employee's well-being and continues to offer positive workplace behaviours training and support to managers and supervisors to actively promote a workplace culture that embodies the principles of integrity, equity and appropriateness.

### Early retirement, redundancy and retrenchment

There was one 'redundancy, early retirement or retrenchment package' paid during the 2020–21 financial year. We have administratively adopted the current State Government Certified Agreement and award arrangements for all staff engaged under the *Public Service Act 2008* and are now part of the current bargaining process across the Queensland Government. Stewarding staff who perform race day activities are engaged under the Racing Integrity Act and are employed on individual contracts.

### Open data

The following datasets are published on the open data portal at <https://data.qld.gov.au>

- Consultancies.

The Commission did not procure any translation or interpreting services or conduct overseas travel in 2020–21.

## Implementation of the Queensland Greyhound Racing Industry Commission of Inquiry (MacSporran Report)

The MacSporran Report was delivered to the then Premier and Minister for the Arts on 1 June 2015. It set out 15 recommendations, aimed at improving integrity and animal welfare in the racing industry.

The Queensland Government's official response to the MacSporran Report initiated 75 activities to address these recommendations.

The Commission maintained a strong focus on the continued delivery of the MacSporran Report recommendations over the last five years, and to fulfil our remaining recommendations, the Commission invested in the development of a Customer Relationship Management tool (RandLE) to collect, maintain, and appropriately manage information relating to licensees and registered racing animals in Queensland. RandLE is the Commission's largest information technology project so far and delivers not only on greyhound lifecycle tracking but also delivers efficiencies in the thoroughbred and harness codes, as well as providing online payment options to participants, reducing licence processing times and moving participants away from paper-based applications to online.

As at 30 June 2021, 10 recommendations and 61 Government-initiated activities had been completed. Of the remaining five recommendations, Racing Queensland is responsible for completing three, and two recommendations (9 and 10) are impacted by the Government decision to defer the implementation of a greyhound welfare fund and introduction of a new registration fee structure for up to three years. The Commission is undertaking a holistic review of greyhound lifecycle data, which will provide an appropriate evidence base for Government to make a final determination on recommendations 9 and 10. The Commission intends to finalise the review for Government in 2021-22.

## Implementation of the independent Inquiry into animal cruelty in the management of retired Thoroughbred and Standardbred horses in Queensland (Martin Inquiry)

In October 2019, the Queensland Government conducted an independent inquiry (also known as the Martin Inquiry) into the management of retired racehorses, including the regulatory and oversight arrangements for abattoirs and knackerries and the transport of horses to those facilities.

The Martin Inquiry made a total of 55 recommendations relating to the management of retired racehorses and the operation of establishments accepting animals for slaughter. The Queensland Government fully supported, supported in-part, or supported in-principle all of the recommendations made. Of the 55 recommendations, the Department of Agriculture and Fisheries (DAF) has joint or full responsibility for 27 recommendations; the Commission has full responsibility for six recommendations; and Racing Queensland has full responsibility for 16 recommendations. The Commission and Racing Queensland have joint responsibility for six recommendations.

Of the six recommendations the Commission is responsible for, four are complete. Of the two outstanding recommendations, one relates to publishing annual injury, death, euthanasia, slaughter and retirement data for racing and retired Thoroughbred and Standardbreds on our website; the other relates to establishing a breeder licensing process and standard requiring applicants to demonstrate knowledge and competency. Both recommendations are progressing.

The Commission and Racing Queensland work collaboratively as part of the Joint Martin Inquiry Working Group to implement the Government's response to the recommendations raised in Part One of the Inquiry Report. The Joint Martin Inquiry Working Group, which is co-chaired by the Commission and Racing Queensland, met 10 times in 2020-21.



QUEENSLAND RACING  
INTEGRITY COMMISSION

Engagement | Education | Enforcement

# Financial Statements

2020–2021

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Statement of Comprehensive Income for the year ended 30 June 2021**

	Note	2021 Actual \$'000	2021 Original Budget \$'000	2021 Budget Variance* \$'000	2020 Actual \$'000
<b>OPERATING RESULT</b>					
<b>Income</b>					
Grants and other contributions	2.1	29,387	29,571	(184)	29,025
Other revenue		76	135	(59)	124
<b>Total Income</b>		<b>29,463</b>	<b>29,706</b>	<b>(243)</b>	<b>29,149</b>
<b>Expenses</b>					
Employee expenses	3.1	18,598	18,972	(374)	18,572
Supplies and services	3.2	8,303	8,162	141	8,499
Grants and sponsorships		76	70	6	85
Depreciation and amortisation	3.3	1,734	1,870	(136)	1,386
Other expenses	3.4	668	632	36	596
<b>Total Expenses</b>		<b>29,379</b>	<b>29,706</b>	<b>(327)</b>	<b>29,138</b>
<b>Operating Result for the year</b>		<b>84</b>	<b>-</b>	<b>84</b>	<b>11</b>
<b>Other Comprehensive Income</b>					
<i>Items that will not be reclassified to Operating Result</i>					
Increase in asset revaluation surplus	6.2	-	-	-	1,544
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,544</b>
<b>Total Comprehensive Income</b>		<b>84</b>	<b>-</b>	<b>84</b>	<b>1,555</b>

\*An explanation of major variances is included at Note 8.1

The accompanying notes form part of these statements

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Statement of Financial Position as at 30 June 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>Actual</b>	<b>Actual</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	4.1	5,432	3,681
Receivables	4.2	573	558
Other current assets		403	385
<b>Total Current Assets</b>		<b>6,408</b>	<b>4,624</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4.3	13,483	13,397
Intangible assets	4.4	2,910	3,231
Right-of-use assets	5.4	433	298
Other non-current assets		25	19
<b>Total Non-Current Assets</b>		<b>16,851</b>	<b>16,945</b>
<b>Total Assets</b>		<b>23,259</b>	<b>21,569</b>
<b>Current Liabilities</b>			
Payables	5.1	1,556	873
Accrued employee benefits	5.2	610	463
Lease liabilities	5.4	155	125
<b>Total Current Liabilities</b>		<b>2,321</b>	<b>1,461</b>
<b>Non-Current Liabilities</b>			
Provisions	5.3	220	146
Lease liabilities	5.4	278	130
<b>Total Non-Current Liabilities</b>		<b>498</b>	<b>276</b>
<b>Total Liabilities</b>		<b>2,819</b>	<b>1,737</b>
<b>Net Assets</b>		<b>20,440</b>	<b>19,832</b>
<b>Equity</b>			
Contributed equity	6.1	17,129	16,605
Accumulated surplus		1,702	1,618
Asset revaluation surplus	6.2	1,609	1,609
<b>Total Equity</b>		<b>20,440</b>	<b>19,832</b>

*The accompanying notes form part of these statements*

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Statement of Changes in Equity for the year ended 30 June 2021**

	Note	Contributed Equity \$'000	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2019		13,903	1,607	65	15,575
<b>Operating Result</b>					
Operating result		-	11	-	11
<b>Other Comprehensive Income</b>					
Increase in asset revaluation surplus	6.2	-	-	1,544	1,544
<b>Transactions with Owners as Owners</b>					
Capital contribution by owners	6.1	2,702	-	-	2,702
<b>Balance as at 30 June 2020</b>		<b>16,605</b>	<b>1,618</b>	<b>1,609</b>	<b>19,832</b>
Prior year adjustments				-	-
<b>Balance as at 1 July 2020</b>		<b>16,605</b>	<b>1,618</b>	<b>1,609</b>	<b>19,832</b>
<b>Operating Result</b>					
Operating result		-	84	-	84
<b>Transactions with Owners as Owners</b>					
Capital contribution by owners	6.1	524	-	-	524
<b>Balance as at 30 June 2021</b>		<b>17,129</b>	<b>1,702</b>	<b>1,609</b>	<b>20,440</b>



**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Statement of Cash Flows for the year ended 30 June 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>Actual</b>	<b>Actual</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from Operating Activities</b>			
<i>Inflows:</i>			
Grant funding		28,990	28,435
GST input tax credits from ATO		1,011	1,102
GST collected from customers		11	19
Interest receipts		50	103
Agency transactions - user charges and fees collected		1,703	1,272
Other revenue		23	108
<i>Outflows:</i>			
Employee expenses		(19,083)	(18,279)
Supplies and services		(7,286)	(9,842)
Grant and sponsorships		(56)	(68)
GST paid to suppliers		(966)	(1,163)
GST remitted to ATO		(12)	(20)
Agency transactions - payments		(1,636)	(1,266)
Other expenses		(136)	(146)
<b>Net cash provided by operating activities</b>		<b>2,613</b>	<b>255</b>
<b>Cash Flows from Investing Activities</b>			
<i>Outflows:</i>			
Payments for intangibles		-	(1,787)
Payments for property, plant and equipment		(1,244)	(1,041)
<b>Net cash used in investing activities</b>		<b>(1,244)</b>	<b>(2,828)</b>
<b>Cash flows from Financing Activities</b>			
<i>Inflows:</i>			
Equity injections		524	2,702
<i>Outflows:</i>			
Lease payments		(142)	(80)
<b>Net cash provided by financing activities</b>		<b>382</b>	<b>2,622</b>
Net increase in cash and cash equivalents		1,751	49
Cash and cash equivalents - opening balance		3,681	3,632
<b>Cash and Cash Equivalents - closing balance</b>	4.1	<b>5,432</b>	<b>3,681</b>

*The accompanying notes form part of these statements*

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Statement of Cash Flows for the year ended 30 June 2021**

**Notes to the Statement of Cash Flows**

**Reconciliation of Operating Result to Net Cash Provided by Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating surplus</b>	84	11
<b>Non-Cash items included in operating result:</b>		
Depreciation and amortisation expense	1,734	1,386
Finance costs	4	9
Net loss on disposal of property, plant and equipment	-	18
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in GST input tax credits receivable	45	(62)
(Increase)/decrease in annual leave reimbursement receivables	(159)	139
(Increase)/decrease in LSL reimbursement receivables	(49)	24
(Increase)/decrease in grant funding receivable	150	(150)
(Increase)/decrease in other receivables	(1)	87
(Increase)/decrease in prepayments/other assets	(24)	7
Increase/(decrease) in accounts payable	683	(786)
Increase/(decrease) in accrued employee benefits	147	(429)
Increase/(decrease) in GST payable	(1)	1
<b>Net cash provided by operating activities</b>	<b>2,613</b>	<b>255</b>

**Changes in Liabilities arising from Financing Activities**

**Right-of-use Lease liabilities as at 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance at 1 July	255	207
<b>Add: Non-cash changes</b>		
New leases acquired	322	125
Interest on lease liabilities	2	3
Other adjustments	(4)	-
<b>Less: Cash flows</b>		
Cash repayments	(142)	(80)
<b>Total Right-of-Use Lease Liabilities</b>	<b>433</b>	<b>255</b>

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

<b>NOTE 1 - BASIS OF FINANCIAL STATEMENT PREPARATION</b>	<ul style="list-style-type: none"> <li>1.1 General Information</li> <li>1.2 Commission Objectives</li> <li>1.3 Summary of Significant Accounting Policies</li> </ul>
<b>NOTE 2 - REVENUE</b>	<ul style="list-style-type: none"> <li>2.1 Grants and Other Contributions</li> </ul>
<b>NOTE 3 - EXPENSES</b>	<ul style="list-style-type: none"> <li>3.1 Employee Expenses <ul style="list-style-type: none"> <li>3.1 (a) Employee Benefits</li> <li>3.1 (b) Key Management Personnel (KMP) Disclosures</li> </ul> </li> <li>3.2 Supplies and Services</li> <li>3.3 Depreciation and Amortisation</li> <li>3.4 Other Expenses</li> </ul>
<b>NOTE 4 - ASSETS</b>	<ul style="list-style-type: none"> <li>4.1 Cash and Cash Equivalents</li> <li>4.2 Receivables</li> <li>4.3 Property, Plant and Equipment and Depreciation Expense</li> <li>4.4 Intangibles and Amortisation Expense</li> </ul>
<b>NOTE 5 - LIABILITIES</b>	<ul style="list-style-type: none"> <li>5.1 Payables</li> <li>5.2 Accrued Employee Benefits</li> <li>5.3 Provisions</li> <li>5.4 Right-of-Use and Lease Liabilities</li> </ul>
<b>NOTE 6 - EQUITY ADJUSTMENTS</b>	<ul style="list-style-type: none"> <li>6.1 Contributions by Owners</li> <li>6.2 Asset Revaluation Surplus</li> </ul>
<b>NOTE 7 - OTHER FINANCIAL STATEMENT DISCLOSURES</b>	<ul style="list-style-type: none"> <li>7.1 Contingencies</li> <li>7.2 Financial Instruments</li> <li>7.3 Commitments for Expenditure</li> <li>7.4 Related Party Transactions</li> <li>7.5 Agency Transactions <ul style="list-style-type: none"> <li>7.5 (a) User Charges and Fees Collected</li> <li>7.5 (b) Agency Receivables</li> <li>7.5 (c) Agency Payments</li> </ul> </li> <li>7.6 Events Occurring after the Balance Date</li> <li>7.7 Significant Financial Impacts - COVID-19 Pandemic</li> </ul>
<b>NOTE 8 - BUDGETARY REPORTING DISCLOSURES</b>	<ul style="list-style-type: none"> <li>8.1 Explanation of Major Variances - Statement of Comprehensive Income</li> <li>8.2 Explanation of Major Variances - Agency Transactions</li> </ul>

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 1. Basis of Financial Statement Preparation

#### 1.1 General Information

These financial statements cover the Queensland Racing Integrity Commission (the Commission), an independent statutory body established under the *Racing Integrity Act 2016*, which oversees the integrity and welfare standards of racing animals and participants in Queensland. The Commission commenced operation on 1 July 2016.

The financial statements include all income, expenses, assets, liabilities, and equity of the Commission. The Commission has no controlled entities.

The Commission is controlled by the State of Queensland, which is the ultimate parent. The corporate office and principal place of business of the Commission is Level 2, 60 Kingsford Smith Drive, Albion QLD 4010.

#### 1.2 Commission Objectives

The *Racing Integrity Act 2016* provides the Commission with statutory powers to investigate and support high standards of racing industry integrity and animal welfare. The Commission works in partnership with the racing industry to achieve the following objectives:

- Safeguard the welfare of animals involved in racing
- Ensure industry integrity through the consistent and fair administration of the rules of racing
- Exercise best practice, skills, and processes to detect, investigate, and prosecute compliance and integrity breaches
- Maintain public confidence in the integrity of Queensland's racing industry

#### 1.3 Summary of Significant Accounting Policies

Significant accounting policies are shown in the notes to which they relate, except as follows:

##### a. Compliance with prescribed requirements

The Commission has prepared these financial statements in compliance with section 62 of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019* on a going concern basis. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

The Commission is a not-for-profit entity and these general-purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

##### b. Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Acting Racing Integrity Commissioner and the Finance Manager at the date of signing the Management Certificate.

##### c. Taxation

The Commission is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the Australian Tax Office (ATO) are recognised in the Statement of Financial Position (refer to Note 4.2 Receivables).

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 1. Basis of Financial Statement Preparation (cont'd)

#### 1.3 Summary of Significant Accounting Policies (cont'd)

##### d. Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Land and buildings which are measured at fair value
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value

**Historical Cost** - Under historical cost, the Commission records assets at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Similarly, liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

**Fair Value** - Fair value is the price that the Commission would receive if it sold an asset or would pay to transfer a liability in an orderly transaction between market participants under current market conditions (i.e., an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- the **market approach** uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- the **cost approach** reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- the **income approach** converts multiple future cash flow amounts to a single current (i.e., discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed. Refer to Note 7.2 Financial Instruments and Note 4.3 Property, Plant and Equipment and Depreciation Expense.

The Commission does not recognize any financial assets or financial liabilities at fair value.

**Present Value** - Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

##### e. Presentation

**Currency and Rounding** - Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

**Comparatives** - Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. Where comparative information has been restated, unless otherwise specified, such restatements are not material and would not require disclosure in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

**Current/Non-Current Classification** - Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Commission does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 1. Basis of Financial Statement Preparation (cont'd)

#### 1.3 Summary of Significant Accounting Policies (cont'd)

##### f. Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Note 4.3 Property, Plant and Equipment and Depreciation Expense
- Note 4.4 Intangibles and Amortisation Expense

##### g. First year application of new accounting standards or change in accounting policy

The Commission did not voluntarily change any of its accounting policies during the 2020-21 reporting period and did not early adopt any Australian Accounting Standards.

There were no new accounting standards or interpretations with a material impact applicable to the Commission during the 2020-21 reporting period.

##### h. Future impact of accounting standards not yet effective

At the date of authorisation of the financial statements, there are no Australian accounting standards and interpretations with future effective dates that have a material impact on the Commission's financial statements.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 2. Revenue

Any revenue collected from administering the rules of racing, animal welfare and licensing of animals and racing industry participants is returned to the State on a quarterly basis via the Department of Agriculture and Fisheries (DAF). As the Commission does not control the revenue, the transactions associated with the revenue is reported separately under Note 7.5 as agency transactions.

#### 2.1 Grants and Other Contributions

##### Accounting Policy:

Grants and Contributions – grants and contributions are non-reciprocal transactions where the Commission does not directly give approximately equal value to the grantor. As the grant does not contain sufficiently specific performance obligations, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities* and revenue is recognised upon receipt of grant funding or when the Commission controls the right to receive the grant funding. Capital appropriations are recognised as adjustments in equity. Refer to Note 6.1 Contributions by Owners.

Services received below fair value – the Commission recognises contributions for services only if the services would have been purchased had they not been donated, and their fair value can be reliably measured. Where this is the case, an equal amount is recognised as revenue and an expense. Refer to Note 3.4 Other Expenses.

	2021 \$'000	2020 \$'000
Queensland Government grant	28,840	28,251
Other Government contributions	-	334
Services received below fair value	547	440
<b>Total</b>	<b>29,387</b>	<b>29,025</b>

##### Disclosures:

Queensland Government grant – the Commission's primary source of funding is a government grant administered by the State for the delivery of its outputs. The grant is paid in advance on a quarterly basis by DAF, who is responsible for the administration of the Commission. DAF receives the funding from the Consolidated Fund by way of administered appropriations.

Services received below fair value – the services received below fair value relates to our partnership with the Queensland Police Service (QPS) Queensland Racing Crime Squad (QRCS), which is based at the Commission and serves to enhance the investigatory element of the Commission's regulatory activities. This is an ongoing arrangement and comprises of the salary and superannuation cost of QRCS seconded police officers. The equal cost of these services is reported under Note 3.4 Other Expenses.

Also, under the agreement, the Commission bears the cost of QRCS police overtime and allowances; salary costs for civilian support officers, and other supplies and services expenditure necessary to run the QRCS. Total QRCS expenditure for the reporting period was \$713,795 (2019-20 - \$686,330).



**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Notes to the Financial Statements for the year ended 30 June 2021**

**3. Expenses**

**3.1 Employee Expenses**

	2021	2020
	\$'000	\$'000
<b>Employee Benefits</b>		
Wages and Salaries	13,747	13,743
Annual leave levy	1,222	1,267
Sick leave expense	313	318
Long service leave levy	354	338
Employer superannuation contributions	1,700	1,704
Fringe benefits tax	8	15
Termination benefits	174	-
<b>Employee Related Expenses</b>		
Payroll tax	848	820
Workers' compensation premium	76	70
Other employee related expenses	156	297
<b>Total</b>	<b>18,598</b>	<b>18,572</b>

	2021	2020
Number of Full-Time Equivalent Employees at 30 June	155	152

**(a) Employee Benefits**

Employee superannuation contributions, annual leave and long service leave levies are regarded as employee benefits.

State payroll tax and workers' compensation insurance which is paid to WorkCover Queensland are a consequence of employing employees and is not included in an employee's total remuneration package. Therefore, they are not employee benefits and are recognised separately as employee related expenses.

**Accounting Policy:**

Wages and Salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Commission expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick Leave - Prior history from the transferred agencies indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Long Service Leave - Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme, a levy is made on the Commission to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave, and payable to QSuper on a quarterly basis. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears. Refer to Note 5.2 Accrued Employee Benefits.

Superannuation - Post-employment benefits for superannuation are provided through the employee's elected defined contribution plan or the Queensland Government's QSuper defined benefit scheme (for those who are eligible). Where an employee does not nominate a preferred superannuation provider, QSuper is utilised as the default provider.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 3.1 Employee Expenses (cont'd)

#### (a) Employee Benefits (cont'd)

- **Defined Contribution Plans** - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.
- **Defined Benefit Plans** - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by the Commission at the specified rate following completion of the employee's service each pay period. The Commission's obligations are limited to those contributions paid.

#### (b) Key Management Personnel (KMP) Disclosures

Details of KMP are disclosed in accordance with Section 3C.3 of the Financial Reporting Requirements for Queensland Government Agencies. Key executive management personnel consist of positions that form part of the Executive Leadership Team (ELT). This group had authority and responsibility for planning, directing, and controlling the activities of the Commission during 2020-21 as follows:

Position	Position Responsibility
Racing Integrity Commissioner	Overall efficient, effective, and economical administration and operation of the Commission and the performance of its functions.
Deputy Commissioner, Integrity Services and Operations	Responsible for participating collaboratively in the overall management of the Commission and assisting the Commissioner in the overall efficient, effective, and economical administration and operation of the Commission and the performance of its functions.
Directors	Responsible for participating collaboratively in the overall management of the Commission - in particular to achieve the strategic objectives set by the Commissioner within their area of responsibility.

Further information on these positions can be found in the annual report under the Our Organisation section.

#### KMP remuneration policies

Remuneration policy for the Commission's KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

#### Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position. The remuneration for directors includes a provision for a 2.5% pay increase backdated to 1 September 2019 in accordance with Directive 02/21 *Senior officers – Employment Conditions* which became effective from 1 July 2021.
- non-monetary benefits - consisting of the provision of car parking together with the fringe benefits tax applicable to the benefit

No KMP remuneration packages provide for performance or bonus payments.

**Long-term employee expenses** include amounts expensed in respect of long service leave entitlements earned in the reporting period.

**Post-employment expenses** include amounts expensed in respect of employer superannuation obligations.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 3.1 Employee Expenses (cont'd)

#### (b) Key Management Personnel (KMP) Disclosures

The following disclosures focus on the expenses incurred by the Commission attributable to KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

Position	Short-Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	Monetary Expenses	Non-Monetary Benefits			
1 July 2020 - 30 June 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Racing Integrity Commissioner (to 01/01/2021) <sup>(1)</sup>	180	1	4	22	207
Racing Integrity Commissioner (Acting) (from 02/01/2021) <sup>(1)</sup>	209	-	5	15	229
Deputy Commissioner (to 02/07/2021) <sup>(1)</sup>	105	-	2	13	120
Deputy Commissioner (Acting) (from 02/01/2021) <sup>(2)</sup>	114	-	3	9	126
Director, Office of the Commission <sup>(3)</sup>	83	1	2	11	97
Director, Stewarding, Licensing & Registration	152	-	4	19	175
Director, Veterinary Services & Animal Welfare	149	-	3	18	170
Director, Analytical Services	158	-	4	19	181
<b>Total Remuneration 2021</b>	<b>1,150</b>	<b>2</b>	<b>27</b>	<b>126</b>	<b>1,305</b>
1 July 2019 - 30 June 2020					
Racing Integrity Commissioner	339	2	8	43	392
Deputy Commissioner	236	-	6	29	271
Director, Office of the Commission	156	2	4	18	180
Director, Stewarding, Licensing & Registration	151	-	3	18	172
Director, Veterinary Services & Animal Welfare	133	-	3	17	153
Director, Racing Science Centre	120	-	3	12	135
<b>Total Remuneration 2020</b>	<b>1,135</b>	<b>4</b>	<b>27</b>	<b>137</b>	<b>1,303</b>

<sup>(1)</sup> Mr Ross Barnett resigned as Racing Integrity Commissioner effective 1 January 2021. Deputy Commissioner, Mr Mark Ainsworth acted as Commissioner up to reporting date, however in June 2021, he announced his resignation effective 2 July 2021. Mr Paul Brown commenced acting as Commissioner from 2 July 2021. The recruitment for a new Commissioner is currently underway.

<sup>(2)</sup> Mr Paul Brown, Director, Office of the Commissioner acted as Deputy Commissioner up to 1 July 2021. Chief Superintendent Darryl Johnson was appointed as acting Deputy Commissioner from 2 July 2021.

<sup>(3)</sup> Three corporate staff relieved in this role through shared arrangements. Relieving payments to these staff are not considered material and therefore not reported under KMP expenses.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 3.2 Supplies and Services

Expenses are recognised in the Statement of Comprehensive Income in the period in which the Commission receives the goods or service.

#### Accounting Policy:

Distinction between grants and procurement – for a transaction to be classified as supplies and services, the value of goods and services received by the Commission must be of approximately equal value to the value of consideration exchanged for those goods and services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

Office accommodation expenses – payments for office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Communities, Housing and Digital Economy (DCHDE), who has substantive substitution rights over the assets used within this scheme. The payments are expensed as incurred.

Lease expenses – include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note 5.4 Right-of-Use and Lease Liabilities for a breakdown of lease expenses and other lease disclosures.

	2021	2020
	\$'000	\$'000
Consultants and contractors <sup>(1)</sup>	1,649	1,670
Office accommodation expenses	1,202	1,174
Corporate service providers <sup>(2)</sup>	1,133	1,118
Plant and equipment maintenance	995	1,196
Animal care expenses	1,057	940
Laboratory and testing expenses	1,020	916
Travel expenses	369	478
Operating and administration costs	331	328
Motor Vehicle expenses	368	420
Lease expenses	54	136
Other	125	123
<b>Total</b>	<b>8,303</b>	<b>8,499</b>

<sup>(1)</sup> Contractor expenditure comprises of payments for temporary staff employed through recruitment agencies to backfill staff vacancies and to provide additional administrative support; legal costs associated with external review applications of steward's decisions under the rules of racing; project management and internal audit services.

<sup>(2)</sup> Refer to Note 7.4 Related Party Transactions.

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Notes to the Financial Statements for the year ended 30 June 2021**

**3.3 Depreciation and Amortisation**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation - Property, Plant and Equipment (Note 4.3)	1,230	1,091
Depreciation - Right-of-use assets (Note 5.4)	183	84
Amortisation (Note 4.4)	321	211
<b>Total</b>	<b>1,734</b>	<b>1,386</b>

**3.4 Other Expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
External audit fees <sup>(1)</sup>	43	43
Insurance premiums - QGIF <sup>(2)</sup>	53	46
Services received free of charge	547	440
Losses from disposal of property, plant, and equipment	-	18
Special payments <sup>(3)</sup>	-	20
Other expenses	25	29
<b>Total</b>	<b>668</b>	<b>596</b>

<sup>(1)</sup> Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements is \$43,000 (2020: \$43,000).

<sup>(2)</sup> The Commission's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. Insurance claims are subject to a \$10,000 deductible per claim.

<sup>(3)</sup> Special payments represent ex gratia expenditure that the Commission is not contractually or legally obligated to make to other parties.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4. Assets

#### 4.1 Cash and Cash Equivalents

##### Accounting Policy:

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions. Interest revenue is recognised when it is earned.

	2021 \$'000	2020 \$'000
Cash at bank	5,432	3,681
<b>Total</b>	<b>5,432</b>	<b>3,681</b>

The Commission maintains a bank account with the Commonwealth Bank for its day-to-day operating transactions. Surplus funds are invested in a capital guaranteed cash fund held with the Queensland Treasury Corporation (QTC), with funds withdrawn as required to meet operating cash flow requirements. The Commission earned \$48,573 interest revenue on these bank accounts during the financial year at interest rates between 0.01% and 0.51% (2020: \$98,888).

#### 4.2 Receivables

##### Accounting Policy:

Receivables are measured at amortised cost which approximates their fair value and represents amounts owed to the Commission at the end of the reporting period. They are recognised when an invoice is issued, at the amount due at the time of sale or service delivery i.e., the agreed purchase/contract price. Terms are a maximum of 30 days; no interest is charged, and no security is obtained.

No loss or impairment allowance is recorded for the Commission's receivables as they are mainly from Queensland Government or Australian Government agencies. Amounts owing for fines and other revenue collected from racing industry participants are classified as agency transactions as the revenue collected is not controlled by the Commission. They are reported under Note 7.5 (b) as Agency Receivables. Impairment losses or reversals relating to these receivables are also disclosed under this note.

Credit risk management strategies are detailed in Note 7.2 Financial Instruments.

	2021 \$'000	2020 \$'000
<b>Statutory Receivables</b>		
GST receivable	196	241
GST payable	(2)	(3)
	<b>194</b>	<b>238</b>
<b>Contractual Receivables</b>		
Annual leave reimbursements	288	129
Long service leave reimbursements	82	33
Qld Government Grant	-	150
Other	9	8
	<b>379</b>	<b>320</b>
<b>Total</b>	<b>573</b>	<b>558</b>

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.3 Property, Plant and Equipment and Depreciation Expense

#### Closing Balances and Reconciliation of Carrying Amount

	Land - At Fair Value		Buildings - At Fair Value		Plant and Equipment - at Cost		Work in Progress - At Cost		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gross	4,821	4,821	5,744	5,744	9,200	8,091	-	-	19,765	18,656
Less: Accumulated depreciation	-	-	(2,175)	(1,919)	(4,107)	(3,340)	-	-	(6,282)	(5,259)
<b>Carrying amount at 30 June</b>	<b>4,821</b>	<b>4,821</b>	<b>3,569</b>	<b>3,825</b>	<b>5,093</b>	<b>4,751</b>	-	-	<b>13,483</b>	<b>13,397</b>
<b>Represented by movements in carrying amount:</b>										
Carrying amount at 1 July	4,821	4,821	3,825	2,353	4,751	4,372	-	375	13,397	11,921
Acquisitions	-	-	-	86	1,244	955	-	-	1,244	1,041
Revaluation increments	-	-	-	1,544	-	-	-	-	-	1,544
Disposals	-	-	-	-	-	(18)	-	-	-	(18)
Transfers	-	-	-	-	-	375	-	(375)	-	-
Restoration cost adjustment <sup>(1)</sup>	-	-	-	-	72	-	-	-	72	-
Depreciation	-	-	(256)	(158)	(974)	(933)	-	-	(1,230)	(1,091)
<b>Carrying amount at 30 June</b>	<b>4,821</b>	<b>4,821</b>	<b>3,569</b>	<b>3,825</b>	<b>5,093</b>	<b>4,751</b>	-	-	<b>13,483</b>	<b>13,397</b>

<sup>(1)</sup> Refer to Note 5.3 Provisions

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.3 Property, Plant and Equipment and Depreciation Expense (cont'd)

#### (a) Recognition and Acquisition

##### Accounting Policy:

Recognition – items of property, plant, and equipment (PPE) with a historical cost or other value equal to or exceeding the following thresholds are capitalised in the year of acquisition:

Class	Threshold
Land	\$1
Plant and Equipment	\$5,000
Buildings	\$10,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure is capitalised where it is probable that the expenditure will produce future service potential for the Commission. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset.

Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Componentisation of complex assets – complex assets comprise separately identifiable components that require replacement at regular intervals and at different times to other components comprising the complex asset. On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item.

When a separately identifiable component is replaced, the existing component is derecognised. The replacement component is capitalised when it is probable that future economic benefits from the component will flow to the Commission in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The Commission's complex assets is its special purpose Racing Science Centre (RSC) laboratory facility building.

Cost of acquisition - All assets are initially recorded at their purchase price plus any costs incurred that are directly attributable to bringing the asset to the location and condition necessary for it to be able to operate as intended (such as architect's fees and engineering design fees). Assets acquired at no cost, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Routine repair and maintenance costs, minor renewal costs and costs of training staff in the use of the asset are not included in the cost of the acquisition but instead are expensed when incurred.

#### (b) Measurement

##### Accounting Policy:

Measurement using historical cost – Plant and equipment is measured at historical cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector* (NCAP). The carrying amounts for such plant and equipment do not materially differ from their fair value.

Measurement using fair value - Land and buildings are measured at fair value as required by NCAP. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable. This measurement also considers a market participant's ability to generate economic benefits by the asset's best use or highest sale.



# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.3 Property, Plant and Equipment and Depreciation Expense (cont'd)

#### (b) Measurement (cont'd)

The fair values reported by the Commission are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. These include, but are not limited to, published sales data for land and buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued, including the assets' functionality, recent construction costs and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

*Revaluations* - Land and buildings are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or using appropriate and relevant indices. Revaluations using an independent professional valuer are undertaken at least once every five years.

Where assets have not been specifically appraised in the reporting period, previous valuations are updated via the application of indices supplied by the State Valuation Services (SVS). The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to SVS. SVS provides assurance of their robustness, validity, and appropriateness for application to the relevant assets.

Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on its own particular circumstances.

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

*Accounting for changes in fair value* - Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class. For assets revalued using a cost valuation approach (e.g., current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount.

#### (c) Depreciation Expense

##### Accounting Policy:

Property (other than land assets), plant and equipment have finite useful lives and are depreciated on a straight-line basis over the expected benefit period to the Commission.

Straight line depreciation is used reflecting the expected even consumption of economic benefits on a progressive basis over the useful life of these assets. Land is not depreciated as it has an unlimited useful life.

Separately identifiable components of complex assets are depreciated accordingly to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then re-classified to the relevant class within property, plant, and equipment.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.3 Property, Plant and Equipment and Depreciation Expense (cont'd)

#### (c) Depreciation Expense (cont'd)

The depreciable amount of improvements to or on leasehold property is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where the exercise of the option is probable.

For the Commission's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero. Each class of depreciable asset is depreciated based on the following useful lives:

Class	Category	Useful Life
Buildings		10-64 years
Plant and Equipment	Laboratory Equipment	4-20 years
	Race Day Equipment	4-10 years
	Other Equipment	4-12 years
	Leasehold Improvements	3-11 years
	Motor Vehicle	11 years

The useful lives of property, plant and equipment were reviewed during the reporting period and adjusted where necessary.

#### (d) Impairment

Impairment of non-current physical assets is the decline in service potential of an asset over and above the use reflected through depreciation.

##### Accounting Policy:

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value since the last valuation was completed. Where there are indicators of a material change, the asset is revalued at the reporting date. If an indicator of possible impairment exists, the Commission determines the asset's recoverable amount which is equal to the higher of the fair value less costs of disposal and the asset's value.

Recoverable amount is determined as the higher of the asset's fair value less costs to sell and the depreciated replacement cost. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

As at 30 June there were no assets identified for impairment.

#### (e) Basis of Fair Values for Land and Buildings

##### Accounting Policy:

Fair value measurement hierarchy - All fair value assets are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities.
- Level 2 - represents fair value measurements that are substantively derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantively derived from unobservable inputs.

There were no transfers of assets between fair value hierarchy levels during the reporting period.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.3 Property, Plant and Equipment and Depreciation Expense (cont'd)

#### (e) Basis of Fair Values for Land and Buildings

##### Land – Racing Science Centre

<u>Effective date of last specific appraisal:</u>	30 June 2020 by State Valuation Service
<u>Basis of valuation:</u>	Comprehensive
<u>Valuation approach:</u>	Market-based assessment
<u>Fair value measurement:</u>	Level 2
<u>Inputs:</u>	Publicly available data on sales of similar land during 2018 which have similar attributes such as location, development potential, size, access to facilities and other community amenities. SVS relied on a direct comparison approach on a rate/m <sup>2</sup> improved of sales to subject. Maximum use of relevant observable inputs has been made for this valuation.
<u>Subsequent valuation activity:</u>	Reviewed during the reporting period with market-based indices supplied by SVS that are developed using market data and publicly available information on market transactions consistent with the last specific appraisal.  These market movements are determined having regard to the review of land values undertaken for the local government area and issued by the Valuer-General Department of Resources. These indices fall into a hierarchy level 2. There was no movement in the land indices since the last specific appraisal.

##### Buildings – Racing Science Centre Laboratory

<u>Effective date of last specific appraisal:</u>	1 January 2020 by Gray Robinson & Cottrell (GRC) Quantity Surveyors
<u>Basis of valuation:</u>	Comprehensive
<u>Valuation approach:</u>	Current replacement cost (due to no active market for such facilities)
<u>Fair value measurement:</u>	Level 3
<u>Inputs:</u>	The CRC was determined from GRC's internal database of project cost information for similar projects relative to market driven indexation factors such as 'Locality' and 'Building Price Index' and a combination of pricing methodologies such as Rawlinson's rates for building and construction, adjusted to reflect the construction market as at the appraisal date.  GRC carried out a site survey to accurately reflect the structural details of the building such as type and size of structure, materials, fixtures installed and the level of finish and to perform a condition assessment of the building to assess the depreciable values of the asset componentry, including the remaining useful life. The valuation of the buildings reflects the cost of replacing the existing building assets with a modern equivalent facility.
<u>Subsequent valuation activity:</u>	Reviewed during the reporting period with market-based indices supplied by SVS that are developed using market data and publicly available information on market transactions consistent with the last specific appraisal.  However, as there was no cumulative material change in those indices since the last specific appraisal, no subsequent change in value has been recognised.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.4 Intangibles and Amortisation Expense

#### (a) Recognition and Measurement

##### Accounting Policy:

**Recognition** – the Commission’s intangible assets comprise of purchased software and internally developed software. Intangible assets with an historical cost or value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

**Measurement** – there is no active market for any of the Commission’s intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses (if any). Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

#### Closing Balances and Reconciliation of Carrying Amount

	Software Purchased - At Cost		Software Internally Generated - At Cost		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gross	216	216	3,555	3,555	3,771	3,771
Less: Accumulated amortisation	(108)	(73)	(753)	(467)	(861)	(540)
<b>Carrying amount at 30 June</b>	<b>108</b>	<b>143</b>	<b>2,802</b>	<b>3,088</b>	<b>2,910</b>	<b>3,231</b>
<b>Represented by movements in carrying amount:</b>						
Carrying amount at 1 July	143	1,655	3,088	-	3,231	1,655
Acquisitions	-	25	-	1,762	-	1,787
Transfers	-	(1,506)	-	1,506	-	-
Amortisation	(35)	(31)	(286)	(180)	(321)	(211)
<b>Carrying amount at 30 June</b>	<b>108</b>	<b>143</b>	<b>2,802</b>	<b>3,088</b>	<b>2,910</b>	<b>3,231</b>

#### Disclosure:

The Commission’s internally generated software includes the Registration and Licensing Environment (RandLE) customer relationship management system with a cost of \$3.2 million and a written down value of \$2.7 million as at 30 June 2021. The system has enabled the Commission to fulfil multiple recommendations from the Queensland Greyhound Racing Industry Commission of Inquiry (Macsporran report) and provides a contemporary online licensing environment for the Queensland racing industry.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 4.4 Intangibles and Amortisation Expense (cont'd)

#### (b) Amortisation Expense

##### Accounting Policy:

All intangible assets of the Commission have finite useful lives and are amortised on a straight-line basis over their estimated useful life to the Commission. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The Commission's intangible assets have a zero-residual value.

Each class of intangible asset has the following useful lives:

Intangible Asset	Useful Life
Software purchased	7 years
Software internally generated	15-20 years

#### (c) Impairment

##### Accounting Policy:

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Commission determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Commission, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

## 5. Liabilities

### 5.1 Payables

##### Accounting Policy:

Creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e., agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and generally settled on 30-day terms.

	2021 \$'000	2020 \$'000
<b>Contractual Payables</b>		
Creditors	1,348	760
Payable to administered agency <sup>(1)</sup>	95	29
	<b>1,443</b>	<b>789</b>
<b>Statutory Payables</b>		
Payroll tax payable	113	84
<b>Total</b>	<b>1,556</b>	<b>873</b>

<sup>(1)</sup>Refer to Note 7.5 (c) Agency Payments.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 5.2 Accrued Employee Benefits

#### Accounting Policy:

Liabilities for short-term employee benefits due at the end of the reporting period are measured at their nominal amounts.

No provision for annual leave or long service leave is recognised in the Commission's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

	2021 \$'000	2020 \$'000
Salaries and wages	138	-
Superannuation payable	8	-
Long service leave levy payable	101	90
Annual leave levy payable	363	363
FBT payable	-	10
<b>Total</b>	<b>610</b>	<b>463</b>

Refer to Note 3.1 Employee Expenses.

### 5.3 Provisions

#### Accounting Policy:

Provisions are recorded when the Commission has a present obligation, either legal or constructive as a result of a past event, and the amount of the provision can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period and discounted to reflect the present value of the obligation using an appropriate discount rate.

	2021 \$'000	2020 \$'000
Restoration Costs	220	146
<b>Total</b>	<b>220</b>	<b>146</b>
<b>Movement</b>		
Balance at 1 July	146	90
Additional provision made	72	50
Changes in discount rate/passage of time	2	6
<b>Balance at 30 June</b>	<b>220</b>	<b>146</b>

There are clauses in accommodation lease agreements which require the Commission to remove any alterations made during the term of the lease and restore the leased premises back to the condition and appearance as at the commencement of the lease. Hence, where material, a provision for restoration costs has been recorded and included in the cost of the assets.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 5.4 Right-of-Use Assets and Lease Liabilities

#### (a) Right-of-Use Assets

##### Accounting Policy:

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

Right-of-use assets are subsequently depreciated over the lease term and be subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

The Commission measures right-of-use assets at cost subsequent to initial recognition. The Commission has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the Commission allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the Commission has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

	2021 \$'000	2020 \$'000
<b>Buildings:</b>		
Opening balance at 1 July	298	207
Additions	322	125
Depreciation charge	(183)	(84)
Other adjustments	(4)	50
<b>Total</b>	<b>433</b>	<b>298</b>

#### (b) Lease Liabilities

##### Accounting Policy:

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the Commission is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Commission under residual value guarantees
- the exercise price of a purchase option that the Commission is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 5.4 Right-of-Use Assets and Lease Liabilities

#### (b) Lease Liabilities (cont'd)

##### Accounting Policy (cont'd):

When measuring the lease liability, the Commission uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease, are used.

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g., a market rent review), or a change in the lease term.

	2021 \$'000	2020 \$'000
<b>Current</b>		
Lease liabilities	155	125
<b>Non-Current</b>		
Lease liabilities	278	130
<b>Total</b>	<b>433</b>	<b>255</b>

##### Disclosures:

##### Office accommodation and motor vehicles

DHPW provides the Commission with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DCHDE has substantive substitution rights over the assets. The related service expenses are included in Note 3.2 Supplies and Services

##### Details of leasing arrangements as lessee

Type of Lease	Lease Details
<i>Office Equipment leases:</i>	The Commission has a lease for low value office equipment like photocopiers and printers. The Commission has elected to recognise this low value lease as an expense on a straight-line basis over the lease term, rather than accounting for them on the balance sheet.
<i>Greyhound Adoption Program (GAP) facility:</i>	<p>The Commission has two GAP facility leases that have been recognised on the balance sheet.</p> <p>The GAP Churchable facility has a 5-year lease arrangement which expires on 31 December 2021. Lease payments for this lease are reviewed annually and the rent is adjusted by the greater of 4% or CPI. Negotiations are underway to renew this lease for a further 3-year term with an option to extend the lease for a further 3 years.</p> <p>In June 2021, the Commission entered into a new year lease arrangement for its Townsville GAP facility for a period of 3 years with a 3-year extension option. Lease payments for this lease will be reviewed annually and rent will be adjusted by the lesser of market rates or 5%.</p> <p>As future rent increases are variable, they are not captured in the right-of-use asset or liability until the increases take effect.</p>
<i>External to Government - Office accommodation:</i>	The Commission has commercial leases for four regional offices with 2-3-year lease terms which are recognised on the balance sheet. The leases are subject to annual rent reviews, with either fixed, market or CPI-based increases. Where future rent increases are variable, they are not captured in the right-of-use asset or liability until the increases take effect.



# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 5.4 Right-of-Use Assets and Lease Liabilities

#### (b) Lease Liabilities (cont'd)

##### Disclosures (cont'd):

##### Amounts recognised in profit or loss

	2021 \$'000	2020 \$'000
Interest expense on lease liabilities	2	3
Breakdown of 'Lease expenses' included under Note 3.2		
- Expenses relating to short-term leases	-	74
- Expenses relating to leases of low value assets	41	39
- Expenses relating to variable lease payments	13	23
<b>Total</b>	<b>56</b>	<b>139</b>

##### Total cash outflow for leases

Total cash outflows for leases for the reporting period is \$196,336, comprising \$141,886 for repayment of lease liabilities and \$54,450 for lease expenses. Refer to Note 3.2 Supplies and Services.

## 6. Equity Adjustments

### 6.1 Contributions by Owners

Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* specifies the principles for recognising contributed equity by the Commission. The Commission recognises non-reciprocal contributions by owners as contributed equity.

	2021 \$'000	2020 \$'000
Queensland Government capital grant	524	2,602
Transfer of operating funds to capital	-	100
<b>Total</b>	<b>524</b>	<b>2,702</b>

The Commission receives a capital grant from the State to support its investment in core laboratory equipment and technology at the RSC to enable the provision of high-quality and contemporary drug testing services.

### 6.2 Asset Revaluation Surplus

#### Accounting Policy:

The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	2021 \$'000	2020 \$'000
Balance at 1 July	1,609	65
Revaluation Increment	-	1,544
<b>Balance at 30 June</b>	<b>1,609</b>	<b>1,609</b>

There were no material changes to the land and building values since the last specific appraisal was undertaken during 2019-20. Refer to Note 4.4 Property, Plant and Equipment and Depreciation Expense.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7. Other Financial Statement Disclosures

#### 7.1 Contingencies

As at 30 June 2021, there were 61 cases (2020: 56 cases) filed with the Queensland Civil Administrative Tribunal (QCAT) naming the Commission as the respondent.

It is not possible to make a reliable estimate of the costs payable or recovered, if any, in respect of the litigation at this time.

#### 7.2 Financial Instruments

##### Accounting Policy:

*Recognition* - A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Certain financial assets and liabilities arise under statute rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments and are therefore not recognised as financial instruments, for example, GST receivable and payroll tax payable.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument.

##### (a) Categorisation of Financial Instruments

The Commission has the following categories of financial assets and liabilities:

Category	Note	2021 \$'000	2020 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	4.1	5,432	3,681
Contractual receivables at amortised cost	4.2	379	320
<b>Total Financial Assets</b>		<b>5,811</b>	<b>4,001</b>
<b>Financial Liabilities</b>			
Contractual payables at amortised cost	5.1	1,443	789
<b>Total Financial Liabilities</b>		<b>1,443</b>	<b>789</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.2 Financial Instruments (cont'd)

#### (b) Financial Risk Management

The Commission's activities expose it to credit risk, liquidity risk and market risk. All financial risk management is implemented in accordance with Government and internal policies approved by the Commissioner. These policies provide written principles for overall risk management and seeks to minimise potential adverse effects on the financial performance of the Commission.

Primary responsibility for the management of financial risks rests with the Office of the Commissioner with oversight and monitoring by the Audit and Risk Management Committee.

Risk Exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Credit Risk	Credit risk exposure refers to the situation where the Commission may incur financial loss as a result of another party to a financial instrument failing to meet their obligation.	<p>The Commission is exposed to credit risk in respect of its Agency Receivables.</p> <p>The maximum exposure to credit risk at balance date is the gross carrying amount of fines and penalties receivable inclusive of the allowance for impairment.</p> <p>Refer to Note 7.5 (b) Agency Receivables for credit risk disclosures.</p>	Ageing analysis	<p>The Commission manages credit risk through the use of a credit management strategy, which includes the ability to immediately suspend a licence issued, if the licence holder fails to pay a debt, and declining a licence renewal until the outstanding debt is settled.</p> <p>Exposure to credit risk is monitored on an on-going basis.</p>
Liquidity Risk	Liquidity risk refers to the situation where the Commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Commission is exposed to liquidity risk in respect of its contractual payables reported under Note 5.1 Payables.	Maturity Analysis	<p>The Commission manages exposure to liquidity risk by ensuring sufficient funds are available to always meet employee and supplier obligations.</p> <p>This is achieved by ensuring minimum levels of cash are held within the bank account to match the expected duration of the various employee and supplier liabilities.</p>
Market Risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.</p> <p><i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>	<p>The Commission does not trade in foreign currency and is not materially exposed to commodity price changes or other markets.</p> <p>Exposure to interest rate risk is limited to cash investments held in the QTC cash fund. Refer to Note 4.1 Cash and Cash Equivalents.</p>	Interest rate sensitivity analysis	<p>The Commission does not undertake any hedging in relation to interest rate risk.</p> <p>Interest rate risk is minimised through a passive investment management strategy to ensure the return of capital and at the same time, generate a return commensurate with the risk taken.</p>

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.3 Commitments for Expenditure

Commitments for expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

	Capital Expenditure		Other Expenditure		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not later than 1 year	699	170	1,411	1,506	2,110	1,676
Later than 1 year but not later than 5 years	-	-	1,293	1,422	1,293	1,422
	<b>699</b>	<b>170</b>	<b>2,704</b>	<b>2,928</b>	<b>3,403</b>	<b>3,098</b>

### 7.4 Related Party Transactions

#### Transactions with people/entities related to KMP

The Commission obtained related party declarations for each member of the executive leadership team for the period 1 July 2020 to 30 June 2021 reported under note 3.1 (b) KMP Disclosures.

No KMP related party transactions were identified from the declaration completed or reviews performed.

#### Transactions with other Queensland Government-controlled entities

The Commission's primary sources of funding from Government for its services are grant revenue and equity injections (Refer Note 2.1 Grants and Other Contributions and Note 6.1 Equity Adjustments - Contributions by Owners, both of which are provided in cash via our administering department DAF.

The Commission also has material transactions with other Queensland Government agencies for normal-day-to-day business services under standard terms and conditions; memorandums of understanding (MOU's) or service level agreements (SLA's). These include:

- Free of charge services from the Queensland Police Service (QPS) for police staff seconded to the Commission. Refer to Note 2.1 Grants and Other Contributions and Note 3.4 Other Expenses.
- The Corporate Administration Agency for financial, payroll and business system support services; the Queensland Shared Service Agency for telecommunication services and DAF for information technology services, under the "Shared Service Provider" model. The fees and terms of service are agreed through service level agreements that is negotiated annually. See corporate service provider expenditure under Note 3.2 Supplies and Services.
- Department of Communities, Housing and Digital Economy for property tenancy and maintenance and fleet management services
- Queensland Treasury Corporation for investment services

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.5 Agency Transactions

The Commission is responsible for administering the rules of racing and licensing of animals and racing industry participants.

As the Commission acts in the capacity of an agent and does not control the user charges and fee revenue collected from these activities, the revenue, associated receivables and expenditure payments to Government are classified as agency transactions and reported separately under this note, rather than in the Commission's Statement of Comprehensive Income and Statement of Financial Position.

Agency transactions are reported at a whole-of-government (WOG) level through the WOG Tridata reporting system.

Cash receipts and payments associated with these agency transactions is reported in the Commission's statement of cash flows as the transactions are processed through the Commission's operating bank account.

#### 7.5 (a) User Charges and Fees Collected

##### Accounting Policy:

Licensing and registration fees are recognised under AASB 15 when the performance obligations are fulfilled. As the sole performance obligation is the issue of the licence to the racing participant and considering that licences fees are non-refundable, revenue will continue to be recognised on receipt, when the licence is issued.

Fines and penalties revenue is recognised at the time of the infringement event through the issue of a penalty notice. Accrued fine revenue is recognised if the infringement event has occurred but not yet invoiced.

Sale of goods and services revenue is recognised when the revenue is earned and can be measured reliably with sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. Accrued revenue is recognised if the revenue has been raised but not yet invoiced.

		2021	2021	2021	2020
	Note	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
<b>User charges and fee revenue</b>					
Licence and registration fees		1,170	1,009	161	877
Fines and penalties		514	299	215	342
Sale of goods and services		58	96	(38)	90
Impairment reversals		27	-	27	-
User charges and fees	8.2	<u>1,769</u>	<u>1,404</u>	<u>365</u>	<u>1,309</u>
<b>Less: Expenses</b>					
Bad Debts written off		2	5	(3)	-
Impairment losses		-	30	(30)	20
Administrative expenses		1	-	1	1
Payments to Consolidated Revenue		<u>1,766</u>	<u>1,369</u>	<u>397</u>	<u>1,288</u>
Total Expenses		<u>1,769</u>	<u>1,404</u>	<u>365</u>	<u>1,309</u>

\*An explanation of major variances is included at Note 8.2

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.5 Agency Transactions (cont'd)

#### 7.5 (b) Agency Receivables

##### Accounting Policy:

**Measurement** - Receivables are measured at amortised cost which approximates their fair value and represents amounts owed to the Commission at the end of the reporting period.

Receivables are recognised at the amounts due at the time of sale, service delivery or infringement event i.e., the agreed purchase/contract price or offence code. Unless approved payment arrangements are in place, settlement of these amounts is required within 30 days from invoice date. No interest is charged, and no security is obtained.

**Impairment** – The loss allowance for debtors reflects the lifetime expected credit losses and incorporates reasonable and forward-looking information like economic charges and relevant industry data. Where there is no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off. This occurs when the debts are greater than 90 days overdue and the Commission has ceased enforcement activity.

	2021	2020
	Actual	Actual
	\$'000	\$'000
Fines and penalties receivable	222	219
Other user charges receivables	47	11
	<u>269</u>	<u>230</u>
Less: Loss Allowance	(74)	(101)
<b>Total</b>	<u>195</u>	<u>129</u>

##### Disclosure:

##### Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of agency receivables. The Commission considers debts that are over 30 days past due to have a significantly increased credit risk. Refer to Financial Instruments Note 7.2(c) Financial Risk Management.

The Commission measures the expected credit loss on agency receivables by individual debtor. The calculations reflect observed default rates using historical data from the last 5 years preceding 30 June 2021, and loss rates are calculated separately for groupings of customers with similar payment history patterns considering their current licence status.

The Commission actively pursues a range of debt recovery actions for overdue debtors, including the ability to immediately suspend a licence issued if the licence holder fails to pay a debt; offering payment arrangements and declining a licence renewal until the debt is settled.

**QUEENSLAND RACING INTEGRITY COMMISSION**  
**Notes to the Financial Statements for the year ended 30 June 2021**

**7.5 Agency Transactions (cont'd)**

**7.5 (b) Agency Receivables**

	2021		2020	
	Gross	Expected	Gross	Expected
	Receivables	Credit	Receivables	Credit
	\$'000	Losses	\$'000	Losses
		\$'000		\$'000
<b>Ageing</b>				
Current	116	16	51	6
1 to 30 days overdue	26	3	71	22
31 to 60 days overdue	12	3	17	5
61 to 90 days overdue	14	5	10	3
Greater than 90 days overdue	101	47	81	65
<b>Total</b>	<b>269</b>	<b>74</b>	<b>230</b>	<b>101</b>

**7.5 (c) Agency Payments**

All user charges and fee revenue collected by the Commission is remitted to the Consolidated Fund on a quarterly basis via our administering department, DAF.

	2021	2020
	Actual	Actual
	\$'000	\$'000
Opening Balance 1 July	29	23
Payments to Consolidated Revenue	1,766	1,288
Less: Movement in accounts receivable	(66)	(16)
<b>Cash owing at 30 June</b>	<b>1,729</b>	<b>1,295</b>
<b>Cash payments during the year</b>		
DAF administered account	1,634	1,266
	<b>1,634</b>	<b>1,266</b>
<b>Total (payable)/receivable<sup>(1)</sup></b>	<b>(95)</b>	<b>(29)</b>

<sup>(1)</sup> Refer to Note 5.1 Payables

# QUEENSLAND RACING INTEGRITY COMMISSION

## Notes to the Financial Statements for the year ended 30 June 2021

### 7.6 Events Occurring after the Balance Date

There were no events after balance date that require disclosure in the financial statements.

### 7.7 Significant Financial Impacts – COVID-19 Pandemic

The Commission did not have any significant financial impacts from the COVID-19 pandemic during the reporting period.

## 8. Budgetary Reporting Disclosures

The Commission's explanation of major budget variances between the actual 2020-21 financial results and the original budget presented to Parliament is in accordance with FFR 5C Budgetary Reporting Disclosures.

### 8.1 Explanation of Major Variances – Statement of Comprehensive Income

<b><u>Grants and Other Contributions - \$0.184 million:</u></b>	The actual amount is lower than budgeted primarily due to a \$0.200 million grant funding deferral to the 2021-22 financial year as a result of project delays.
<b><u>Employee Expenses - \$0.374 million:</u></b>	The actual amount is lower than budgeted primarily due to staff vacancies during the financial year. However, some vacancies were filled by employing temp agency staff and race day veterinarian contractors. These costs are reflected in consultants and contractor expenses and animal care expenses under Note 3.2 Supplies and Services.
<b><u>Supplies and Services Expenses - \$0.141 million:</u></b>	The actual amount is higher than budgeted primarily due to higher payments for temp agency staff and race day veterinarians. These expenses were offset by lower travel and motor vehicle costs.
<b><u>Depreciation and amortisation - \$0.136 million:</u></b>	The actual amount is lower than budgeted primarily due to RSC capital program delays, partly due to the COVID-19 pandemic.

### 8.2 Explanation of Major Variances – Agency Transactions

<b><u>User Charges and Fee Revenue – \$0.365 million:</u></b>	The actual amount is higher than budgeted largely due to a higher number and value of fines issued during the financial year for racing breaches. The Commission also collected a higher number of animal registration payments than initially budgeted.
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## Appendix 1

# Management certificate for the Queensland Racing Integrity Commission

These general-purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62 (1) (b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects: and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Racing Integrity Commission for the financial year ended 30 June 2021 and of the financial position of the entity at the end of that period; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Radhika Munien (CPA)  
*Finance Manager*

13 August 2021



Paul Brown (PSM)  
*Acting Racing Integrity Commissioner*

13 August 2021

## Appendix 2

# Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

To the Acting Commissioner of Queensland Racing Integrity Commission.

#### Report on the audit of the financial report

##### Opinion

I have audited the accompanying financial report of Queensland Racing Integrity Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

##### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

##### Responsibilities of the entity for the financial report

The Acting Racing Integrity Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Acting Racing Integrity Commissioner determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Acting Racing Integrity Commissioner is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

## Appendix 2 Independent Auditor's Report (*continued*)



*Better public services*

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Acting Racing Integrity Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

## Appendix 2 Independent Auditor’s Report (*continued*)



### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity’s transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in blue ink, appearing to read "C. Dougherty".

Carolyn Dougherty  
as delegate of the Auditor-General

16 August 2021

Queensland Audit Office  
Brisbane

## Appendix 3

# Glossary

Term	Definition
<b>Animal Welfare Direction</b>	A written direction given by an authorised officer, under Section 193 of the <i>Racing Integrity Act 2016</i> , requiring stated action about the animal or its environment.
<b>Authorised Officer</b>	Officers appointed and given particular powers under the <i>Racing Integrity Act 2016</i> .
<b>Crime Stoppers</b>	A telephone hotline, website and mobile app for members of the community to provide anonymous information about suspicious or criminal activity.
<b>DAF</b>	Department of Agriculture and Fisheries
<b>Financial Statements</b>	Collective description of the income statement, the balance sheet and the cash flow statement for an entity's controlled and administered activities.
<b>Greyhound Adoption Program (GAP)</b>	Animal welfare program run by the QRIC to assess and, where suitable, rehome retired racing greyhounds.
<b>Intelligence</b>	Information collection, analysis and dissemination processes that support informed decision-making to improve organisational planning and prioritised deployment of resources.
<b>Internal Adjudicator</b>	An internal QRIC position created to conduct independent, impartial reviews of original decisions as part of the internal review process.
<b>Internal Review</b>	The review of an original decision, conducted by an independent Commission adjudicator, with a view to either confirming, amending or substituting that original decision. Triggered by a formal application to the Commission.
<b>MacSporran Report</b>	Queensland Greyhound Racing Industry Commission of Inquiry. Independent inquiry established in April 2015, under the <i>Commissions of Inquiry Act 1950</i> , to review the integrity and control systems governing the greyhound racing industry in Queensland. Led by Alan MacSporran QC, the output of this inquiry is also known as the MacSporran Report.
<b>Martin Inquiry</b>	Independent inquiry into animal cruelty in the management of retired Thoroughbred and Standardbred horses in Queensland which was conducted from October 2019 to January 2020.

## Appendix 3 Glossary (*continued*)

Term	Definition
<b>Match-fixing</b>	Defined by Section 443 of the Queensland Criminal Code as conduct that affects, or if engaged in could reasonably be expected to affect, the outcome of a sporting event or contingency.
<b>QAO</b>	Queensland Audit Office
<b>Queensland Racing Integrity Commission (the Commission/ the QRIC)</b>	The Queensland Racing Integrity Commission.
<b>Original decision</b>	Any decision defined under Section 240 of the <i>Racing Integrity Act 2016</i> .
<b>Queensland Civil and Administrative Tribunal (QCAT)</b>	An independent tribunal that resolves disputes, and makes and reviews decisions in a range of jurisdictions including racing. Available to racing industry participants as a mechanism for the external review of internal review decisions.
<b>Queensland Racing Crime Squad (QRCS)</b>	The Queensland Police Service’s Racing Crime Squad investigates matters of serious animal cruelty; major and organised crime, including match fixing; fraud and other statutory offences relating to the three codes of racing in Queensland.
<b><i>Racing Integrity Act 2016</i></b>	Primary Queensland legislation that established the Queensland Racing Integrity Commission and governs its core business.
<b>Report Something</b>	The Commission’s own information sharing process, allowing anyone with information about the racing industry and/or its participants to report it to the QRIC via phone, email, in-person, or via webform.
<b>RSC</b>	Racing Science Centre, Hamilton
<b>Rules of Racing</b>	The collection of national and local rules that govern racing activity across the three codes in Queensland.
<b>Steward</b>	Officers employed under the <i>Racing Integrity Act 2016</i> and under the respective Rules of Racing can supervise particular matters at race meetings.

## Appendix 4 Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
<b>Letter of compliance</b>	• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7 <a href="#">Page 3</a>
<b>Accessibility</b>	• Table of contents	ARRs – section 9.1 <a href="#">Page 1</a>
	• Glossary	<a href="#">Page 67</a>
	• Public availability	ARRs – section 9.2 <a href="#">Page 2</a>
	• Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 <a href="#">Page 2</a>
	• Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 <a href="#">Page 2</a>
	• Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5 <a href="#">Page 2</a>
<b>General information</b>	• Introductory information	ARRs – section 10 <a href="#">Page 4</a>
<b>Non-financial performance</b>	• Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1 <a href="#">Page 10</a>
	• Agency objectives and performance indicators	ARRs – section 11.2 <a href="#">Page 11</a>
	• Agency service areas and service standards	ARRs – section 11.3 <a href="#">Page 13</a>
<b>Financial performance</b>	• Summary of financial performance	ARRs – section 12.1 <a href="#">Page 15</a>
<b>Governance – management and structure</b>	• Organisational structure	ARRs – section 13.1 <a href="#">Page 20</a>
	• Executive management	ARRs – section 13.2 <a href="#">Page 20</a>
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3 Not applicable
	• Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 <a href="#">Page 22</a>
	• Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5 <a href="#">Page 22</a>
	• Queensland public service values	ARRs – section 13.6 <a href="#">Page 22</a>

## Appendix 4 Compliance checklist (*continued*)

Summary of requirement		Basis for requirement	Annual report reference
<b>Governance – risk management and accountability</b>	• Risk management	ARRs – section 14.1	<a href="#">Page 23</a>
	• Audit committee	ARRs – section 14.2	<a href="#">Page 23</a>
	• Internal audit	ARRs – section 14.3	<a href="#">Page 24</a>
	• External scrutiny	ARRs – section 14.4	<a href="#">Page 24</a>
	• Information systems and record keeping	ARRs – section 14.5	<a href="#">Page 24</a>
	• Information Security attestation	ARRs – section 14.6	Not applicable
<b>Governance – human resources</b>	• Strategic workforce planning and performance	ARRs – section 15.1	<a href="#">Page 25</a>
	• Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	<a href="#">Page 26</a>
<b>Open Data</b>	• Statement advising publication of information	ARRs – section 16	<a href="#">Page 26</a>
	• Consultancies	ARRs – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Overseas travel	ARRs – section 33.2	<a href="#">Page 26</a>
	• Queensland Language Services Policy	ARRs – section 33.3	<a href="#">Page 26</a>
<b>Financial statements</b>	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	<a href="#">Page 63</a>
	• Independent auditor’s report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	<a href="#">Page 64</a>

FAA – *Financial Accountability Act 2009*

FPMS – *Financial and Performance Management Standard 2019*

ARRs – Annual report requirements for Queensland Government agencies



**Queensland Racing  
Integrity Commission**

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