



QUEENSLAND RACING
INTEGRITY COMMISSION

Engagement | Education | Enforcement

Annual Report

2022–2023

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This annual report provides information about the Queensland Racing Integrity Commission's financial and non-financial performance for 2022–23. 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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This annual report can be obtained in paper form by contacting the Queensland Racing Integrity Commission using the details above.

Feedback

Feedback on the annual report can be provided through the Get Involved website:

<https://www.getinvolved.qld.gov.au/gi/>



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Content from this annual report should be attributed as:
The State of Queensland, Queensland Racing Integrity Commission Annual Report 2022–2023.

ISSN

Online: 2208-5130

Letter of compliance

29 September 2023

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 2022–23 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.

See [page 70](#) for a checklist outlining the annual reporting requirements.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'SG', with a large, stylized loop at the end.

Mr Shane Gillard
Racing Integrity Commissioner
Queensland Racing Integrity Commission

General information

Commissioner's report

I am proud to present the seventh Queensland Racing Integrity Commission annual report.

In a year of consolidation, the operations of the Commission are truly decentralised for the first time. While the Commission has adjudicated race meetings across the State since its inception, most resources were Brisbane based. Better servicing of country and regional racing has been achieved through placement of staff regionally, where the work is, and providing appropriate workspaces in Cairns, Toowoomba, the Sunshine Coast and Rockhampton. The Commission is concentrating on how our whole workforce contributes best to the overall operation of the racing industry.

Racing is growing in Queensland. The number of race meetings has increased to approximately 30 every week, and participant numbers have increased to almost 50,000. The thriving industry has been front of mind when deploying appropriate integrity staff across Queensland.

A stewards modernisation framework has been implemented, with 56 stewards, from cadets to chief stewards, successfully transitioning to a new remuneration framework that includes appropriate penalty rates and allowances. This framework is a key mechanism for attracting the right staff, with several recent recruits venturing to Queensland from other jurisdictions.

A key part of this financial year's focus has been on the transition of integrity-based roles from within Thoroughbred racing clubs to the Commission, solving what has been an inconsistency within and across codes as to who provides which services on race day. Until this year, some thoroughbred racing clubs, have been responsible for a variety of race day roles, including judges, photo finish operators, clerk of scales, and veterinary officers whereas for other clubs and across other Codes, the Commission has been responsible. These are critical roles in delivering race day services and as they are integrity-based, they are more appropriately positioned within the Commission's establishment. In a phased approach, many of these roles have successfully transitioned to be employed under the Commission as of 1 July 2023. The continuation of this rollout will occur in 2023/24.

Racing animal welfare was prioritised more than ever this year when, for the first time in Queensland, the Commission's stewards required pre-race veterinary examinations for all Group 1 and 2YO Stakes runners, as well as Battle of the Bush starters running in the 2023 Thoroughbred Winter Carnival. The resounding success of this requirement resulted in fewer pre-race "scratchings" and decreased welfare incidents on track. It also provided our stewards and veterinarians with the information they needed to make informed decisions about the fitness and welfare of horses engaged to race in the Winter Carnival.

The best animal welfare outcomes are when racing animals are clear of prohibited substances. Greyhound stewards conducted a record number of kennel inspections totaling more than 480 visits to registered properties, which is a 36 per cent increase on last year. Our three-pronged inspection strategy, which includes proactive, reactive and out of competition testing and anywhere, anytime greyhound testing, is getting results. This state-wide approach uses the intelligence available to us along with random testing, where the element of surprise has led to a higher detection of prohibited substances.

One of the Commission's most important functions is to analyse samples collected from racing animals to maintain the public's confidence in the integrity of racing. Our analysis laboratory is currently at the Racing Science Centre (RSC) located within the Albion Park Raceway complex. The Breakfast Creek Sports Precinct, which includes the Albion Park Raceway, was announced as a venue for the 2032 Olympic and Paralympic Games. With construction of the precinct to commence in 2026, the relocation of the RSC has been a high priority for us. Work to secure a new location has been a major focus and is well underway. Throughout this financial year, a review of potential sites found there were none suitable for immediate laboratory use unless the Commission undertook a costly refit. The most suitable site is a collection of three lots in Bowen Hills, Brisbane. The Commission settled on the site in August 2023 and is now working to begin a laboratory fit-out.

General information (*continued*)

The Commission's Intel strategy, which uses intelligence data to crack down on wrongdoing in the racing industry, was fruitful in several cases this year, including when our RSC found evidence of a new substance being abused in greyhounds after using new information to target high-risk substances. When wastewater in a particular region was found to contain the muscle-enhancing steroid Ostarine, the RSC commenced testing for the substance in greyhound and horse samples. The Commission's scientists and intelligence team determined that Ostarine was an emerging risk to racing after the University of Queensland conducted a survey of nonsteroidal performance and image-enhancing drugs in raw water across Australia (2009 to 2021). The survey found that this clandestinely produced and sold substance was detected at 41 out of 51 sampling sites. The concentrations reported have been on a significant upward trend, supporting claims of increasing abuse among the public. The drug's easy availability and notable muscle building effects make it attractive for doping racing animals. Targeted RSC testing proved this concern to be well-founded and the first positive tests for the performance enhancing drug soon followed.

The Greyhound Adoption Program (GAP) made some great leaps this year. New initiatives and program optimisations have increased our adoption numbers to the highest since 2017, with 299 adoptions as of 30 June 2023. The Commission looks forward to even higher adoption numbers this year. Our Community Engagement team is out and about promoting the program and in an exciting move, we are running regular adoption events at Albion Park Raceway, in conjunction with the Brisbane Greyhound Racing Club. It is a mark of how the Commission is working with and gaining the support of the racing industry, and has given the GAP a Brisbane base to attract potential adopters from the city. We are bringing greyhounds to the people and it's proving to be popular.

There has been a smooth transition to the establishment of the Racing Appeals Panel (RAP), which commenced on 31 March 2023. Strengthening the high standards of animal welfare and industry integrity in Queensland's racing industry, the new panel provides a quick and accessible way to review stewards' decisions by a specialist body. Since the RAP commenced, there have been 18 applications made to the panel for its review of stewarding decisions. The RAP has replaced most internal review decisions made by the Commission and the majority of Queensland Civil Administrative Tribunal (QCAT) appeals relating to decisions of the stewards made under the Rules of Racing. Decisions that are not racing decisions (decisions of stewards under the Rules of Racing) will continue to proceed through the internal review process.

We look forward to the 23/24 financial year with the design and build of the relocated RSC as a major focus for the Commission. Developing our GAP processes to rehome a growing number of greyhounds to Queensland families is also a priority and growing the skills of our existing staff will give the Commission a strong and sustainable workforce for another successful year.

Mr. Shane Gillard
Racing Integrity Commissioner
Queensland Racing Integrity Commission

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 of racing in Queensland and safeguards the welfare of racing animals.

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 a statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*.

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 Commission continues to implement, as core services, a number of long-term recommendations arising from the Queensland Greyhound Racing Industry Commission of Inquiry (MacSporran Report) and 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 [pages 9](#) and [10](#).

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
- promoting the integrity of racing by ensuring consistent and fair administration of the rules of racing
- working collaboratively to engage and educate industry and stakeholders
- maintaining public confidence in the integrity of Queensland's racing industry.

Our legislative and regulatory framework

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

In addition, 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.
- Equine Traceability Enforcement Standard.

General information (*continued*)

Our powers and specialist capabilities

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

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.

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.

Where necessary, the Commission will undertake joint operations with the RSPCA or the Queensland Police Service (QPS) to ensure offences against animal welfare and racing integrity are investigated and, where appropriate, prosecuted. The Commission's partnership with the Rural and Stock Crime Squad (RSCS) within the QPS, enhances the Commission's ability to reach into rural and remote regions of Queensland and provides a rapid response to allegations of criminal conduct within the Queensland Racing Industry.

The Racing Integrity Commissioner has the statutory power under the Racing Integrity Act to require attendance and giving of evidence and to require the provision of information, documents, or things.

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.

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 2022–23, 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 processes and practices.

In 2022–23, the following key actions were achieved by the Commission:

- Implemented a contemporary stewarding remuneration framework, also improving employment conditions.
- Increased its regional footprint through transitioning various integrity roles based in South-East Queensland to offices located in Cairns, Townsville and Rockhampton. The transition not only enhances the Commission's capability to provide more efficient and effective animal care and integrity services across Queensland, it also brings social and economic benefits of country racing for regional communities
- Transitioned several integrity roles from thoroughbred clubs across Queensland to the Commission increasing our support of regional communities through the employment of 17 additional staff spanning from locations such as Cairns, Rockhampton and Roma.
- Developed and commenced implementation of the Commission Engagement Strategy which outlines the overarching approach the Commission takes in delivering communications and engagement activities across the Queensland Racing Industry.
- Continued to invest in skills of Queenslanders through the Commission's Cadet Steward Program where 15 new cadets were welcomed into the program. Cadets stewards are now offered Certificate III level training provided by Racing Queensland's registered training organisation.
- Developed and published penalty guides for the three codes of racing. Each guideline is intended to provide transparency on decision-making relating to breaches of the rules of racing and ensure licensed and non-licensed participants are aware of the penalties may incur for breaches.
- Developed and published Equine Traceability Enforcement Standard and introduced significant monetary penalties for breaches of the traceability rules.
- Implemented a staff gambling policy that prohibits any betting on national and international racing events, in any code, by the Commission's employees.
- Commenced planning for the relocation of the Racing Science Centre (RSC) to make way for Brisbane 2023 Olympic and Paralympic Games venue.

General information (*continued*)

- Expanded the Commission's capability to track racing greyhounds with a focus on integrity and welfare.
- Commenced the Serious about Safety initiative which focusses on providing a safe and healthy environment that is free from workplace injury and illness.
- Simplified and streamlined processes for sharing intelligence information.
- Supported the establishment of the Racing Appeals Panel.
- Enhanced our stewarding capability to issue penalty notices on raceday.
- Established the Stakeholder Reference Group providing an opportunity to discuss contemporary matters through an open forum with subject matter experts from within the Commission and the racing industry. The Commission held four meetings in 2022–23.
- Restructured our working arrangements with the Queensland Police Service to increase our ability to detect criminal activity in the racing industry.
- Delivered efficiencies in stewarding services across Queensland through the recruitment of regional leadership.

The following key activities are planned for 2023–24:

- Review the Commission's resource model.
- Implementation of the inspection plans for each code of racing, enhancing the Commission's traceability processes for all racing animals.
- Conduct a review of licensing standards across the four licence types, including the 'fit and proper' person test.
- Review greyhound tracking processes and implement technology improvements.
- Develop and implement processes and practices which improve greyhound utilisation in Queensland.
- Develop and publish Greyhound Standards of Care and Equine Standards of Care.
- Finalise and implement the Prohibited Substance Control Strategy.
- Educate industry around responsible greyhound ownership.
- Review internal Greyhound Adoption Program processes and capacities.
- Work with Racing Queensland ensure Minimum Venue Standards are implemented.
- Formalise transparent and effective stewarding practices.
- Move the RSC to its new home including acquiring a new site for the RSC, complete fitout and NATA certification.
- Develop an RSC procurement forward plan.

Functional Realignment

In February 2022, the Commission embarked on a functional realignment following a review of operations conducted by an external organisation in the previous year. The realignment was grouped into three phases:

- Leadership
- Capability
- Ways of Working

The Commission completed all activities under the Leadership phase of the realignment in 2021–22 with a new executive leadership structure established. The Capability phase was completed in the first quarter of 2022–23 where a number of activities were finalised including reviewing and implementing amended delegations, policies, standards and performance measures, updating systems and processes and aligning budgets.

The Ways of Working phase commenced in 2022–23. Activities within this phase focused on identifying better decision-making processes, delivering more efficient services, improving overall communication (internal and external) and strengthening the workforce capability. This phase was formally completed in quarter 2 of 2022–23 with ongoing activities transitioned to business-as-usual.

The Commission's functional realignment has been undertaken through an open and transparent approach with Commission staff.

General information *(continued)*

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 has maintained a strong focus on the continued delivery of the MacSporran Report recommendations over the last six years including through the investment of the Commission's digital licensing and registration system known as RandLE. 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.

In 2020–21, the Commission undertook the Greyhound Lifecycle Review which showed there has been a reduction in overbreeding of greyhounds since the MacSporran report was completed. In February 2022, the Government finalised recommendations 9 and 10 as a result of the Greyhound Lifecycle Review findings and the Commission's commitment to monitor greyhound lifecycle data and respond should the problem re-emerge. This is delivered through an annual report to the Minister on greyhound utilisation in Queensland. Utilisation is measured by the number of greyhound pups who had at least one race. The utilisation rate of greyhounds has remained relatively stable between 2016–17 and 2019–20 at 82%, with the highest utilisation rate in 2017–18 at 84% and lowest in 2018–19 at 81%.

The Commission has now implemented, converted to business as usual or completed all the recommendations and activities for which it is responsible, however is committed to ongoing business improvement. In 2022–23, the Commission commenced an exploration of digital solutions to capture greyhound lifecycle data. The digital solutions are expected to improve traceability of greyhounds throughout their racing career.

The Commission is also investigating technology utilised by the Greyhound Welfare Integrity Commission in New South Wales, which significantly enhances the visibility and traceability of greyhounds from birth to retirement. This system enables better utilisation of data captured on the upgraded scanners and in doing so, allows for continuous monitoring and provides real time updates on the activity of each canine.

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, DAF has joint or full responsibility for 27 recommendations; the Commission has full responsibility for six recommendations; and Racing Queensland (RQ) has full responsibility for 16 recommendations. The Commission and RQ have joint responsibility for six recommendations.

As at 30 June 2022, the Commission had completed all of those recommendations for which it is solely responsible. The Commission and RQ continue to work together to deliver the six recommendations for which they are jointly responsible.

The Commission is committed to the rigorous implementation of the recommendations of the Martin Inquiry. Traceability of the lifecycle of racehorses is critical to ensuring public confidence in the racing industry.

There must be significant consequences for participants who fail to comply with rules which are important to the welfare of racing animals. In 2022–23, the Commission developed and published the Equine Traceability Enforcement Standard. This Standard helps to ensure the effective enforcement of traceability rules so the Commission can better safeguard the welfare of horses that have been involved in racing.

In 2022–23, the Commission reviewed its stable inspection practices and reviewed and formalised a new process improving the enforcement of animal welfare compliance obligations. The intelligence-driven inspection plan mandates that every stable should be inspected at least once annually and will be implemented from 2023–24.

The Animal Care and Protection Amendment Bill 2022 (the Bill) passed through Parliament on 2 December 2022 and received Royal Assent on 12 December 2022. The Bill facilitates changes to the *Racing Integrity Act 2016* in relation to the Martin Inquiry recommendations. The Commission has been working with DAF to implement the relevant provisions.

Non-financial performance

Queensland Government's objectives for the community

Our purpose is to work with the racing industry and community to protect animals involved in racing, ensure high standards of integrity and safety, and undertake education compliance activities to enhance public confidence, in pursuit of our vision of an ethical and safe racing industry. The Commission contributes to the Queensland Government's objectives for the community:

- **Good jobs:** Good, secure jobs in our traditional and emerging industries.
Supporting our workforce and investing in skills.
 - Implemented a contemporary stewarding remuneration framework, also improving employment conditions.
 - Continuing to provide cadetships for stewards across the three codes of racing.
 - The Commission welcomed 15 new cadets to the Cadet Steward Program in 2022–23.
 - Cadets stewards are now offered Certificate III level training provided by Racing Queensland's registered training organisation. A total of 13 cadets commenced their training in 2022–23.
- **Better services:** Deliver even better services right across Queensland.
Provide quality frontline services for an ethical and safe racing industry.
 - 1,813 original stewarding decisions made for the three codes of racing.
 - 1,387 stable and kennel inspections, which includes non-race day and race day inspections.
 - 3,725 licence applications received and processed.
 - 17,565 animal registration applications received and processed.
 - 337 contacts received through the Commission's 'Report Something' portal, which includes webform, email, telephone and face-to-face.
 - 20,882 samples were received by the Commission's Racing Science Centre. The testing of the samples received resulted in 76 reportable prohibited substance findings in 75 samples (0.36%).
 - 41 Stewards' Directions were issued at inspections.
 - 34 welfare and integrity investigations were finalised.

- **Great lifestyle:** Protect and enhance our Queensland lifestyle as we grow.

Provide frontline support for regional and remote communities to service an expanding racing calendar.

- Of the 1,667 race meetings attended by the Commission across the three codes of racing in 2022–23, 234 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 race day officials to these non-TAB race meetings.
- The Commission has transitioned various integrity roles based in South-East Queensland to offices located in Cairns, Townsville, Rockhampton and Bundaberg. This transition not only enhances the Commission's capability to provide more effective and efficient animal care and integrity services across Queensland. It also brings social and economic benefits of country racing for regional communities.
- Several integrity roles from thoroughbred clubs across Queensland were transitioned to the Commission increasing our support of regional communities through the employment of 17 additional staff spanning from locations such as Cairns, Rockhampton and Roma.

Non-financial performance *(continued)*

Progress against our strategic objectives

Objective 1. Safeguard animal welfare	
Performance indicators	Notes
Finalise our animal welfare strategy, including industry engagement and education plans	1
Develop a rolling 3-year implementation plan for our animal welfare strategy	1
Continue to examine race day injuries and fatalities to mitigate causes	2

Notes:

1. Due to structural realignment and staff shortages during 2022–23, the Animal Care Strategy, formerly the animal welfare strategy, and its supporting documents, is yet to be finalised, however is expected be completed with ongoing implementation commencing by 1 January 2024.
2. The Commission monitors injury and incident rates in the Queensland industry and engages with Racing Queensland to address issues as they emerge. The Commission governance committee's including the Racing Animal Care Committee, Greyhound Racing Injury Working Group and the Equine Racing Injury Working Group all operate to safeguard the wellbeing of racing animals. Each group meets quarterly.

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

- develops, publishes, and distributes education materials to the three codes of the Queensland racing industry to ensure participants are aware of their obligations under the rules of racing. This included articles in industry publications, proactive media releases and industry notices to ensure racing industry participants are educated about their responsibilities.
- assesses license applications and renewals against the Licensing Standard for each code of racing. The Commission also provides an ongoing assessment of licensed participants to ensure they are compliant with the rules of racing for each code of racing.
- 1,387 stable and kennel inspections were conducted, which includes non-race day and race day inspections.
- 34 welfare and integrity investigations were finalised.

Objective 2. Promote compliance and integrity			
Performance indicators	Notes	2021–22 Result	2022–23 Result
Timely implementation of the regulatory strategy	1	n/a	n/a
Increase the quantity and quality of materials published that educate and promote compliance to the Rules of Racing, Standards and improve conduct	2	64	159
Increase positive perception from industry and community	3	65%	55%
Improve overall industry compliance	4	n/a	n/a

Notes:

1. There have been delays in the implementation of the regulatory strategy due to organisational realignment and staff vacancies. The Engagement Strategy, one of the enabling strategies under Regulatory Framework and Strategy, was approved in 2022–23. The Engagement Strategy is being operationalised throughout the organisation via multiple channels which are accessible to relevant industry stakeholders. The remaining enabling strategies, including the Animal Care Strategy, Workforce Strategy and Integrity Strategy are expected to be completed by December 2023 with implementation ongoing.
2. In 2022–23, the Commission published 159 media releases and educational products to Industry. This is an increase of over 140% when compared to 2021–22.
3. Each year the Commission partners with an independent social research company to conduct a survey of Queensland community members and their attitudes towards racing. In 2021–22, the survey questions were modified and the rating scale differed from previous years. In 2022–23, the survey questions and scales were re-aligned to those prior to the 2021–22 survey. The results from the 2020–21 Community Perception Survey, revealed that 59% of respondents stated that they were at least somewhat confident that racing in Queensland was run with integrity.
4. Non-compliance refers to a breach of the Rules of Racing. In 2022–23, 41 stewards' directions were issued (2021–22 = 149), 1,894 breaches were identified for which penalties were issued (including licence suspension/disqualification and/or monetary) (2021–22 = 1,777), and 76 reportable prohibited substance findings were detected (2021–22 = 58).

Non-financial performance *(continued)*

Objective 3. Work collaboratively to engage and educate

Performance indicators	Notes
Improve the quality and timeliness of the engagement between the Commission and key industry stakeholders	1
Finalise our intelligence-led approach and commence implementation	2
Improve industry awareness and enhance understanding of the One Industry approach in action	3

Notes:

1. The Commission continues to engage with industry through various forums and meetings to enhance clear channels of communication and ensure that stakeholders are informed and aware of emerging issues. Throughout 2022–23, the Commissioner and Deputy Commissioner met with key industry stakeholders including Racing Queensland, the Department of Agriculture and Fisheries, the Royal Society for the Prevention of Cruelty to Animals (RSPCA), Animals Australia, racing club members and various industry participants and advocacy groups. The Commission established the Stakeholder Reference Group (SRG) which provides further opportunities for stakeholders to discuss contemporary matters through an open consultative forum. The SRG met four times in 2022–23. The Commission is also a contributing member of various interjurisdictional and international forums which enhance the Commission's intelligence capabilities.
2. In 2022–23, the Commission identified operational risks impacting the organisation and developed intelligence briefs for each risks which identified opportunities to enhance the Commission's focus on animal welfare and integrity and focused resource efforts throughout the year. In 2023–24, the Commission will commence implementation of the intelligence function which informs targeting sampling of racing animals.
3. Throughout 2022–23, the Commission promoted the One Industry vision through targeted engagement and communication. The Engagement Strategy was approved and operationalised in 2022–23 via multiple channels which are accessible to relevant industry stakeholders. The Commission published 159 educational products and media releases. This is an increase of 148% compared to 2021–22.

Objective 4. Enhance public confidence

Performance indicators	Notes
Under the whole-of-government Open Data Policy, publish all key guidelines, policies, procedures and reports	1
Increase confidence of the betting public in the integrity of the betting and wagering systems in Queensland	2
Our animal welfare initiatives meet public expectations of a modern regulator	3

Notes:

1. The Commission is committed to delivering transparent, accountable, efficient, responsive and effective services to the community. In 2022–23, the Commission has published several agency documents on its website (www.qric.qld.gov.au) including the Strategic Plan, penalty guidelines for each code of racing, the Equine Traceability Enforcement Standard, Greyhound breeding, race injury and retirement reports, the Regulatory Performance Report, Stewards Reports, Industry Notices.
2. Each year the Commission partners with an independent social research company to conduct a survey of Queensland community members and their attitudes towards racing. The results from the Community Perception Survey demonstrate 75% of the betting public is somewhat or very confident that racing in Queensland is run with integrity. The Commission increased the number of Deeds of Agreement's with wagering service providers (WSP) in 2022–23 to over 50 agreements. These agreements enable information sharing between the Commission and the WSP of betting transactions conducted in connection with Queensland Races. With this information, the Commission monitors and analyses betting data obtained from WSPs to proactively enhance the integrity of racing events in Queensland.
3. Through the Community Perception Survey, participants were asked 'Over the past 12 months, how satisfied are you that the Commission has regulated animal care through education, engagement and enforcement activities to protect animals involved in racing. 38% of respondents indicated they were satisfied, while 49% were neutral.

Non-financial performance *(continued)*

Progress against our Service Delivery Standards for 2022–23

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

Queensland Racing Integrity Commission service standards	Notes	2022–23 Target/Est.	2022–23 Actual
Percentage of rehomed greyhounds returned to the GAP		4%	2.7%
Cost, per dog (per day) presented to GAP, of services delivered by GAP		\$21	\$23.33
Percentage of original decisions, challenged at Internal Review, and confirmed		80%	75%
Cost, per licence, of receiving and assessing animal registrations, licence applications and issuing licence products	1	\$115	\$99.21
Percentage of community members surveyed who: – are somewhat or very confident in the integrity of the Queensland racing industry		65%	55%
– believe that the integrity of racing has improved a lot or a little over the past 12 months		65%	61%
Median cost per sample of racing animals tested for prohibited substances	2	\$305	\$355.04

Notes:

1. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is primarily driven by an increase in the number of licence and registration applications processed during 2022–23.
2. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is primarily driven by a decrease in the number of samples tested for prohibited substances during 2022–23.

Financial performance

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 Department of Agriculture and Fisheries (DAF) receives the grant funding from the Consolidated Fund by way administered appropriations and pays the grant to the Commission on a quarterly basis.

During 2022–23, the government also provided additional funding supplementation to meet staff enterprise bargaining (EB) increases.

Total grant funding received for 2022–23 was \$32.62 million comprising of an operating grant of \$32.1 million, and a capital grant of \$0.52 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.

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](#).

Since its establishment, the Commission has made significant business improvements in licensing and registration, including standardising licence categories, transitioning to a three-year licensing model and investment in a digital licensing and registration customer relationship management (CRM) system for the racing industry.

The RandLE system provides an online payment gateway to participants, reducing licence processing times and moving participants away from paper-based to online applications. The system was also upgraded to facilitate the use of mobile devices for kennel and stable inspections, as well as stock checks to satisfy recommendations from the Independent Inquiry into animal cruelty in the management of retired Thoroughbred and Standardbred horses in Queensland, and for the administration of fines and penalties.

Total revenue collected for 2022–23 was \$1.63 million, with almost 69% or \$1.11 million relating to the thoroughbred racing code.

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

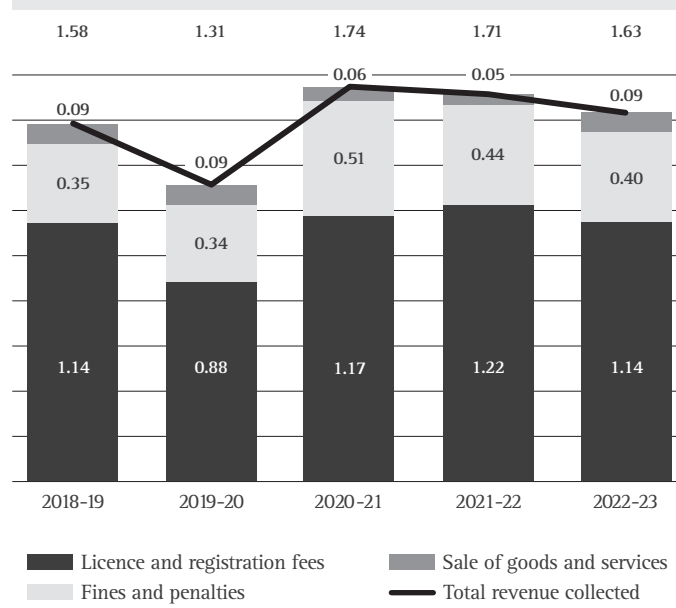
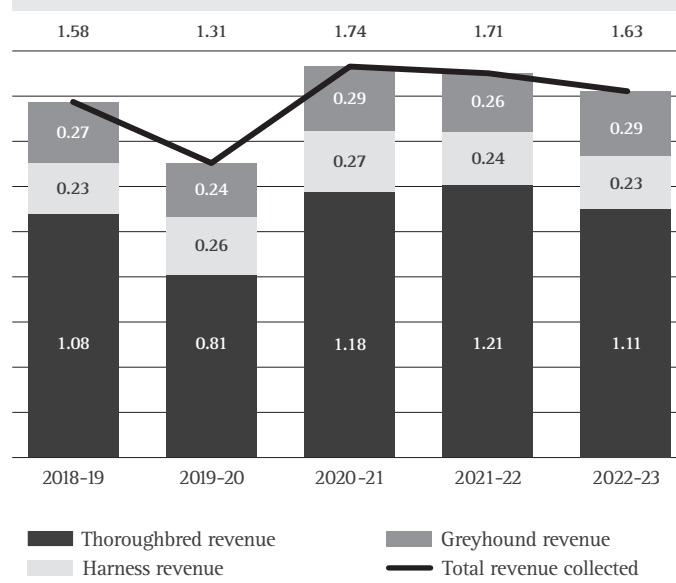


Figure 2. Revenue collected by racing code
5-year comparison (\$ million)

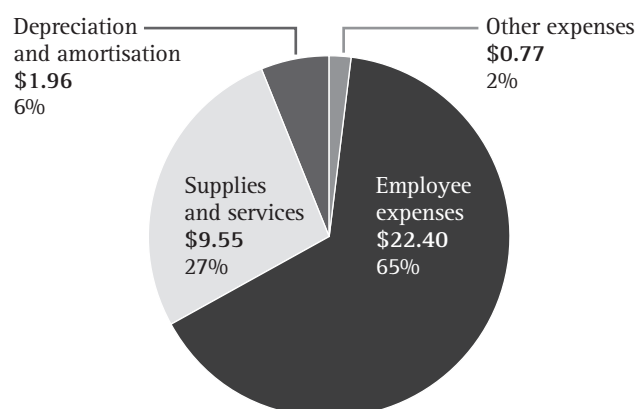


Financial performance *(continued)*

Financial performance

The Commission has recorded operating deficit of \$0.98 million for the 2022–23 financial year. The deficit is largely driven by higher cost of supplies and services as well as employee cessation benefits as a result of functional realignments that occurred during the financial year. Also contributing is a \$0.33million building revaluation decrement for our RSC laboratory due to its planned acquisition as part of the construction of the 2032 Olympic and Paralympic Games Breakfast Creek sports precinct.

Figure 3. 2022–23 Operating costs
What we spent our money on (\$ million)



Income

Total income for 2022–23 was \$33.69 million, increasing by \$1.9 million or 6% from the previous financial year (2021–22: \$31.79 million). The increase is largely driven by grant funding supplementations for EB increases as well as insurance compensation revenue. Interest earnings were also higher than the previous financial year due to interest rate increases.

Expenditure

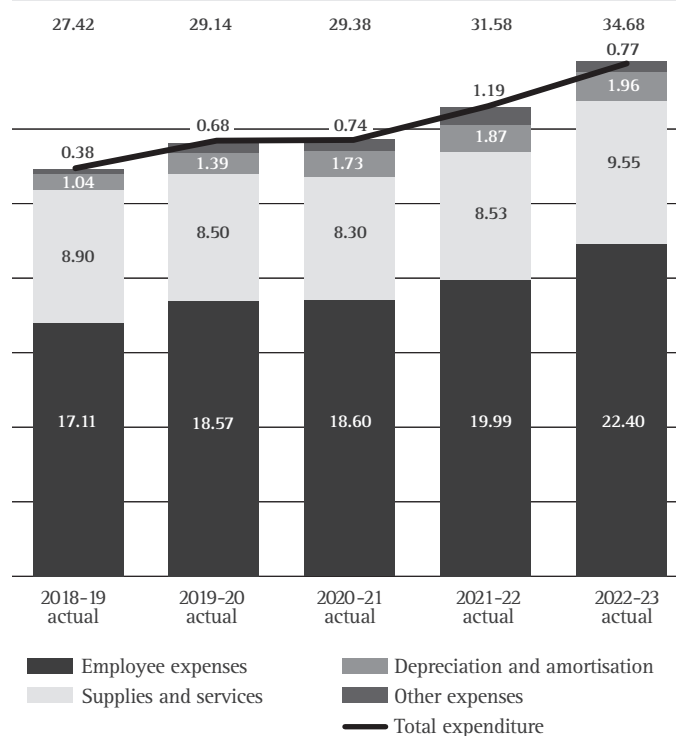
Total expenditure for 2022–23 was \$34.68 million, increasing by \$3.1 million or 10% from the previous financial year (2021–22: \$31.58 million).

Employee expenses increased by \$2.41 million or 12%, largely driven by EB increases, cessation benefits and the implementation of a contemporary remuneration framework for stewards which is now closely aligned to the general employees' public sector award.

The Commission has spent \$9.55 million on supplies and services expenses for 2022–23, increasing by \$1.02 million or 12% from the previous financial year.

Inflation increases have contributed to the higher cost of supplies and services as well as higher animal care costs due to animal welfare cases uncovered during the financial year. Travel and motor vehicle costs have also increased associated with the implementation of the stewarding remuneration framework. These tools-of-trade for stewards seek to enhance safety and will improve service delivery responsiveness and efficiency.

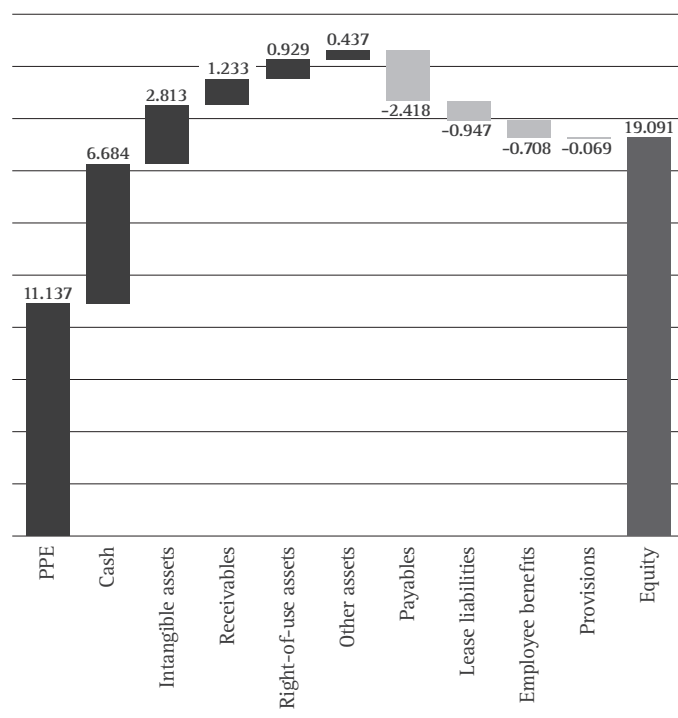
Figure 4. Expenditure
5-year comparison (\$ million)



Financial performance *(continued)*

Financial position

Figure 5. Assets and liabilities as at 30 June 2023
(\$ million)



Assets

As at 30 June 2023, the Commission held assets valued at \$23.23 million, represented by \$8.3 million in current assets and \$14.93 million in non-current assets. Current assets include \$6.68 million in cash reserves held at bank to settle amounts owed to suppliers, accrued employee benefits and for future asset replacements.

Receivables comprise prepaid supplies and services, our June 2023 business activity statement (BAS) refund, QSuper annual leave and long service leave claims and unpaid insurance compensation claims from Queensland Government Insurance Fund (QGIF) for the Brisbane 2022 flooding event as well as an unrelated claim for a damaged laboratory instrument.

Non-current assets consist mainly of RSC laboratory assets. This includes the land and buildings at Albion where the laboratory is currently located. As at 30 June 2023, the land was valued at \$4.82 million whilst the buildings were written down to a value of \$1.12 million due to the planned acquisition of the property in 2025 for the 2032 Olympic and Paralympic Games.

The Queensland Government has approved up to \$20 million in funding for the Commission to relocate the laboratory. An appropriate property to relocate the laboratory has been identified and approved by the Government.

The Commission invested \$2.21 million on capital acquisitions during the financial year primarily for RSC's rolling capital program for laboratory equipment.

Intangible assets represent our RandLE CRM and was valued at \$2.81 million as at 30 June 2023. A contract for the replacement laboratory information management system (LIMS) was signed at end of June 2023 and the new system will be implemented during the first quarter of the 2023-24 financial year.

The Commission's right of use assets relate primarily to external to government accommodation leases for regional offices as well as the GAP facilities.

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 2023, these liabilities were valued at \$4.14 million, increasing by \$1.1 million or 36% from the previous financial year. The increase largely relates to higher payments owing to suppliers at year end mainly for capital acquisitions delivered. These suppliers were paid during July 2023.

Equity

The Commission was in a strong net worth position as at 30 June 2023 with net assets totaling \$19.09 million, decreasing by \$2.23 million or 10% from the previous financial year. The decrease is largely due to extinguishing the asset revaluation reserve due to the adjustment of the useful life of the current RSC laboratory.

Financial performance (*continued*)

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.

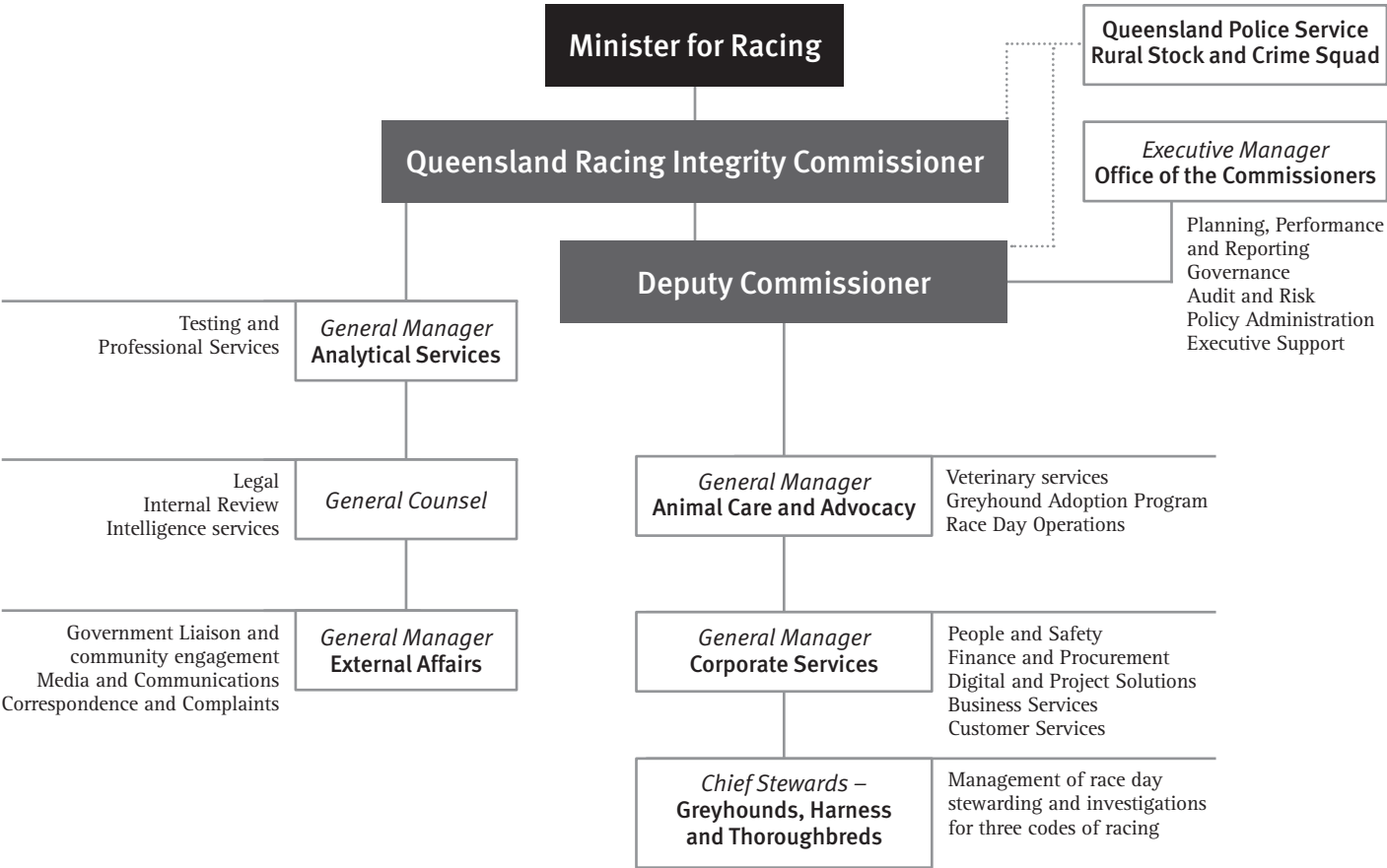
Whilst the Commission is a statutory body, and therefore exempt from the legislative requirement to provide the CFO statement, it has adopted best practice by providing the accountable officer with a CFO statement for the financial year ended 30 June 2023, attesting to the financial internal controls 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

Figure 6. Queensland Racing Integrity Commission Organisational Structure as at 30 June 2023



Our Leadership Team

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, General Manager Animal Care and Advocacy, General Manager Analytical Services, General Manager Corporate Services, General Manager External Affairs, General Counsel, Chief Steward Thoroughbreds, Chief Steward Harness and Chief Steward Greyhounds.

- As at 30 June 2023, the Racing Integrity Commissioner and executive members were:
- Shane Gillard Racing Integrity Commissioner
 - Natalie Conner Deputy Commissioner
 - Wade Hadley Chief Steward Greyhounds
 - Josh Adams Chief Steward, Thoroughbreds
 - David Farquharson Chief Steward, Harness
 - Andrew Langford General Manager, Animal Care and Advocacy
 - Jen Rossiter General Manager Corporate Services
 - Dr Shawn Stanley General Manager, Analytical Services
 - Dominique Murphy General Counsel

Management and structure *(continued)*

Management Groups and Committees

The Commissioner is supported by formal governance committees.

Executive Leadership Team

Comprised of the Commissioner, the Deputy Commissioner, the General Managers and Chief Stewards for the three codes of racing, 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. During 2022–23, the Executive Leadership Team met 22 times.

The following special purpose committees report to the ELT.

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 Care Committee

The Racing Animal Care Committee (RACC) provides an opportunity for the Commission and Racing Queensland to work collaboratively to safeguard the wellbeing of racing animals. The RACC provides a forum where robust consideration and discussion of information and reports occurs including recommendations to provide continuous improvement in racing animal welfare, safety and retirement outcomes. The Committee met five times during the reporting year.

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 provides an opportunity for staff to work together to drive a safety culture across the business, advance organisational wide solutions, procedures and practices and address safety issues collaboratively.

The Committee met twice during this reporting period. A third meeting was scheduled for June, however was postponed to early July due to member availability. The WHS Committee is chaired by the Commissioner and includes membership

from a cross section of the organisation's functions and locations throughout Queensland. In 2022–23, the Committee underwent a refresh with a renewed focus aligning with the Commission's Serious about Safety initiative which aims to deliver a system with clear processes, procedures, awareness and training by using contemporary tools that are easy to use and increase the responsiveness to safety issues in a variety of settings across the organisation. The Committee's Terms of Reference, structure and operating rhythm were all improved as a result.

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.

Under the Commission's new Gambling Restrictions Policy, all Commission staff are required to declare betting accounts through an online declaration process. The declaration also provides authorisation for account periodic audits to be undertaken through the betting agencies.

Human rights

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

Human rights are considered 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 complaint in 2022–23.

Risk management and accountability

Risk management

In lieu of establishing a separate Risk Management Committee, the Commission's ELT dedicates two meetings biannually to review its risk profile 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
- recording all risks into the relevant Committee risk registers
- 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 and the Queensland Audit Office (QAO) have 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 2022–23, 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 recommendations from the internal audit of the RandLE Post-implementation Review, Thoroughbred Raceday Activities Review, Workplace Health and Safety Review, Regulated Substances Management Review and Payroll Process Review
- the QAO's Audit Plan for the Commission
- our Internal Audit Reports.

Name	Position	Meetings attended	Remuneration
Sandie Angus	Chair (external)	5	\$1,200 per meeting (Excl. GST)
Graham Carpenter	Chair member	2	\$1,000 per meeting (Excl. GST)
John Welsh	External member	3	\$1,000 per meeting (Excl. GST)
Natalie Conner	Deputy Commissioner	5	N/A

Internal Audit

In 2022–23, the Commission employed a full-time officer to provide the Commissioner, the executives and the Audit and Risk Committee (ARC) with independent, objective assurance on the Commission's risk management, control and governance processes. The internal audit function has due regard to the Queensland Treasury's Audit Committee Guidelines.

The ARC monitors the internal audit function to ensure it operates ethically and professionally. The independence of the internal audit function is ensured by reporting directly to the Commissioner and the Deputy Commissioner, together with a subsidiary reporting relationship to the ARC. The program of work undertaken by the internal audit function was detailed in an internal audit plan that mapped out the business functions and controls to be audited. The plan was developed in consultation with key stakeholders and informed by the Commission's Strategic and Operational Plans, the Regulatory Strategy and Framework, and the Commission's risk registers.

During 2022–23, the internal audit function completed the following reviews:

- Ownership of Animals
- Greyhound Raceday Activities
- Bookmakers Compliance
- Betting Accounts

Risk management and accountability (*continued*)

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 the Commission's internal audit function 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 2022–23 audit plan, the QAO reviewed the Commission's financial internal controls and performed transactional testing of the Commission's accounts for the period 1 July 2022 to 30 June 2023. Based on the results of their testing, no deficiencies were identified, and QAO assessed the Commission's internal control environment as operating effectively.

All financial reporting and audit deliverable milestones agreed with the QAO for 2022–23 were met by the Commission. The QAO has completed the 2022–23 financial audit of the Commission's financial accounts and issued an unmodified audit opinion. See [Appendix 2 – Independent Auditor's Report](#).

Information systems and recordkeeping

Internally, our information systems and recordkeeping services are provided by Information and 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 88% of our total full-time employees (FTE) to performing frontline work in animal welfare and racing integrity.

As at 30 June 2023, the Commission had a total of 176 FTEs, which equates to a headcount of 236. A total of 121 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 2023, we employed 64¹ casual staff who are dedicated completely to frontline service provision.

The majority of casual staff support the permanent workforce in race day officiating across Queensland or provide integrity services such as sample collections from racing animals for laboratory testing against prohibited substances.

The remaining casual staff work at one of our Greyhound Adoption Program (GAP) facilities.

Workforce profile data

	FTE
Total FTE for QRIC	176
Occupation types	Percentage of occupation type (Calculated on headcount)
Corporate and frontline support	12
Frontline	88
Appointment types	Percentage of appointment type (Calculated on headcount)
Permanent	31
Temporary	6*
Casual	32
Contract	31
* includes agency staff and secondees	
Employment status	Percentage of employment (Calculated on headcount)
Full-time	59
Part-time	9
Casual	32

Target group data²

Gender	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Woman	132	56
Man	104	44
Non-binary	0	0
Diversity Groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Women	132	56
Aboriginal Peoples and Torres Strait Islander Peoples	5	<5
People with disability	5	<5
Culturally and Linguistically Diverse – Speak a language at home other than English	9	<5
Women in Leadership Roles	Women (Headcount)	Women as percentage of total leadership cohort (Calculated on headcount)
Senior Officers (Classified and s122 equivalent combined)	5	46
Senior Executive Service and Chief Executives (Classified and s122 equivalent combined)	<5	20

1 Government's Employment Security Policy, the Commission has undertaken significant work to transition casual employees to permanent full-time or part-time employment.

2 To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers are replaced by <5.

Human Resources (*continued*)

Workforce planning and performance

In 2022–23, the Commission has been progressing the functional realignment which commenced in 2021–22. The realignment was grouped into three phases:

- Leadership
- Capability
- Ways of Working

The Leadership phase was completed in 2021–22 which focused on establishing a new executive leadership structure. The Capability phase focused on implementing formal performance development agreements to support professional development for all staff and the development of service catalogues to clearly define each unit's roles and responsibilities to provide clarity and consistency with service delivery across the Commission. This phase was completed in the first half of 2022–23. The final phase, Ways of Working, aims to identify and implement improved processes across the Commission which generates efficiencies in service delivery whilst upholding our key regulatory functions. This phase has been transitioned into business-as-usual activities through exploration, development and implementation of business improvement activities which deliver efficiencies for the Commission. In addition to delivering efficiencies, the Ways of Working phase included the establishment of a quarterly Leaders Forum where Commission middle management and ELT members work together to discuss topical strategic issues impacting the business. A Ways of Working Charter was developed in the forums and provides a framework outlining the values, ideas and expectations of how the Commission's staff should work together and collaborate with each other and our stakeholders. In 2022–23, the Commission held three successful and well attended Leaders Forums with a themed program designed for 2023–24 to maintain momentum.

In continuing the support of Commission staff, the Commission is in the final stages of developing the Workforce 5-year Strategy to support, empower and engage our current and future workforce. The plan complies with the *Queensland Government's Inclusion and Diversity strategy 2021–2025* principles of a public sector where everyone feels safe, respected and included. The initiatives that underpin the Workforce Strategy include understanding our demographics to further develop and enhance initiatives to attract and retain women in the workforce.

This is a key focus of the Commission with our current demographics reflecting 56% of the workforce as women. The Commission is exploring opportunities to further promote women in senior leadership roles within the organisation through targeted leadership development training programs, active participation in the Leaders Forum and the Commission's partnership with the Leading Women Network (LWN). The LWN, a network comprising of Queensland Government public safety and integrity agencies, aims to promote a diverse and inclusive work environment through representation of women in all levels by providing professional development and networking opportunities targeting women and to raise common issues to the senior executive members of partner agencies. The Commission joined the LWN in 2021.

The Commission supports gender equity in the workforce which is demonstrated by providing equal remuneration for male and female employees for work of equal or comparable value and demonstrates an equitable approach to women's access to working arrangements, employment and development opportunities. In 2022–23, the Commission implemented a contemporary stewarding remuneration framework aligned to the General Employees Administration Stream. The uplift was implemented to better align Queensland stewards remuneration and employment conditions with stewards from other racing jurisdictions. The average salary for Commission stewards increased by 4.5% plus applicable allowances, equating to an average annual uplift of 20.6%.

The Commission is proud that Aboriginal and Torres Strait Islander peoples have continuing rights and responsibilities as the first peoples of Queensland, including traditional ownership and connection to land and waters. In line with this sentiment and our legislative requirements under the *Public Sector Act 2022*, the Commission is developing a Reframing the Relationship Plan. This plan will support the Government's commitment to reframing its relationship with Aboriginal peoples and Torres Strait Islander peoples through recognising the role public sector entities play in supporting a reframed relationship and developing cultural capability. The Plan will be audited annually to measure our success in developing our cultural capability. The Commission Reframing the Relationship Plan will be published on our website www.qric.qld.gov.au in August 2023.

Human Resources (*continued*)

Throughout 2022–23, the Commission continued to support its staff through practices including flexible working arrangements, performance and development agreements, training opportunities, an employee assistance program and a recently implemented QRIC uniform aimed to enhance staff sense of identification and recognition of the organisation with customers and stakeholders. These practices complement the Commission's mandatory training program which continues to be rolled out across the organisation. The mandatory training includes topics such as code of conduct, domestic and family violence, workplace health and safety, fraud and corruption, conflict of interest, mental health and wellbeing and discrimination and equal employment opportunity.

Early retirement, redundancy and retrenchment

During the period, five employees received redundancy packages at a cost of \$381,908.

The Commission has administratively adopted the current State Government Certified Agreement and award arrangements for all staff engaged under the *Public Service Act 2008* and is 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>

- Overseas travel.

The Commission did not procure any consultancies, translation or interpreting services in 2022–23.

Financial statements

About the Financial Statements

The annual financial statements present the Commission's financial performance and overall position as at 30 June 2023 and can be found on [page 31](#). The financial statements include a comparison of actual financial results with the budget estimates published in the 2022–23 State Budget Papers. An explanation of major budget variance for revenue and expenditure is included under the Note 8 – Budgetary Reporting Disclosures.

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.

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).

Equity

The Commission's equity is detailed on [pages 27–63](#) 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 equity balance is affected by the operating result for the period (surplus or deficit), equity injections and asset revaluation increments.

Statement of Cash Flows

The Commission's cashflow position is detailed on [pages 32–33](#) of the Financial Statements in the Statement of Cashflows. The statement shows the actual cash movements during the financial year. It details our cash receipts and payments for operating activities, payments for plant and equipment and software, any equity injections received and lease payments.

Notes to and forming part of the Financial Statements

The notes to the financial statements provide a detailed breakdown of the line items presented in the financial statements. They also disclose the Commission's accounting policies, and other financial disclosures like agency transactions, outstanding commitments at financial year end and explanations of major budget variances. The financial statements should be read in conjunction with these accompanying notes.

**FINANCIAL STATEMENTS
FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2023**

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Statement of Comprehensive Income for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
OPERATING RESULT					
Income					
Grants and other contributions	2.1	32,377	32,845	(468)	31,573
Interest	4.1	325	60	265	46
Other revenue	2.2	989	10	979	168
Total Income		33,691	32,915	776	31,787
Expenses					
Employee expenses	3.1	22,402	22,195	207	19,993
Supplies and services	3.2	9,472	7,556	1,916	8,529
Grants and sponsorships		73	70	3	89
Depreciation and amortisation	3.3	1,960	2,025	(65)	1,872
Revaluation decrement	4.3	331	-	331	-
Other expenses	3.4	437	1,069	(632)	1,100
Total Expenses		34,675	32,915	1,760	31,583
Operating Result for the year		(984)	-	(984)	204
Other Comprehensive Income					
<i>Items that will not be reclassified to Operating Result</i>					
Decrease in asset revaluation surplus	6.2	(1,769)	-	(1,769)	160
Total Other Comprehensive Income		(1,769)	-	(1,769)	160
Total Comprehensive Income		(2,753)	-	(2,753)	364

*An explanation of major variances is included at Note 8.1

The accompanying notes form part of these statements.

Statement of Financial Position as at 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
Current Assets					
Cash and cash equivalents	4.1	6,684	5,898	786	6,513
Receivables	4.2	1,181	776	405	941
Other current assets		437	462	(25)	474
Total Current Assets		8,302	7,136	1,166	7,928
Non-Current Assets					
Property, plant and equipment	4.3	11,137	14,116	(2,979)	12,512
Intangible assets	4.4	2,813	3,432	(619)	3,080
Right-of-use assets	5.4	929	587	342	827
Other non-current assets		52	26	26	20
Total Non-Current Assets		14,931	18,161	(3,230)	16,439
Total Assets		23,233	25,297	(2,064)	24,367
Current Liabilities					
Payables	5.1	2,418	1,944	474	1,208
Accrued employee benefits	5.2	708	924	(216)	607
Lease liabilities	5.4	199	170	29	215
Total Current Liabilities		3,325	3,038	287	2,030
Non-Current Liabilities					
Provisions	5.3	69	237	(168)	396
Lease liabilities	5.4	748	436	312	621
Total Non-Current Liabilities		817	673	144	1,017
Total Liabilities		4,142	3,711	431	3,047
Net Assets		19,091	21,586	(2,495)	21,320
Equity					
Contributed equity	6.1	18,277	18,276	1	17,753
Accumulated surplus		814	1,704	(890)	1,798
Asset revaluation surplus	6.2	-	1,606	(1,606)	1,769
Total Equity		19,091	21,586	(2,495)	21,320

*An explanation of major variances is included at Note 8.2

The accompanying notes form part of these statements.

Statement of Equity for the year ended 30 June 2023

	Note	Contributed Equity \$'000	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2021		17,129	1,594	1,609	20,332
Operating Result					
Operating result		-	204	-	204
Other Comprehensive Income					
Increase in asset revaluation surplus	6.2	-	-	160	160
Transactions with Owners as Owners					
Capital contribution by owners	6.1	624	-	-	624
Balance as at 30 June 2022		17,753	1,798	1,769	21,320
Balance as at 1 July 2022		17,753	1,798	1,769	21,320
Operating Result					
Operating result		-	(984)	-	(984)
Other Comprehensive Income					
Decrease in asset revaluation surplus	6.2	-	-	(1,769)	(1,769)
Transactions with Owners as Owners					
Capital contribution by owners	6.1	524	-	-	524
Balance as at 30 June 2023		18,277	814	0.00	19,091

Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
Cash flows from Operating Activities					
<i>Inflows:</i>					
Grant funding		32,096	32,287	(191)	30,949
GST input tax credits from ATO		1,052	803	249	1,058
GST collected from customers		18	-	18	14
Interest receipts		300	60	240	45
Other revenue		470	-	470	103
<i>Outflows:</i>					
Employee expenses		(22,122)	(22,035)	(87)	(20,340)
Supplies and services		(8,211)	(7,364)	(847)	(8,972)
Grant and sponsorships		(63)	(70)	7	(70)
GST paid to suppliers		(1,190)	(923)	(267)	(992)
GST remitted to ATO		(15)	-	(15)	(13)
Other expenses		(148)	(511)	363	(163)
Net cash provided by operating activities		2,187	2,247	(60)	1,619
Cash Flows from Investing Activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	5	(5)	-
<i>Outflows:</i>					
Payments for intangibles		(101)	(625)	524	(568)
Payments for property, plant and equipment		(2,213)	(2,318)	105	(391)
Net cash used in investing activities		(2,314)	(2,938)	624	(959)
Cash flows from Financing Activities					
<i>Inflows:</i>					
Equity injections		524	524	-	624
<i>Outflows:</i>					
Lease payments		(226)	(213)	(13)	(203)
Net cash provided by financing activities		298	311	(13)	421
Net increase in cash and cash equivalents		171	(380)	551	1,081
Cash and cash equivalents - opening balance		6,513	6,278	235	5,432
Cash and Cash Equivalents - closing balance	4.1	6,684	5,898	786	6,513

*An explanation of major variances is included at Note 8.3

The accompanying notes form part of these statements.

Statement of Cash Flows for the year ended 30 June 2023

Notes to the Statement of Cash Flows

Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2023 \$'000	2022 \$'000
Operating surplus	(984)	204
<i>Non-Cash items included in operating result:</i>		
Depreciation and amortisation expense	1,960	1,872
Finance costs	12	10
Revaluation decrement	331	-
Make good provision adjustment	(211)	-
Net loss on disposal of property, plant and equipment	3	318
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in GST input tax credits receivable	(137)	66
(Increase)/decrease in annual leave reimbursement receivables	140	(177)
(Increase)/decrease in LSL reimbursement receivables	56	(106)
(Increase)/decrease in other receivables	(302)	(151)
(Increase)/decrease in prepayments/other assets	5	(66)
Increase/(decrease) in accounts payable	1,210	(348)
Increase/(decrease) in accrued employee benefits	101	(3)
Increase/(decrease) in GST payable	3	-
Net cash provided by operating activities	2,187	1,619

Changes in Liabilities arising from Financing Activities

Lease Liabilities as at 30 June

	2023 \$'000	2022 \$'000
Opening balance at 1 July	836	433
<i>Add: Non-cash changes</i>		
New leases/renewals	322	600
Lease renewals		
Interest on lease liabilities	10	6
Other adjustments	5	-
<i>Less: Cash flows</i>		
Cash repayments	(226)	(203)
Total Right-of-Use Lease Liabilities	947	836

Notes to the Financial Statements for the year ended 30 June 2023

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	1.3 Summary of Significant Accounting Policies
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Notes to the Financial Statements for the year ended 30 June 2023

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 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 4002.

1.2 Commission Objectives

The *Racing Integrity Act 2016* provides the Commission with statutory powers to investigate alleged breaches of the rules of racing, as well as any other integrity or animal welfare allegations related to greyhound, standardbred or thoroughbred racing in Queensland. The Commission works in partnership with Racing Queensland (RQ) to achieve the following objectives:

- Safeguard the welfare of animals involved in racing
- Promote compliance and integrity through the consistent and fair administration of the rules of racing
- Work collaboratively to engage and educate the racing industry with a key focus on creating a one industry approach
- Maintain public confidence in the integrity of Queensland's racing industry

The Commission is primarily funded through a state government grant for the services it provides. Any revenue collected from administering the rules of racing, animal welfare, licensing of racing industry participants, adoptions and animal registrations is returned to the State Consolidated Revenue Fund. As the Commission does not control the revenue, the transactions associated with the revenue is reported separately under Note 7.5 as agency transactions.

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 2022.

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 Racing Integrity Commissioner, and Chief Finance Officer (CFO) (The Commissions' Finance and Procurement 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).

Revenues, expenses and assets are recognised exclusive of GST, except for:

- receivables and payables, which include input tax credits and GST payable, and the net amount receivable from the Australian Tax Office (ATO). Refer to Note 4.2 Receivables.
- where the amount incurred is not recoverable from the ATO.

Notes to the Financial Statements for the year ended 30 June 2023

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

1.3 Summary of Significant Accounting Policies (cont'd)

d. 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.

e. Basis of Measurement

The historical cost convention 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 7.3 Financial Instruments and Note 4.3 Property, Plant and Equipment and Depreciation Expense.

The Commission does not recognise 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.

Notes to the Financial Statements for the year ended 30 June 2023

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

There were no new accounting standards or interpretations with a material impact applicable to the Commission during the 2022-23 reporting period.

No Australian Accounting Standards have been early adopted for 2022-23.

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.

Notes to the Financial Statements for the year ended 30 June 2023

2. Revenue

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.

	2023 \$'000	2022 \$'000
Queensland Government grant	32,096	30,949
Donations	3	-
Services received below fair value	278	624
Total	32,377	31,573

Disclosure:

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 the Department of Agriculture and Fisheries (DAF), who is responsible for the administration of the Commission.

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) that was physically located at the Commission's head office to strengthen regulation activities of both organisations. The QRCS model was changed in December 2022 and a new Memorandum of Understanding (MOU) was signed with the QPS to transfer this service to the QPS Rural and Stock Crime Squad (R&SCS). Total QRCS expenditure for the reporting period was \$309,511 (2021-22 - \$635,413).

2.2 Other Revenue

Other revenue is recognised when the revenue is earned and can be measured reliably with a 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 earned but not yet invoiced.

	2023 \$'000	2022 \$'000
Insurance compensation - loss of property ¹	761	166
Make good provision adjustment ²	211	-
Other revenue	17	2
Total	989	168

¹Relates to Queensland Government Insurance Fund (QGIF) claims for loss and damage to laboratory equipment and other items as a result of the 2022 flooding event in Brisbane. Also included is an additional claim for compensation for an unrelated loss of a GCMS instrument with a replacement cost of \$219,130. Refer to Note 3.4 Other Expenses.

² De-recognition of make good provision on accommodation lease for our Albion office due to renegotiation of lease clauses as part of the lease renewal. Refer to Note 5.3 Provisions.

Notes to the Financial Statements for the year ended 30 June 2023

3. Expenses

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

3.1 Employee Expenses

	2023 \$'000	2022 \$'000
Employee Benefits		
Wages and Salaries	16,250	14,398
Annual leave levy	1,366	1,348
Sick leave expense	445	418
Long service leave levy	461	387
Employer superannuation contributions	2,071	1,864
Termination benefits	382	292
Fringe benefits tax	48	3
Employee Related Expenses		
Payroll tax	1,027	899
Workers' compensation premium	81	96
Other employee related expenses	271	288
Total	22,402	19,993

	2023	2022
Number of Full-Time Equivalent Employees at 30 June	176	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 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.

Notes to the Financial Statements for the year ended 30 June 2023

3.1 Employee Expenses (cont'd)

(a) Employee Benefits (cont'd)

Superannuation - Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories are now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment. Where an employee does not nominate a preferred superannuation provider, the Australian Retirement Trust is utilised as the default provider.

- **Defined (Accumulation) 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 2022-23 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	Strategic leadership and responsibility 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.
General Managers and Chief Stewards	Strategic leadership and responsibility 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 Sector Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment are specified in employment contracts. No KMP remuneration packages provide for performance or bonus payments. 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. Remuneration includes 2.5% pay increase in accordance with government wages policy effective 1 September 2022.
- non-monetary benefits - consisting of the provision of car parking together with the fringe benefits tax applicable to the benefit

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

Notes to the Financial Statements for the year ended 30 June 2023

3.1 Employee Expenses (cont'd)

(b) Key Management Personnel (KMP) Disclosures

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

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual leave and long service leave entitlements) payable on termination of employment.

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.

1 July 2022 – 30 June 2023

Position	Short-term employee expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Racing Integrity Commissioner	383	2	10	37	-	432
Deputy Commissioner	253	2	7	26	-	288
General Manager, Corporate (From 17/10/2022) ¹	120	1	4	17	-	142
General Manager, Legal, and Intelligence (From 11/07/2022)	205	2	6	22	-	235
General Manager, External Affairs (From 07/07/2022)	148	2	4	19	-	173
General Manager, Analytical Services	166	2	4	20	-	192
General Manager, Operations (To 20/11/2022) ²	72	1	2	8	-	83
General Manager, Animal Care and Advocacy (From 06/03/2022) ¹ ; ²	63	-	2	6	-	71
Chief Stipendiary Steward - Thoroughbreds (To 15/09/2022)	40	-	1	6	40	87
Chief Stipendiary Steward - Thoroughbreds (From 26/11/2022)	114	2	3	12	-	131
Chief Stipendiary Steward - Harness	176	2	5	20	-	203
Chief Stipendiary Steward - Greyhounds	174	2	5	21	-	202
Total Remuneration 2023	1,914	18	53	214	40	2,239

¹Filled through acting arrangements during the year. Payments for acting arrangements are not reported as staff did not act in the position for a material part of the financial year.

²Positions abolished or created due to the functional realignment that occurred during the financial year

Notes to the Financial Statements for the year ended 30 June 2023

3.1 Employee Expenses (cont'd)

(b) Key Management Personnel (KMP) Disclosures (cont'd)

1 July 2021 – 30 June 2022

Position	Short Term Monetary Expenses \$'000	Long Term Employee Expenses \$'000	Post Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Racing Integrity Commissioner (From 03/12/2021)	208	5	20	-	233
Racing Integrity Commissioner (Acting from 02/07/2021 to 02/12/2021)	195	4	18	-	217
Deputy Commissioner (From 03/01/2022)	125	3	14	-	142
Deputy Commissioner (Acting from 05/07/2021 to 02/01/2022)	124	3	12	-	139
Director, Office of the Commission ² (To 31/03/2022)	17	1	13	-	31
Director, Stewarding, Licensing and Registration ² (To 08/04/2022)	129	3	15	129	276
Director, Veterinary Services and Animal Welfare ² (To 30/05/2022)	144	4	17	118	283
General Manager, Analytical Services	166	4	20	-	190
General Manager, Operations ² (From 13/05 2022)	12	-	1	-	13
General Manager, Corporate Services (Acting from 28/03/2022)	79	3	9	-	91
Chief Stipendiary Steward - Thoroughbreds ³	29	1	4	-	34
Chief Stipendiary Steward - Harness ³	31	1	4	-	36
Chief Stipendiary Steward - Greyhounds ³	31	1	3	-	35
Total Remuneration 2022	1,290	33	150	247	1,720

¹Filled through acting arrangements during the year. Payments for acting arrangements are not reported as staff did not act in the position for a material part of the financial year.

²Positions abolished or created due to the functional realignment that occurred during the financial year

³Payments reflect period from ELT membership

Notes to the Financial Statements for the year ended 30 June 2023

3.2 Supplies and Services

	2023 \$'000	2022 \$'000
Consultants and contractors ¹	1,971	1,682
Office accommodation expenses	990	1,023
Corporate service providers	1,217	1,177
Plant and equipment maintenance	1,074	1,016
Animal care expenses	1,519	1,125
Laboratory and testing expenses	939	1,169
Travel expenses	593	429
Operating and administration costs	346	323
Motor Vehicle expenses	538	391
Lease expenses	73	71
Other	212	123
Total	9,472	8,529

¹ Contractor expenditure comprises largely 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; HR and project management services. No consultancy expenditure was incurred for the reporting period (2021-22 - \$91,008).

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 Energy and Public Works (DEPW), 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 Assets and Lease Liabilities for a breakdown of lease expenses and other lease disclosures.

3.3 Depreciation and Amortisation

	2023 \$'000	2022 \$'000
Depreciation - Property, Plant and Equipment (Note 4.3)	1,367	1,362
Depreciation - Right-of-use assets (Note 5.4)	225	220
Amortisation (Note 4.4)	368	290
Total	1,960	1,872

Notes to the Financial Statements for the year ended 30 June 2023

3.4 Other Expenses

	2023 \$'000	2022 \$'000
External audit fees ¹	49	43
Insurance premiums - QGIF ²	52	77
Services received free of charge	278	624
Losses from disposal of property, plant and equipment	3	318
Special payments ³	3	3
Finance/borrowing costs	12	10
Other expenses	40	25
Total	437	1,100

¹Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements is \$46,000 (2022: \$46,000).

²The Commission's non-current physical assets and other risks are insured through QGIF, premiums being paid on a risk assessment basis. Insurance claims are subject to a \$10,000 deductible per claim.

³Special payments represent ex gratia expenditure that the Commission is not contractually or legally obligated to make to other parties.

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 receipted but not banked at 30 June as well as deposits at call with financial institutions. Interest revenue is recognised when it is earned.

	2023 \$'000	2022 \$'000
Cash at bank	6,684	6,513
Total	6,684	6,513

The Commission maintains a bank account with the Commonwealth Bank of Australia 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 \$324,956 interest revenue on these bank accounts during the financial year at interest rates between 0.85% and 4.23% (2022: \$45,847).

Notes to the Financial Statements for the year ended 30 June 2023

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 7.3 Financial Instruments.

	2023 \$'000	2022 \$'000
<i>Statutory Receivables</i>		
GST receivable	267	130
GST payable	(5)	(2)
	262	128
<i>Contractual Receivables</i>		
Annual leave reimbursements	325	465
Long service leave reimbursements	132	188
QGIF receivable	377	156
Other	85	4
	919	813
Total	1,181	941

Notes to the Financial Statements for the year ended 30 June 2023

4.3 Property, Plant and Equipment and Depreciation Expense

Closing Balances and Reconciliation of Carrying Amount

	Land - At Fair Value ¹		Buildings - At Fair Value ¹		Plant and Equipment - at Cost		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross	4,821	4,821	9,179	6,024	10,542	8,923	24,542	19,768
Less: Accumulated depreciation	-	-	(8,072)	(2,550)	(5,333)	(4,706)	(13,405)	(7,256)
Carrying amount at 30 June	4,821	4,821	1,107	3,474	5,209	4,217	11,137	12,512
Represented by movements in carrying amount:								
Carrying amount at 1 July	4,821	4,821	3,474	3,569	4,217	5,093	12,512	13,483
Acquisitions	-	-	-	-	2,213	391	2,213	391
Net revaluation decrement in revaluation surplus ²	-	-	(1,769)	160	-	-	(1,769)	160
Net revaluation decrement in operating surplus ²	-	-	(331)	-	-	-	(331)	-
Disposals	-	-	-	-	(3)	(318)	(3)	(318)
Restoration cost adjustment	-	-	-	-	(118)	158	(118)	158
Depreciation	-	-	(267)	(255)	(1,100)	(1,107)	(1,367)	(1,362)
Carrying amount at 30 June	4,821	4,821	1,107	3,474	5,209	4,217	11,137	12,512

¹ There is a planned acquisition of the Racing Science Centre (RSC) as part of the construction of the 2032 Olympics and Paralympics Games Breakfast Creek sports precinct. This is anticipated to occur in the 2025-26 financial year. Therefore, the remaining useful life of RSC buildings has been adjusted accordingly, resulting in a net revaluation decrement of \$2.1 million. Refer to Note 6.2 Asset revaluation Surplus.

The Commission purchased a property during August 2023 to accommodate the new laboratory – Refer to Note 7.6 Events after balance date.

(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.

Notes to the Financial Statements for the year ended 30 June 2023

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

(a) Recognition and Acquisition (cont'd)

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.

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. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period. Refer to Note 4.3 (e) Basis of Fair Values for Land and Buildings.

Notes to the Financial Statements for the year ended 30 June 2023

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

(b) Measurement (cont'd)

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.

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		6-39 years
Plant and Equipment	Laboratory Equipment	5-20 years
	Race Day Equipment	4-10 years
	Other Equipment	4-12 years
	Leasehold Improvements	6-17 years
	Motor Vehicles	10-11 years

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

Notes to the Financial Statements for the year ended 30 June 2023

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

(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.

Notes to the Financial Statements for the year ended 30 June 2023

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, zoning, access to facilities and other community amenities. SVS relied on a direct comparison approach on a rate/m ² 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>	30 June 2023 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'. Due to complex nature of the assets, GRC applied a combination of pricing methodologies all of which were adjusted to reflect the construction market as at 30 June 2023. 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 asset. GRC has benchmarked the calculated costs against other similar assets in the industry, and they are considered reasonable. Refer to Note 6.2 Asset Revaluation Surplus.

Notes to the Financial Statements for the year ended 30 June 2023

4.4 Intangibles and Amortisation Expense

Closing Balances and Reconciliation of Carrying Amount

	Software Purchased - At Cost		Software Internally Generated - At Cost		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross	-	-	4,221	4,123	4,221	4,123
Less: Accumulated amortisation	-	-	(1,408)	(1,043)	(1,408)	(1,043)
Carrying amount at 30 June	-	-	2,813	3,080	2,813	3,080
Represented by movements in carrying amount:						
Carrying amount at 1 July	-	108	3,080	2,802	3,080	2,910
Acquisitions	-	-	101	568	101	568
Disposals	-	(108)	-	-	-	(108)
Transfers	-	-	-	-	-	-
Amortisation	-	-	(368)	(290)	(368)	(290)
Carrying amount at 30 June	-	-	2,813	3,080	2,813	3,080

The Commission's internally generated software includes the Registration and Licensing Environment (RandLE) customer relationship management system (CRM) with a cost of \$3.9 million and \$2.8 million WDV as at 30 June 2023 (2021-22: \$3.8 million cost and \$3 million WDV).

(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.

(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.

Intangible Asset	Useful Life
Software internally generated	10-20 years

The useful lives of intangible assets were reviewed during the reporting period and adjusted where necessary.

Notes to the Financial Statements for the year ended 30 June 2023

4.4 Intangibles and Amortisation Expense (cont'd)

(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.

	2023 \$'000	2022 \$'000
Contractual Payables		
Creditors	1,933	909
Payable to administered agency ¹	340	177
	2,273	1,086
Statutory Payables		
Payroll tax payable	145	122
Total	2,418	1,208

¹Refer to Note 7.5 (c) Agency Payments.

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*. Refer to Note 3.1 Employee Expenses.

	2023 \$'000	2022 \$'000
Salaries and wages	144	108
Superannuation payable	7	9
Long service leave levy payable	133	111
Annual leave levy payable	419	379
Other	5	-
Total	708	607

Notes to the Financial Statements for the year ended 30 June 2023

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.

	2023 \$'000	2022 \$'000
Restoration Costs	69	396
Total	69	396
Movement		
Balance at 1 July	396	220
Additional provision made/adjustments ¹	(329)	170
Changes in discount rate/passage of time	2	6
Balance at 30 June	69	396

Restoration costs relate to make-good clauses in the lease agreement for our Greyhound Adoption Facility (GAP) which require the Commission to restore the facility to a satisfactory condition at the end of the lease term. The amount recognised as provision in relation to this, has been included in the cost of the right-of-use asset.

¹Due to removal of the make-good clause in the lease agreement for our head office in Albion.

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.

Notes to the Financial Statements for the year ended 30 June 2023

5.4 Right-of-Use Assets and Lease Liabilities

(a) Right-of-Use Assets (cont'd)

	2023 \$'000	2022 \$'000
Buildings:		
Opening balance at 1 July	827	433
Additions	322	600
Depreciation charge	(225)	(220)
Other adjustments	5	14
Total	929	827

(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

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.

	2023 \$'000	2022 \$'000
Current		
Lease liabilities	199	215
Non-Current		
Lease liabilities	748	621
Total	947	836

Disclosures:

Office accommodation and motor vehicles

DEPW 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 the department has substantive substitution rights over the assets. The related service expenses are included in Note 3.2 Supplies and Services.

Notes to the Financial Statements for the year ended 30 June 2023

5.4 Right-of-Use Assets and Lease Liabilities

(b) Lease Liabilities (cont'd)

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. The photocopier leases have variable lease payments that depend on volume of usage. The usage-based payments are included in lease expenses under Note 3.2 when incurred. They are not expected to vary materially from year to year.
<i>Greyhound Adoption Program (GAP) facilities:</i>	<p>The Commission has two GAP facility leases that have been recognised on the balance sheet.</p> <p>The lease arrangement for the Churchable facility is a continued arrangement with the current lease extended until December 2024 with 3 x 1-year options to extend the lease arrangement. Lease payments for this lease are reviewed annually and the rent is adjusted by the greater of 4% or CPI.</p> <p>The lease arrangement for the Townsville facility is 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%. 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>	<p>The Commission has commercial leases for four regional offices with 2-3-year lease terms which are recognised on the balance sheet. The Commission also has an agreement with the University of Queensland (UQ) to occupy laboratory and shared office space at its St Lucia Campus for a 5-year period.</p> <p>These leases are subject to annual rent reviews, with either fixed, market or CPI-based increases.</p> <p>Where future rent increases are variable, they are not captured in the right-of-use asset or liability until the increases take effect.</p>
<i>Internal to Government – Office accommodation:</i>	The Commission entered into an MOU with DAF for a licence to occupy shared office accommodation and storage facilities in Parkhurst, Rockhampton. The MOU commenced on 1 March 2023 for period of three years and is subject to annual CPI increases.

Amounts recognised in profit or loss

	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	10	6
Breakdown of 'Lease expenses' included under Note 3.2		
- Expenses relating to short-term leases	10	19
- Expenses relating to leases of low value assets and variable lease payments	57	52
- Internal to government lease payments	6	-
Total	83	77

Total cash outflow for leases

Total cash outflows for leases for the reporting period is \$299,131 comprising \$226,118 for repayment of lease liabilities and \$73,013 for lease expenses. Refer to Note 3.2 Supplies and Services.

Notes to the Financial Statements for the year ended 30 June 2023

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.

	2023 \$'000	2022 \$'000
Queensland Government capital grant	524	524
Transfer of operating funds to capital	-	100
Total	524	624

The Commission receives a capital grant from the State to support its 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.

6.2 Asset Revaluation Surplus

Accounting Policy:

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

	2023 \$'000	2022 \$'000
Balance at 1 July	1,769	1,609
Revaluation Increment	1,648	160
Revaluation decrements	(3,417)	-
Balance at 30 June	-	1,769

Refer to Note 4.3 Property, Plant and Equipment and Depreciation Expense.

7. Other Financial Statement Disclosures

7.1 Contingencies

Litigation in progress

As at 30 June 2023, there were 27 cases (2022: 61 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.

Notes to the Financial Statements for the year ended 30 June 2023

7.2 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 ¹		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not later than 1 year	-	311	3,504	1,513	3,504	1,824
Later than 1 year but not later than 5 years	-	-	2,575	1,251	2,575	1,251
Later than 5 years	-	-	215	-	215	-
	-	311	6,294	2,764	6,294	3,075

¹As of 30 June 2023, the Commission has entered into a lease agreement for 32 vehicles, which will commence in the next financial year. The future lease commitments have not been recognised in the financial statements as of reporting date, as the leases have not yet commenced.

The leases have a duration of 36 months, and the total undiscounted future lease fixed payments amount to \$1.5 million.

7.3 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	2023 \$'000	2022 \$'000
Financial Assets			
Cash and cash equivalents	4.1	6,684	6,513
Contractual receivables at amortised cost	4.2	919	813
Total Financial Assets		7,603	7,326
Financial Liabilities			
Contractual payables at amortised cost	5.1	2,273	1,086
Total Financial Liabilities		2,273	1,086

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

Notes to the Financial Statements for the year ended 30 June 2023

7.3 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 state government and Commission internal policies. 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 Commissioners 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>

Notes to the Financial Statements for the year ended 30 June 2023

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 2022 to 30 June 2023 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 transacts with other Queensland Government agencies for normal-day-to-day business services under standard terms and conditions; MOU's or service level agreements (SLA's). These include:

- Free of charge police services from the QPS. Refer to Note 2.1 Grants and Other Contributions.
- 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.
- The Department of Energy and Public Works (DEPW) for property tenancy and maintenance and fleet management services
- An MOU with DAF for shared office accommodation and storage facilities. See lease expenses under Note 3.2 Supplies and Services.
- Queensland Treasury Corporation for investment services
- Queensland Government Insurance Fund (QGIF) and Workcover Queensland for insurance services

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 included in the Commission's Service Delivery Statements (SDS).

7.5 (a) User Charges and Fees Collected

Accounting Policy:

Licensing and registration fees are recognised under AASB 15 *Revenue from Contracts with Customers* 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.

Notes to the Financial Statements for the year ended 30 June 2023

7.5 Agency Transactions (cont'd)

7.5 (a) User Charges and Fees Collected

	Note	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
User charges and fee revenue					
Licence and registration fees		1,136	979	157	1,222
Fines and penalties		400	390	10	440
Sale of goods and services		90	57	33	46
Impairment reversals		21	-	21	-
User charges and fees	8.1	1,647	1,426	221	1,708
Less: Expenses					
Bad Debts written off		1	5	(4)	-
Impairment losses		-	15	(15)	3
Administrative expenses		-	-	-	1
Payments to Consolidated Revenue		1,646	1,406	240	1,704
Total Expenses		1,647	1,426	221	1,708

*An explanation of major variances is included at Note 8.1

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.

	Note	2023 Actual \$'000	2023 Original Budget \$'000	2023 Budget Variance* \$'000	2022 Actual \$'000
Fines and penalties receivable		151	245	(94)	219
Other user charges receivables		-	20	(20)	6
		151	265	(114)	225
Less: Loss Allowance		(55)	(112)	57	(77)
Total		96	153	(57)	148

Notes to the Financial Statements for the year ended 30 June 2023

7.5 Agency Transactions (cont'd)

7.5 (b) Agency Receivables

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 7.3 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 2023, 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.

	2023		2022	
	Gross Receivables \$'000	Expected Credit Losses \$'000	Gross Receivables \$'000	Expected Credit Losses \$'000
Ageing				
Current	54	5	90	23
1 to 30 days overdue	24	3	19	3
31 to 60 days overdue	21	4	29	4
61 to 90 days overdue	13	5	5	1
Greater than 90 days overdue	40	38	82	46
Total	152	55	225	77

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. Refer to Note 5.1 Payables.

	2023	2023	2023	2022
	Actual	Original Budget	Budget Variance*	Actual
	\$'000	\$'000	\$'000	\$'000
Opening Balance 1 July	177	-	177	95
Payments to Consolidated Revenue	1,646	1,406	240	1,704
Add/Less: Movement in accounts receivable	52	137	(85)	47
Cash owing at 30 June	1,875	1,543	332	1,846
Cash payments during the year				
DAF administered account	1,535	1,253	282	1,669
	1,535	1,253	282	1,669
Total (payable)/receivable	(340)	(290)	(50)	(177)

Notes to the Financial Statements for the year ended 30 June 2023

7.6 Events Occurring after the Balance Date

Due to the planned acquisition of the RSC as part of the construction of the 2032 Olympics and Paralympics Games Breakfast Creek sports precinct, the Commission entered into a contract on 11 August 2023 to purchase three adjacent properties in Bowen Hills at a cost of \$12 million, to relocate the laboratory. The Commission plans to commence work during 2023-24 to fit out the laboratory and obtain the necessary certification from the National Association of Testing Authorities (NATA).

7.7 Climate Risk Disclosure

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of the Commission, has published a wide range of information and resources on climate change risks, strategies and actions (<https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esg/>)

Commission accounting estimates and judgement – climate-related risks

The Commission considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No material climate-risks risks were identified for the reporting period.

8. Budgetary Reporting Disclosures

The Commission's explanation of major budget variances between the actual 2022-23 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

Grants and Other Contributions - \$0.468 million:

The actual amount is lower than budgeted due to a funding transfer to DAF to cover the costs of the new Racing Appeal Panel (RAP). Also contributing is lower than budgeted services received below fair value from QPS due to changes in the service delivery model.

Other Revenue - \$0.979 million:

The majority of this variance is attributable to QGIF insurance recoveries that were not originally budgeted.

Employee Expenses - \$0.207 million:

Employee expenses were higher than budgeted primarily due to employee termination payments and the implementation of a new stewarding remuneration framework. The costs have been offset by cost savings for positions that were vacant during the financial year. Some of these positions were filled through the use of contingent labour, the cost of which is reported under supplies and services.

Supplies and Services Expenses - \$1.916 million:

The actual amount is higher than budgeted largely driven by higher use of contingent labour to backfill staff vacancies, as well as higher costs of travel, contractors, animal care expenses and low value equipment purchases.

Other expenses - \$0.632 million:

This variance relates substantially to the corresponding QPS service below fair value recognised under revenue, which has decreased due to changes in the service model.

Notes to the Financial Statements for the year ended 30 June 2023

8.2 Explanation of Major Variances – Statement of Financial Position

Cash and Cash Equivalents – \$0.786 million:

The higher than budgeted cash at bank is reflective of capital acquisitions that have been rolled over to 2023-24.

Property, Plant and Equipment – \$2.979 million:

The decrease in the value of property, plant and equipment is primarily due to the downwards useful life adjustment on the RSC property due to the relocation of the RSC laboratory to make way for the Brisbane 2032 Olympic and Paralympic Games. Also contributing are delayed capital acquisitions that have been rolled over to 2023-24.

Intangible Assets – \$0.619 million:

The actual amount is lower than budgeted due to delays in the procurement of the new laboratory information management system (LIMS). Notwithstanding, the contract was signed by the end of June 2023 under a software-as-a-service (SAAS) arrangement and will be accounted for as such.

Right-of-use Assets – \$0.342 million:

The increase in the value of right-of-use assets is largely driven renewal of lease arrangements for our regional office accommodation.

8. Budgetary Reporting Disclosures (cont'd)

Non-current Lease Liabilities - \$0.144 million:

The increase in the value of non-current liabilities reflects the above lease renewals. The increase is offset by the reversal of the make good provision for the Albion office as it is no longer a requirement under the renewed lease.

Total Equity - \$2.495 million:

The variance in total equity relates to extinguishing the revaluation surplus of \$1.769 million due to the write-down of the value of RSC buildings to reflect a remaining useful of 3 years until 2025. Also contributing is the recorded deficit arising primarily from the higher cost of supplies and services expenditure.

8.3 Explanation of Major Variances – Statement of Cash Flows

Other revenue - \$0.470 million:

Cash inflows for other revenue expenses were higher than budgeted due to the QGIF insurance compensation revenue.

Supplies and Services - \$0.847million:

The increase in cash outflows for supplies and services largely represents unbudgeted contingent labour payments as well as the higher cost of goods and services.

Payments for PPE and Intangibles – \$0.624 million:

The decrease in cash outflows for PPE and intangibles are due to same factors outlined in the major variance explanation for these items in statement of financial position.

8.4 Explanation of Major Variances – Agency Transactions

User Charges and Fee Revenue – \$0.221 million:

The increase in revenue is primarily due to a higher number of animal registrations processed during the financial year.

Accounts Receivable – \$0.057 million:

The actual amount is lower than budgeted due to concerted debt recovery activities during the financial year.

Appendix 1:

Management Certificate for the Queensland Racing Integrity Commission

Management Certificate for the year ended 30 June 2023

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 Queensland Racing Integrity Commission for the financial year ended 30 June 2023 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.



Shane Gillard
Racing Integrity Commissioner



Radhika Munien (CPA)
CFO and Finance and Procurement Manager

Date: 29 August 2023

Date: 29 August 2023

Appendix 2:

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the 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 2023, 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 2023, 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 material accounting policy 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.

Other information

Other information comprises financial and non-financial information (other than the audited financial report).

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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



Responsibilities of the entity for the financial report

The 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 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 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.

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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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.

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



- 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 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2023:

- 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.

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 black ink, appearing to read 'J Thornley'.

Jacqueline Thornley
as delegate of the Auditor-General

29 August 2023

Queensland Audit Office
Brisbane

Appendix 3: Glossary

Term	Definition
Animal Welfare Direction	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.
Authorised Officer	Officers appointed and given particular powers under the <i>Racing Integrity Act 2016</i> .
DAF	Department of Agriculture and Fisheries.
Financial Statements	Collective description of the income statement, the balance sheet and the cash flow statement for an entity's controlled and administered activities.
FTE	Full-time equivalent.
Greyhound Adoption Program (GAP)	Animal welfare program run by the Commission to assess and, where suitable, rehome retired racing greyhounds.
Intelligence	Information collection, analysis and dissemination processes that support informed decision-making to improve organisational planning and prioritised deployment of resources.
Internal Review	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.
MacSporran Report	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.
Martin Inquiry	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.
Match-fixing	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.
Original decision	Any decision defined under Section 240 of the <i>Racing Integrity Act 2016</i> .
QAO	Queensland Audit Office.
Queensland Racing Integrity Commission (the Commission/ the QRIC)	The Queensland Racing Integrity Commission.

Appendix 3: Glossary (*continued*)

Term	Definition
Queensland Civil and Administrative Tribunal (QCAT)	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.
RACC	Racing Animal Care Committee.
RAP	Racing Appeals Panel.
<i>Racing Integrity Act 2016</i>	Primary Queensland legislation that established the Queensland Racing Integrity Commission and governs its core business.
RandLE	Registration and Licensing Environment.
Report Something	The Commission's own information sharing process, allowing anyone with information about the racing industry and/or its participants to report it to the Commission via phone, email, in-person, or via webform.
RSC	Racing Science Centre.
RSPCA	Royal Society for the Prevention of Cruelty to Animals.
Rules of Racing	The collection of national and local rules that govern racing activity across the three codes in Queensland.
Steward	A person appointed by the Commission to enforce the Rules of Racing. They can either be a race day steward (employed under the <i>Racing Integrity Act 2016</i>) or an investigative steward (employed under the <i>Public Service Act 2008</i>).

Appendix 4: Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 Page 3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 Page 1 Page 68
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3 Page 2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4 Page 2
	<ul style="list-style-type: none"> Information licensing 	QGEA – Information Licensing ARRs – section 9.5 Page 2
General information	<ul style="list-style-type: none"> Introductory information 	ARRs – section 10 Page 4
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1 Page 11
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2 Page 12
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3 Page 14
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 Page 15
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 Page 19
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 Page 19
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 Not applicable
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 Page 20
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5 Page 20
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6 Not applicable

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	Page 21
	• Audit committee	ARRs – section 14.2	Page 21
	• Internal audit	ARRs – section 14.3	Page 21
	• External scrutiny	ARRs – section 14.4	Page 22
	• Information systems and record keeping	ARRs – section 14.5	Page 22
	• Information Security attestation	ARRs – section 14.6	Not applicable
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Page 24
	• Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 25
Open Data	• Statement advising publication of information	ARRs – section 16	Page 25
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 64
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 65

FAA – *Financial Accountability Act 2009*

FPMS – *Financial and Performance Management Standard 2019*

ARRs – Annual report requirements for Queensland Government agencies

