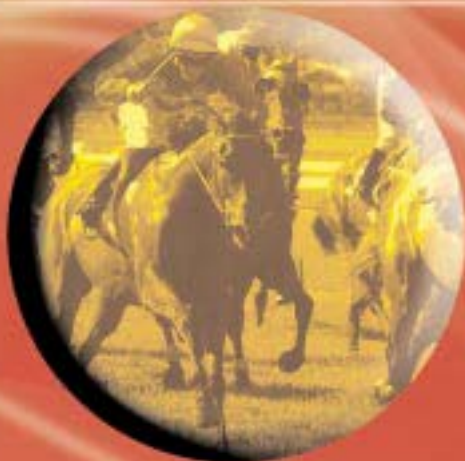


TAB FINAL REPORT

2004



MINISTER FOR RACING AND GAMING

I hereby submit for your information and presentation to Parliament, the Final Report of the Totalisator Agency Board of Western Australia (TAB) for the period 1 August, 2003 to 29 January, 2004, which has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



R.B. Bennett

Reporting Officer

MISSION STATEMENT

To position the TAB as a competitive and responsible community organisation in the wagering and gaming industry, providing the major source of funding for the development of racing and sports in Western Australia.

Totalisator Agency Board of W.A.

14 Hasler Road
Osborne Park
Western Australia 6017

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1. EXPLANATORY MEMORANDUM

This is the final report of the Totalisator Agency Board (TAB) of Western Australia, which ceased operation as a legal entity on 29 January 2004.

The abolition of the TAB is a result of the State Government's reform of the Western Australian Racing Industry, which has seen the establishment of Racing and Wagering Western Australia (RWVA) on 1 August 2003.

The assets and liabilities of the TAB at 29 January 2004 have been transferred to RWVA, concurrently with RWVA assuming responsibility for the wagering functions of the TAB.

The TAB brand will continue to be retained and used by RWVA's wagering division.

A report on the operations and combined performance of both the TAB and RWVA for a complete year will be included in the RWVA Annual Report at 31 July 2004.



R.B. Bennett

Reporting Officer



2. CEO'S STATEMENT OF COMPLIANCE

Human Resources

The TAB's full-time equivalent (FTE) staffing, including full-time, part-time and casual employees, has remained quite stable, shifting from 159 (July 2003) to 161 (January 2004) during this reporting period.

Equal Employment Opportunity

Equal Employment Opportunity (EEO) principles were applied in the advertising and selection of staff for the filling of vacant positions and in the implementation of human resources management practices. In addition, objectives of the Equity and Diversity Management Plan have been progressed during this reporting period, in relation to the demographic makeup of the workforce.

Disability Services Plan

Objectives of the TAB's Disability Services Plan have been continued during this reporting period. Consideration of the needs of people with disabilities continues to be part of the distribution and design of the TAB facilities.

Occupational Safety and Health

The TAB Occupational Safety and Health Advisory Committee continues to examine and address a variety of organisational issues including ergonomic assessments, air quality testing, personal security of staff and TAB vehicles, standards of the working environment for staff, bomb threat and emergency evacuation procedures. The Committee also monitors the reporting process and implementation of OSH plan outcomes.

Workers Compensation and Rehabilitation

During the reporting period, three claims were made under the Workers Compensation and Rehabilitation Act.

The following table outlines the indicators as required by the Treasurer's Instruction 903(4)(vii)c:

Item	Year	
	2002/2003	01/08/03 to 29/01/04
Total number of claims	1	3
Frequency Rate	0	0
Estimated cost of claims per \$100 of payroll (includes ongoing claims)	0.1942	2.79
Premium rate	0.72	0.64
Rehabilitation success rate	n/a	0

Employee Relations

Staff continue to be employed either by the Government Officer's Salaries, Allowances and Conditions Award 1989 and General Agreement 2002 or Statutory Employment Contracts.

The TAB Racing Radio Employees General Agreement 2003 was established during the reporting period.

An agency specific agreement for computer operators was also finalised during the reporting period, clarifying the application of a commuted allowance.

Public Sector Standards

1. In the administration of the TAB, the revised Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics, the TAB Code of Conduct and Core Values and Behaviours have been complied with.
2. Policies and guidelines that have been revised are documented and available to all staff. New staff members are made aware of this information during their induction.
3. The Manager Human Resources is responsible for ensuring compliance with Public Sector Standards and ethical codes through the provision of a monitoring and advisory role to line managers. This responsibility is reflected in the position's duty statement. Human Resource Officers monitor all transactions for recruitment and selection, transfer, secondment, discipline, performance



2. CEO'S STATEMENT OF COMPLIANCE CONTINUED.

management, redeployment, temporary deployment (acting), grievance resolution and termination for consistency with TAB policies.

4. Procedures in place have been designed to ensure such compliance and appropriate internal assessments are conducted.
5. Applications made for breach of standards review and the corresponding outcomes for the reporting outcomes are:
 - Number of breaches lodged – nil
 - Number of breaches found, including details of multiple breaches per application – N/A
 - Number of breaches still under review – N/A
 - Material breaches – N/A
 - Non-material breaches – N/A

Waste Paper Recycling

The TAB has established appropriate recycling arrangements for its waste paper. Waste paper is either shredded and stored on-site or is disposed in lockable bins, both of which are removed for recycling on an 'as required' basis.

Energy Strategy

The TAB continued to monitor its energy usage aimed at minimising and controlling both the quantity and cost of energy used at the Head Office. Figures to date indicate the TAB is maintaining its energy levels although some reduction has occurred in some areas.

Record Keeping

The State Records Office formally adopted the TAB Record Keeping Plan (the TAB being one of the first agencies to have adopted the Plan). This Plan has been implemented and all records policies and procedures are being adopted throughout the organisation.

TAB Marketing Expenditure

Advertising Agencies Advertising Agencies	Bowtell Clarke & Yole Total	\$217,680 \$217,680
Market Research Organisations Market Research Organisations	Media Monitors (WA) Research Solutions Total	\$2,198 \$19,995 \$22,193
Media Advertising Organisations Media Advertising Organisations	Southern Cross Broadcasting West Australian Newspapers Ltd Total	\$25,225 \$422,328 \$447,553
Media Agencies Media Agencies	Media Decisions WA Total	\$489,630 \$489,630

NB: \$421,262 Media Expenditure with West Australian Newspapers Ltd is for the production of TABForm.



3. THE ACT AND COMPLIANCE WITH WRITTEN LAWS

Legislative Amendments

There were no amendments made to the Totalisator Agency Board (Betting) Act 1960 ("the Act") during the year.

The Totalisator Agency Board (Betting) Regulations 1988 ("the Regulations") were amended and came into effect on 26 September, 2003 to provide for the inclusion of additional national racing venues in the list of racecourses prescribed for the purposes of betting by the TAB.

The Racing and Wagering Western Australia Act 2003 came into effect on 1 August, 2003. This assumed some aspects of the Act except for the wagering provisions.

Enabling Legislation

The principal legislation governing the TAB is the Totalisator Agency Board Betting Act 1960 ("the Act") and the Totalisator Agency Board Betting Regulations 1988, together with the Betting Control Act 1954 and Betting Control Regulations 1978.

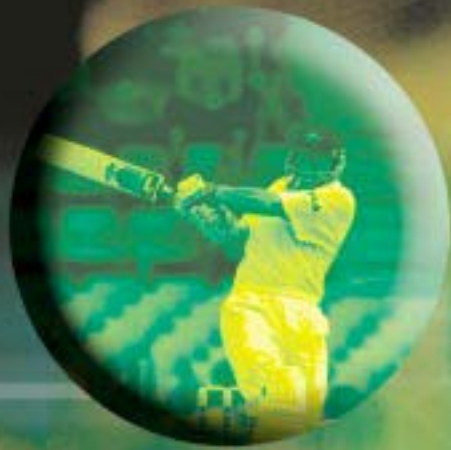
Other legislation to which the TAB must comply, but does not administer, includes the following. This list is not exhaustive but represents the legislation, which impacts on the general operation of the TAB.

- Clerks (Racing Industry Betting) Award 1978
- Corruption and Crime Commission Act 2003
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Administration and Audit Act 1985
- Financial Transaction Reports Act 1988 (Cwth)
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Government Officers Salaries, Allowances and Conditions Award 1989
- Industrial Relations Act 1979
- State Records Act 2000

- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- State Supply Commission Act 1991
- Totalisator Agency Board Betting Tax Act 1960
- Totalisator Agency Board (Modification of Operations) Act 2002
- Unclaimed Money Act 1990
- Workers Compensation and Assistance 1981
- Workplace Agreements Act 1993 (Cwth)

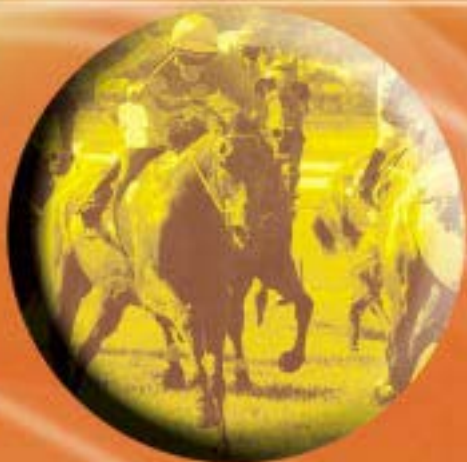
Legislation, together with commercial principles, therefore governs the operation of the TAB.





TAB FINANCIAL STATEMENTS

2004





TOTALISATOR AGENCY BOARD

STATEMENT OF FINANCIAL PERFORMANCE**FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	Notes	1/08/03 - 29/01/04 (\$000)	2003 (\$000)
Revenue			
Revenue from ordinary activities			
Trading profit	2(a)	67,833	123,861
Interest revenue		1,153	1,947
Proceeds on disposal of non-current assets		106	214
Other revenue	2(b)	3,198	2,561
Total Revenue from ordinary activities		72,290	128,583
Expenses			
Expenses from ordinary activities			
Sales & Marketing		26,206	43,888
Information technology		4,302	9,451
Finance & Administration	3	1,875	3,392
Total expenses from ordinary activities before project expenses and distributions		32,383	56,731
Projects		1,400	3,605
Total expenses from ordinary activities after project expenses and before distributions		33,783	60,336
Distribution to racing and sports industries	8	33,449	63,572
Total Expenses from Ordinary Activities		67,232	123,908
Net Profit		5,058	4,675
Total changes in Equity other than those resulting from transactions with owners as owners		5,058	4,675



TOTALISATOR AGENCY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 29 JANUARY 2004

	Notes	2004 (\$000)	2003 (\$000)
Current Assets			
Cash assets	11	43,239	40,264
Receivables	13	4,243	4,086
Prepayments		603	297
Inventories	12	1,107	903
Total Current Assets		49,192	45,550
Non-Current Assets			
Property, Plant & Equipment	10	15,729	15,931
Capital Work-in-progress		320	331
Total Non-Current Assets		16,049	16,262
Total Assets		65,241	61,812
Current Liabilities			
Payables	14	16,215	17,873
Provisions	15	984	911
Total Current Liabilities		17,199	18,784
Non-Current Liabilities			
Provisions	15	429	473
Total Non-Current Liabilities		429	473
Total Liabilities		17,628	19,257
Net Assets		47,613	42,555
Equity			
Capital Account		14,744	14,744
Capital Reserve	9	1,307	1,519
Asset Replacement Reserve	9	30,993	25,723
General Reserve	9	500	500
Retained Profits	5	69	69
Total Equity		47,613	42,555



TOTALISATOR AGENCY BOARD

STATEMENT OF CASH FLOWS**FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	Notes	01/08/03 - 29/01/04 (\$000) Inflows (Outflows)	2003 (\$000) Inflows (Outflows)
Cash Flows from Operating Activities			
Receipts			
Receipts from customers		540,804	986,285
Interest received		1,105	1,965
Payments			
Payments to customers, creditors and employees		(504,709)	(913,858)
Amount distributed		(33,449)	(63,572)
Interest paid	3	(15)	(24)
Net cash provided by Operating Activities	6	3,736	10,796
Cash Flows from Investing Activities			
Payments for Land, Improvements, Equipment & Fittings		(1,074)	(1,190)
Proceeds from Land, Improvements, Equipment & Fittings		313	214
Net cash (used in)/provided by Investing Activities		(761)	(976)
Net increase in cash held		2,975	9,820
Cash assets at the beginning of the financial year		40,264	30,444
Cash Assets at the End of the Financial Year	7	43,239	40,264

**1. ACCOUNTING POLICIES****a. Basis of Accounting**

The financial statements are prepared in accordance with the Financial Administration and Audit Act 1985. Subject to the exceptions noted in these accounting policies, the financial statements have been drawn up on the basis of historical cost principles. The accrual basis of accounting has been applied.

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and UIG Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act 1985 and the Treasurer's Instructions are legislative provisions governing preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements. If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect are disclosed in individual notes to these financial statements.

b. Allocation of funds of the TAB

Sections 28 of Totalisator Agency Board Betting Act of 1960, provide for the balance of funds remaining, after deductions covered by Section 28 (1) (a) to (e), which includes transfer of funds to reserve accounts and payments to the Western Australian Greyhound Racing Association and the Sports Betting fund, the Western Australian Turf Club and Western Australian Trotting Association, as prescribed. Section 27(b) deals with the allocation of funds from Fixed Odds Betting and section 28(a) deals with tote sporting events.

c. Changes in Comparative Figures

Where necessary, comparative figures for 2003 have been adjusted to conform with changes in presentation made in 2004.

d. Depreciation and Amortisation

Depreciation is calculated on a straight line basis over the estimated life of each asset and is charged to the Statement of Financial Performance to conform with standard accounting practice. It is current policy to write-off in-house software development costs at source. Useful lives for each class of depreciable assets are:

Buildings	10 to 40 years
Equipment & Fittings	5 to 15 years
Leasehold Improvements	5 to 15 years
Software	5 to 15 years

e. Accrued Employee Benefits

Annual Leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for the employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

f. Receivables, Payables, Accrued Salaries

Accounts Receivable are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition. Agents settle on a weekly basis.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

Accounts Payable, including accruals not yet billed, are recognised when the TAB becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year as the end of the last pay period for that financial year does not coincide with the end of the financial year. The TAB considers the carrying amount approximates net fair value.

g. Superannuation

Government Employees Superannuation

Staff may contribute to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now closed to new members. All staff who do not contribute to this scheme become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The liability for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by quarterly payment of employer contributions to the Government Employees Superannuation Board.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference

between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the TAB. Accordingly, deriving the information for the TAB is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Racing Industry Superannuation Fund

This is an accumulated fund for casual staff, managed by GIO.

h. Net Fair Values of Financial Assets and Liabilities

Monetary financial assets and liabilities not traded in an organised financial market are determined on the cost basis of carrying amounts of accounts receivables, accounts payable and accruals (which approximates net market value).

i. Inventories

Stocks are valued at the lower of cost and net realisable value.

j. Operating Leases

The operating leases are for buildings and office equipment where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal installments of the lease payments are charged to the operating statements over the lease terms, as this is representative of the pattern of benefits to be derived from the leased property.

k. Revenue

Sales revenue represents revenue earned from the sale of goods and services net of returns, allowances and duties and taxes paid. Betting receipts are only recognised as revenue when the events to which they relate are finalised. Other revenue is fully described in the operating statement.

l. Deferred Expenses

Expenses are deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs. The amount of expenditure carried forward is reviewed each year.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONT.
FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	Notes	1/08/03 - 29/01/04 (\$000)	2003 (\$000)
2 (a) Trading Profit			
Commission on turnover		91,510	167,365
Tax on turnover	4	(23,677)	(43,504)
		67,833	123,861
2 (b) Other Revenue			
External settlement recoup		758	1,041
Recoup accounts & others		2,440	1,520
Total other revenue		3,198	2,561
3. Finance and Administration - this balance includes:			
Interest expense		15	24
Carrying value of assets disposed of		206	403
4. Tax on Turnover			
Section 25(b) of the Totalisator Agency Board Betting Act 1960 requires the TAB to pay tax in respect of bets at the rate imposed by Section 2 of the Totalisator Agency Board Betting Tax Act 1960. The tax rate for tote turnover was 5%, FOB sports was 0.5% and FOB racing was 2%.			
Turnover Tax Payable to Consolidated Revenue		26,291	48,311
Tax Rebate			
Turnover Tax rebate received / receivable from Department of Racing, Gaming & Liquor.		(2,614)	(4,807)
		23,677	43,504
In February 2001 the State Government announced its intention to reduce the tax on tote (excluding sports) Turnover (Betting Tax) to 4.5%. The above rebate of 0.5% is an interim arrangement between the Department of Racing, Gaming & Liquor and the Treasury Department.			
5. Retained Profit			
Opening balance		69	69
Net profit		5,058	4,675
Transfer to reserve	9	(5,058)	(4,675)
Closing balance		69	69



	1/08/03 - 29/01/04 (\$000)	2003 (\$000)
6. Reconciliation of Net Cash provided by Operating Activities to Operating Profit		
Operating profit-net of distribution	5,058	4,675
(Less) items classified as investing/financing activities:		
Gain on sale of assets	(106)	(190)
Add/(Less) non-cash items:		
Depreciation and amortisation	1,080	2,656
Provision for annual leave and long service	30	21
Net cash provided by operating activities before change in assets and liabilities	6,062	7,162
Changes in assets and liabilities		
(Increase) / Decrease in accounts receivables	(109)	1,153
(Increase) in accrued income / prepayments	(354)	(29)
(Increase) / Decrease in inventories	(204)	42
(Decrease) / Increase in trade creditors	(460)	1,281
Increase in other creditors	(1,199)	1,187
Net cash provided by operating activities	3,736	10,796

7. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:

Cash and short term deposits	(Note 11)	43,239	40,264
For the purpose of the statement of cash flows, cash includes cash on hand, at bank & at agencies.			



**NOTES TO AND FORMING PART OF THE ACCOUNTS CONT.
FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	2004 6 months (\$000)	2003 (\$000)
8. Amount Distributed		
Racing	18,304	34,991
Trotting	9,858	18,844
Greyhounds	4,962	9,485
Sports	325	252
Total	33,449	63,572

TAB paid the distribution to Racing and Wagering Australia (RWVA) and RWVA paid to the above stakeholders.

9. Capital Reserve, Asset Replacement Reserve and General Reserve

	Balance 31/07/02 (\$000)	Transfer from / (to) Operating Statement (\$000)	Transfer (from) /to Other Reserves (\$000)	Balance 29/01/2004 (\$000)
Capital Reserve (*)	1,519	0	(212)	1,307
Asset Replacement Reserve (**)	25,723	5,058	212	30,993
General Reserve	500	0	0	500
	27,742	5,058	0	32,800

*Capital reserve accounts represent the amount fully expended on the non-current assets of the business. Transfers between these reserves and the asset replacement reserve will occur as non current-assets are purchased or disposed.

**Asset Replacement Reserve represents amounts set aside for future capital expenditure. Movements in any year arise from the transfer of 1% of Net Revenue After Tax, any profit on sale of non-current assets and cash equivalent of the depreciation charge. From time to time, transfers may also occur to fund significant project development costs not capitalised. The 1% transfer is set by the Board on an annual basis. Transfers will also occur between this and the capital reserve accounts as non-current assets are purchased or disposed.



**NOTES TO AND FORMING PART OF THE ACCOUNTS CONT.
FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	2004 6 months (\$000)	2003 (\$000)
10. Property, Plant & Equipment		
Land (at cost)	1,214	1,228
Buildings (at cost)	13,942	13,934
Less accumulated depreciation	(5,135)	(4,990)
	8,807	8,944
Leasehold improvements (at cost)	8,135	7,930
Less accumulated amortisation	(4,676)	(4,565)
	3,459	3,365
Software	1,066	923
Less accumulated amortisation	(413)	(292)
	653	631
Equipment & Fittings (at cost)	20,548	20,217
Less accumulated depreciation	(18,952)	(18,454)
	1,596	1,763
Total	15,729	15,931

Reconciliation of opening and closing balances

	Land	Buildings	Leasehold	Software	Equipment & Fittings
Carrying amount at start of the year	1,228	8,944	3,365	631	1,763
Additions		267	343	142	332
Transfer					
Disposals	(14)	(192)			
Depreciation		(212)	(249)	(120)	(499)
Carrying amount at end of the year	1,214	8,807	3,459	653	1,596

All Land and Buildings were valued by the Office of the Valuer General as at 28 January 2004 and the values were Land \$13,459,500 and Buildings \$5,156,947.

11. Cash Assets

Cash at bank	804	343
Asset replacement short term investments	31,039	21,469
Other short term investments	11,396	18,452
Total	43,239	40,264

Interest rates at 29 January 04:

Cash accounts - Between 4.50% and 5.10% (2003 between 4.08% and 4.50%)

Short term investments - Between 4.74% and 5.43% (maturing within 60 days) (2003 between 4.78% and 4.93%)

Credit risk and interest rate risk are minimised as all short term deposits are held with large banks which have acceptable credit ratings.



**NOTES TO AND FORMING PART OF THE ACCOUNTS CONT.
FOR THE PERIOD 01 AUGUST 2003 TO 29 JANUARY 2004**

	2004	2003
	6 months	(\$000)
	(\$000)	
12. Inventories		
Tickets in agencies	280	211
Tickets in store	821	667
Other printer paper	6	25
Total	1,107	903

13. Receivables Current

Accounts receivable - agents settlement	3,318	3,352
- others	720	445
Provision for doubtful debts	(5)	(5)
Accrued income	210	294
Total	4,243	4,086

a. Credit Risk Exposure - TAB has minimal credit risk since its business is predominantly cash based. Weekly settlements are due from agents in the normal course of business. The TAB does not have any significant exposure to any individual customer or counterparty.

b. Other receivables and prepayments are non interest bearing.

c. The TAB considers the carrying amounts of receivables represents the TAB's maximum exposure to credit risk in relation to those assets.

14. Payables

Account betting deposits	2,763	2,919
Accounts payable	3,213	3,517
Accrued expenditure	6,123	7,675
Unclaimed dividends & refunds	3,432	3,146
Agents deposits & property bonds	684	616
Total	16,215	17,823

All financial liabilities are unsecured

a. Agents deposits and property bonds attract interest at the rate of 5.25% and these amounts are repayable at end of the contract.

b. All other creditors, accruals and other payables are non interest bearing.

c. The TAB considers the carrying amounts of creditors, accruals and other payables represents the TAB's maximum exposure to credit risk in relation to those liabilities.

15. Provisions

a. Current	323	251
- Long service leave	661	660
- Annual leave	984	911
b. Non-current - Long service leave	429	473

16. Leases - Operating Lease Commitments

Commitments payable		
- within one year	1,464	1,446
- later than one year and not later than two years	1,778	1,869
- later than two years and not later than five years	877	889
- later than five years	439	405
Rentals charged to operating results during the year	941	1,896



	Racing		Sports		Eliminations		Consolidated	
	2004 (6 months)	2003	2004 (6 months)	2003	2004 (6 months)	2003	2004 (6 months)	2003
Operating revenue								
Trading Profit from customers outside the consolidated entity	90,115	121,940	1,395	1,921	0	0	91,510	123,861
Other revenue from customers outside the consolidated entity	4,457	4,722			0	0	4,457	4,722
Total revenue	94,572	126,662	1,395	1,921	0	0	95,967	128,583
Segment results before Distributions	38,020	67,730	487	517	0	0	38,507	68,247
Distributions	33,123	63,320	326	252	0	0	33,449	63,572
Segment results	4,944	4,410	161	265			5,058	4,675
Segment assets								
Total unallocated assets							65,241	61,812

18. Remuneration of Accountable Authority and Senior Officers

	2004 6 months (\$000)	2003 (\$000)
The total fees, salaries, superannuation and other benefits received or due and receivable for the financial year, by members of the Accountable Authority, from the statutory authority or any related body.	0	114

The total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year by Senior Officers other than members of the Accountable Authority, from the statutory authority or any related body.	317	958
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The number of members of the Accountable Authority whose total of fees, salaries and other benefits received or due and receivable for the financial year, falls within the following bands:	No.	No.
\$0 - \$10,000	0	0
\$10,000 - \$20,000	0	5
\$30,000 - \$40,000	0	1

The number of Senior Officers other than members of the Accountable Authority, whose total of fees, salaries and other benefits received or due and receivable for the financial year, falls within the following bands:		
\$50,000 - \$60,000	2	0
\$60,000 - \$70,000	3	0
\$100,000 - \$110,000	0	0
\$110,000 - \$120,000	0	1
\$120,000 - \$130,000	0	1
\$140,000 - \$150,000	0	1
\$150,000 - \$160,000	0	1
\$160,000 - \$170,000	0	1
\$170,000 - \$180,000	0	1
\$220,000 - \$230,000	0	1

The above remuneration was paid to Senior Officers by the TAB. In addition, Senior Officers received remuneration totalling \$242,000 and Board members \$68,000 from RWVA.



	2004 6 months (\$000)	2003 (\$000)
19. Remuneration of Auditor		
The total of fees paid or due and payable for the financial year.		
Fees for external audit - Auditor General	60	75
20. Related Party Transactions		
None		
21. Commitments		
Approved Projects at the end of the financial year	1,578	1,712

22. Contingent Liability

The TAB, from time to time, receives claims concerning betting disputes in the normal course of its operations. A legal claim totalling \$4.01million has been served on the TAB by solicitors acting on behalf of a customer. A legal opinion obtained by the TAB from Queens Counsel regards the TAB as having reasonable prospects of not being found liable and the TAB will vigorously defend the claim.

23. Post reporting date transactions

On 21 May 2002 the Government announced the restructuring of the racing industry governance system in Western Australia. Merger of the principal club functions together with the off-course betting activities of TAB(WA) into a single controlling authority to be known as Racing and Wagering Western Australia (RWVWA) was implemented from 01 August 2003. During the transition, TAB(WA) remained an independent entity and operated concurrently with RWVWA. TAB(WA) was abolished and RWVWA assumed the functions of the TAB(WA) from 30 January 2004.

24. Variations between Actuals and Budgets

The budget was prepared for the full year and therefore the comparison to the first six months results will not provide meaningful analysis.



CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Totalisator Agency Board have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the period 01 August, 2003 to 29 January, 2004 and the financial position as at 29 January, 2004.

At the date of signing I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'R. B. Bennett', is positioned above the printed name.

R. B. BENNETT
Reporting Officer
Date 7/04/04

5. OPINION OF THE AUDITOR GENERAL (Financial Statements)



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

TOTALISATOR AGENCY BOARD FINANCIAL STATEMENTS FOR THE PERIOD AUGUST 1, 2003 TO JANUARY 29, 2004

Audit Opinion

In my opinion,

- (i) the controls exercised by the Totalisator Agency Board provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Board at January 29, 2004 and its financial performance and cash flows for the period ended on that date.

Scope

The Board's Role

The Board was responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The Reporting Officer's Role

Following the abolition of the Board with effect from January 30, 2004 the Treasurer appointed a Reporting Officer under the provisions of section 70A of the Act, who was responsible for preparing and presenting the final financial statements.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
April 15, 2004

6. PERFORMANCE INDICATORS

In accordance with Section 66(1) of the Financial Administration and Audit Act 1985, the following performance indicators have been developed as a measure of efficiency and effectiveness in pursuit of the TAB's aims.

OUTCOME

To provide an efficient, effective, accessible and service-orientated betting service for Western Australia.

To achieve optimum level of profitability.

		2004	2003	2003		2002	2001	2000
1	Trading profit	\$000	(6 months)	(Full year)	The half yearly increase of \$5.91 million is largely due to improved economic conditions and greater promotional activities. Half yearly margin percentage increased from 17.08% to 17.10%	114,366	105,804	99,784
	% Increase	%	63,290	123,861		8.09	6.03	4.60
2	Number of Bets Processed	'000			The half yearly increase of 4.7 million bets was achieved with an increase in average bet value from \$6.08 to \$6.09.	118,158	110,614	104,946
	% Increase/Decrease	%	81,246	125,594		6.76	5.46	5.37
3	Operating Profit (excluding the profit from sale of assets) before distribution to codes	\$000			Half yearly increase was mainly due to 7.9% increase in Net Revenue After Tax. Increase in other income and decrease in Project cost also contributed to the increase in half yearly Operating profit. The above increases were set off by the increase in direct cost.	60,437	54,035	50,512
	% Increase	%	36,784	68,055		11.83	6.97	-3.37
	% of Trading profit	%	42.97	54.94		52.85	51.07	50.62
4	Distribution to Industry	\$000			Increase in distribution was 3.95% over last year (half year). This increase was the same for all three codes.	58,110	54,050	50,262
	% Increase	%	31,903	63,572		7.51	7.54	2.61
5	Staff (FTE)	No.			Marginal increase in Trading profit per FTE in relation to increase in Trading profit.	160	170	173
6	Trading profit per employee	\$000				715	622	577
7	Profit per employee	\$000				378	318	292
8	Return on assets (Operating profit as a percentage of total assets)	%			The increase in operating profits (5.19%) is over compensated by the increase in total assets (5.56%) resulted in decrease in return on assets.	110.97	109.30	96.70
9	Computer system availability	%		99.98		The availability of the Central Betting Processor was substantially impacted by a problem with a third party software package used to monitor the mainframe ADABAS database and there were several minor outages resulting from systems changes. These outages have highlighted the need to enhance the software testing methods and work has commenced to address this requirement. The disruption to Agency Information Services was the result of power and weather problems experienced at the transmission sites of one of TAB's teletext service providers.	99.97	99.97
	Central betting processor	%		99.98	99.98		99.99	99.96
	Account sales	%		99.97	99.98		99.99	99.99
	Sales betting outlet	%		99.96	99.96		99.99	99.99
	Agency information services	%		99.99	99.98		99.92	99.99

Note: Above performance indicators are grouped as follows:

Efficiency indicators

3, 6, 7 & 8

Effectiveness indicators

2, 4, 5 & 9

Accessibility indicators

2 & 9

Service oriented indicators

4 & 9

Profitability indicators

3, 7 & 8



CERTIFICATION OF PERFORMANCE INDICATORS

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Totalisator Agency Board (TAB) and fairly represent the performance of the TAB for the period 01 August, 2003 to 29 January, 2004.

A handwritten signature in black ink, appearing to read 'R.B. Bennett', is written above the typed name.

R.B Bennett
Reporting Officer
Date 7/04/04

9. OPINION OF THE AUDITOR GENERAL (Performance Indicators)



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

TOTALISATOR AGENCY BOARD PERFORMANCE INDICATORS FOR THE PERIOD AUGUST 1, 2003 TO JANUARY 29, 2004

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Totalisator Agency Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the period August 1, 2003 to January 29, 2004.

Scope

The Board's Role

The Board was responsible for developing and maintaining proper records and systems for preparing performance indicators.

The Reporting Officer's Role

Following the abolition of the Board with effect from January 30, 2004 the Treasurer appointed a Reporting Officer under the provisions of section 70A of the Act, who was responsible for preparing and presenting the final performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
April 15, 2004