



RACING AND WAGERING
WESTERN AUSTRALIA

2019

ANNUAL REPORT





Image: Life's Better with Horses Launch

Statement of Compliance

For the year ended 31 July 2019

The Hon Paul Papalia CSC, MLA

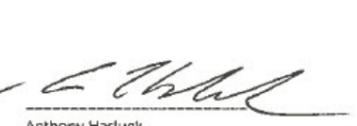
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests.

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Racing and Wagering Western Australia for the financial year ended 31 July 2019.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Racing and Wagering Western Australia Act 2003*.


Jeff Ovens
Chair RWWA Board

14 October 2019


Anthony Hasluck
Chair Audit and Risk Committee

14 October 2019

Chapter 1: Overview

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Chapter 1: Overview

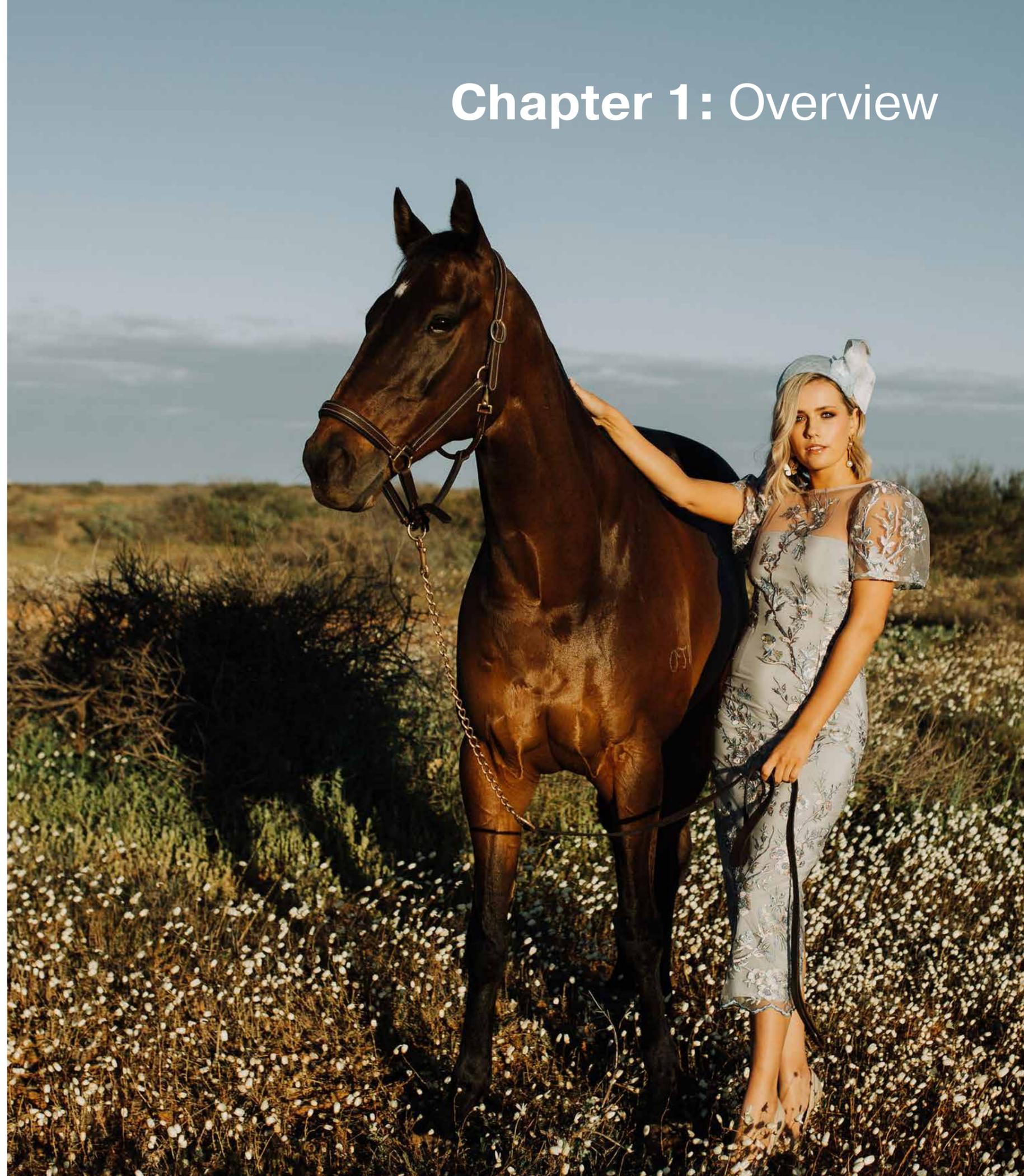
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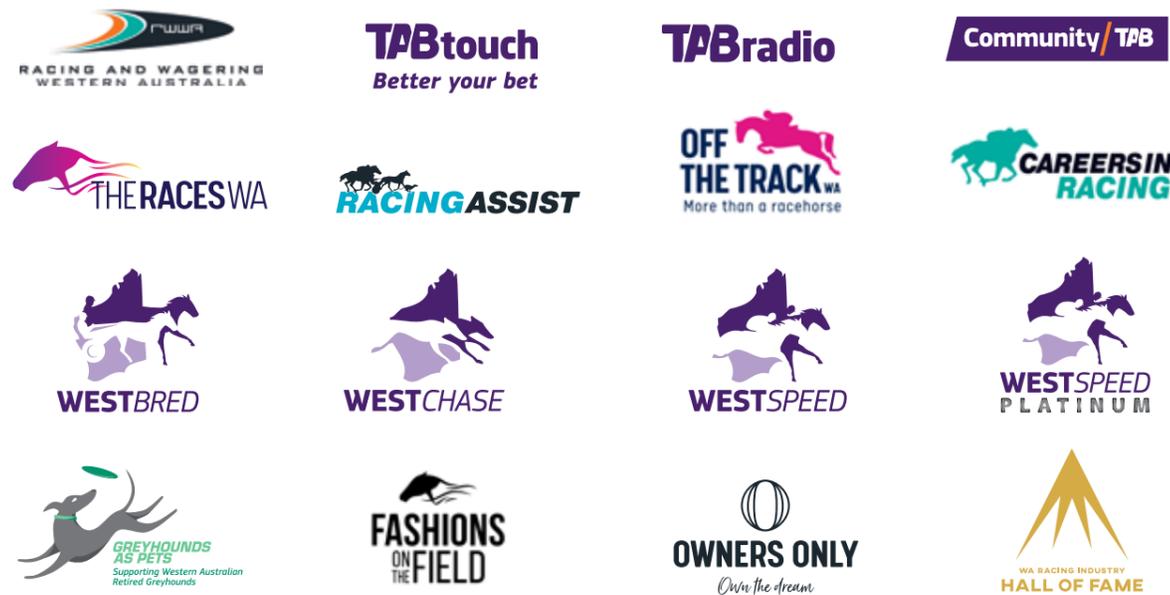
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About us

Racing and Wagering Western Australia (RWWA) was established on 1 August 2003. RWWA's Charter under the *Racing and Wagering Western Australia Act 2003* is to foster development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred, harness and greyhound racing in the interests of the long-term viability of the racing industry in Western Australia. RWWA also has responsibility for the off-course wagering functions trading as the TAB.

Our Brands



GOALS

- Maximising wagering revenue
- Grow returns to Western Australian racing
- Increase the relevance of racing in Western Australia
- Uphold the highest standard of animal welfare
- Strengthen the integrity of racing in Western Australia
- Enhance employee experience

FOCUS AREAS

RWWA maintains a strong emphasis on the following strategic focus areas in the context of achievement of the organisation's stated purpose, vision and values:

Customer Experience

Create and lead the best customer experience for wagering and racing customers.

Employee Experience

Continue to improve staff engagement and build a high performing workforce.

Ways of Working

Develop new ways of working to be more competitive and efficient in the marketplace.

PURPOSE

To provide a sustainable future for the Western Australian racing industry



VISION

To be a national leader in racing and wagering entertainment



VALUES

Enthusiasm and Pride
Achievement
'Real'ationships
Team Play
Honesty



Image: Bunbury Turf Club

2019 Key Performance Highlights

Wagering	Racing	Integrity	Welfare	Corporate Social Responsibility	People and Culture
<ul style="list-style-type: none"> \$305.6M in WA TAB revenue down by 2.5% (52 week equivalent) impacted by lower average customer spend and local economy. WA Market Share steady at 56% in a highly competitive wagering environment. +11.2% in mobile channel turnover +6.9% in active TABtouch customers TABtouch “Better Your Bet” brand launch Wagering and Information Services integration 	<ul style="list-style-type: none"> \$2.8B in turnover from all national wagering operators for WA racing \$159.0M in funding to WA racing industry \$21.5M increase in racefield revenue \$15.3M in RWWA grants and club subsidies 853 race meetings and 7,844 individual races New Business Model for harness racing +10.5% in TABradio weekly listenership (YOY)* 	<ul style="list-style-type: none"> \$1.3M invested in prohibited substance control 9,013 individual horse and greyhound swabs 99.7% of tested swabs were negative Co-location of Integrity, Racing and Licensing and Registration Migration to Single National System for thoroughbred racing 	<ul style="list-style-type: none"> 203 greyhounds adopted through GAP Zero greyhounds euthanised as not suitable for racing 99.5% of greyhound starters were not affected by major injuries Off the Track individual rider sponsorship introduced Racing Assist launched for industry participants 	<ul style="list-style-type: none"> \$528K funding provided to not-for-profits through Community TAB \$128K in sports grants awarded through Community TAB and TABtouch \$50K provided to community organisations through the Community TAB Sports Grant 12 donations made through RWWA’s Not-For-Profit Recognition Program 59 employee volunteers at not-for-profit organisations 	<ul style="list-style-type: none"> 5.45 days Total Lost Time Injury for RWWA employees (industry average is 7.7 days) Female senior leadership representation ratio 33% (best practice is above 30%) New employee on-boarding net promoter score (NPS) 82% 13 employees completed the Emerging Leaders Program 100 employees took part in 8 wellness activities



Source: TABradio Listenership Survey 2019 Painted Dog Research



Chair and CEO Report

Introduction

It is our pleasure to present the 2019 Annual Report for Racing and Wagering Western Australia (RWWA).

Since its inception in 2003, RWWA has been the principal racing authority for thoroughbred, harness and greyhound racing in Western Australia together with being the operator of the TAB. During this time RWWA has increased annual funding to the racing industry from \$63.3M to more than \$159.0M in 2019.

Continuing the commitment to develop the State's racing industry, RWWA announced at the end of the 2019 financial year a further \$11M in prizemoney, ownership and racing marketing initiatives for the upcoming 2020 period.

The racing industry plays an important economic and social role in Western Australia, generating more than \$821.1M in economic contribution to the State. With an average of more than two thoroughbred, harness or greyhound meetings held each day in the State, the industry's economic activity sustains more than 7,360 full time equivalent roles and attracts more than 823,000 attendees to race meetings each year.

The sale of the Western Australian TAB was a prominent issue throughout 2019, culminating with the State Government announcing its decision on 9 October 2018 to proceed with the sale.

Following considerable engagement with RWWA and the wider racing industry, the State Government agreed to key principles for the sale of the TAB, reflecting these in draft legislation introduced to Parliament in May 2019.

Subsequent to the end of the financial year, on 4 September 2019, the Western Australian Parliament passed the *TAB (Disposal) Act 2019* providing for the establishment of a new wagering licensing regime for a private TAB operator and the corresponding disposal of the wagering business operated by RWWA. In addition, the establishment of Racing Western Australia, the governing authority for thoroughbred, harness and greyhound racing in the State.

In January 2019, the State Government introduced a new tax on wagering profits more generally known as a Point of Consumption Tax (POCT). Importantly, the new tax addressed previous anomalies whereby wagering operators were taxed on the location of their business rather than where the customer resided, facilitating the leakage of wagering tax from State Governments. Arising from the POCT, RWWA was

able to negotiate with the State Government for 30 per cent of the new tax to be granted to the Western Australian racing industry to assist with its ongoing development.

Following the introduction of POCT, the Western Australian racing industry now receives the majority of its revenue from three diverse wagering sources, profits from the TAB and revenue in the form of income from the Western Australia Racing Bets Levy and POCT.

Financial Performance

RWWA continues to develop strategies and new ways of working to be more competitive in the national wagering market, in order to maximise betting revenue and grow returns to the Western Australian racing industry.

The 2019 financial year delivered a solid performance with overall revenue from all sources up by \$10.7M, resulting in a total of \$429.7M comprised of \$305.6M from TAB wagering, \$81.0M from the Western Australian Racing Bets Levy and \$43.1M from other items.

The significant increase in revenue was mainly driven by the growth in income generated by the Western Australian Racing Bets Levy, which was up by 39 per cent or \$22.6M, growing from \$58.4M to \$81.0M in 2019 (see Note 3.1 and 8.9 in Financial Statements: Grants and Subsidies from State Government).

The Western Australian Racing Bets Levy is paid by wagering operators who conduct betting on Western Australian racing. The levy is revenue paid to RWWA, but is treated as income from the State Government because RWWA operates as both the PRA and is the operator of the TAB.

Income from other items for 2019 also included the newly introduced POCT, which provided an additional \$12.6M in revenue for the year.

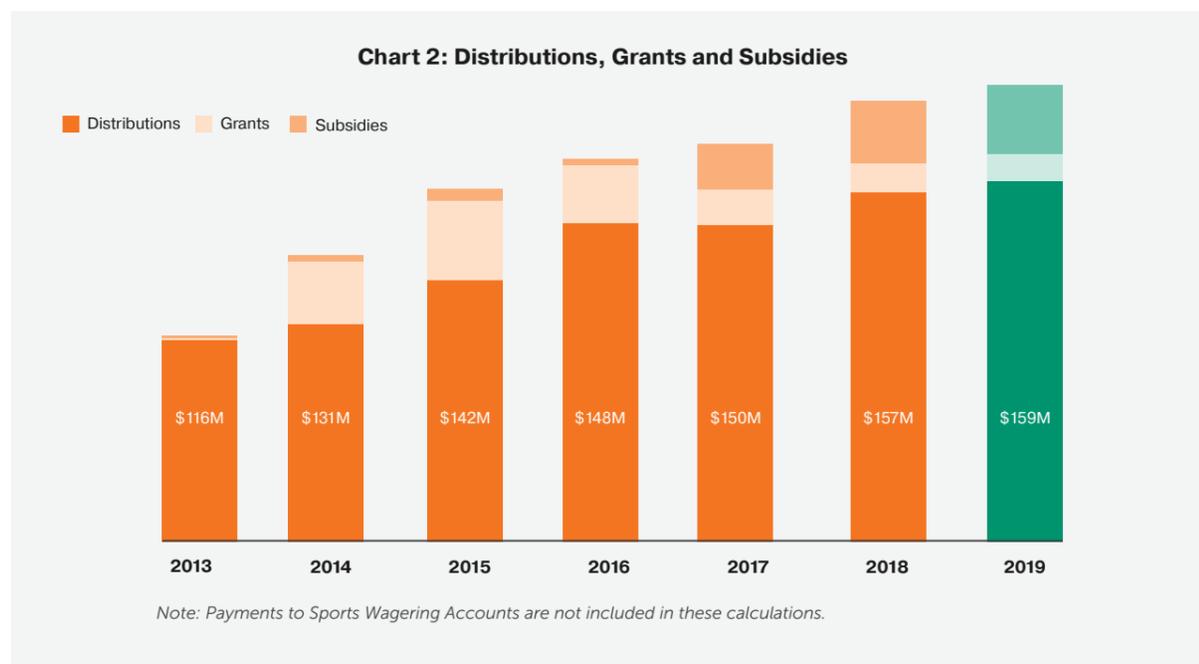
RWWA reported a net loss of \$3.1M having decided to distribute additional funds toward key racing infrastructure projects throughout the year. The Western Australian TAB produced a profit in 2019 of \$107.3M excluding support costs.

It is also important to note that 2018 incorporated a 53rd trading week generating further wagering revenue of \$4M, compared to 2019.

Chair and CEO Report



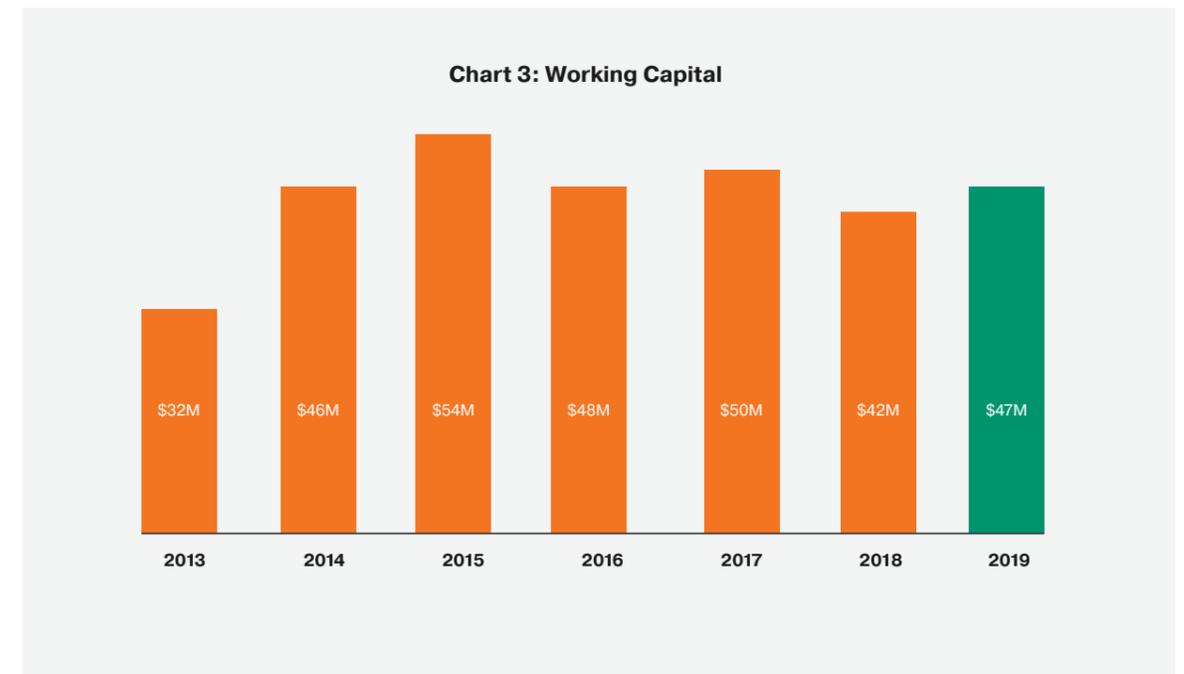
RWWA provided \$159.0M in funding to the racing industry via distributions, grants and subsidies, representing a \$1.6M increase from the previous year as shown in Chart 2.



In terms of infrastructure grants, RWWA chose to distribute funds for relevant racing infrastructure projects and investment priorities across all three codes, drawing on surplus funds accrued over past years, resulting in a \$3.1M deficit for 2019.

After taking into account the various financial outcomes, including the increase in industry funding, working capital increased by \$4.9M over the prior year as highlighted in Chart 3.

Chair and CEO Report



Wagering

Point of Consumption Tax

From 1 January 2019, the *Racing and Wagering Western Australia Tax Act 2003* and *Bookmakers Betting Levy Act 1954* were ceased and replaced with a 15 per cent POCT. The POCT is levied on all bets placed in Western Australia, irrespective of where the wagering operator is licensed in Australia. It is collected by the Commissioner of State Revenue under the *Betting Tax Act 2018* and *Betting Tax Assessment Act 2018*, and 30 per cent of the tax collected is remitted to RWWA for distribution to the racing industry.

The Western Australian Racing Bets Levy, which is collected under the *Racing Bets Levy Act 2009*, was retained. The levy applies to all wagering operators who use or publish Western Australian race fields and is collected by the Gaming and Wagering Commission on behalf of the Western Australian racing industry.

Privatisation

The privatisation of the Western Australian TAB continued to be a topic of discussion during 2019, with the *TAB (Disposal) Bill 2019* being tabled in Parliament on 15 May 2019. RWWA, together with the thoroughbred, harness and greyhound racing code committees, provided input into the drafting of the amending legislation and consulted widely with key industry stakeholders on proposed legislative changes. RWWA was supportive of the *TAB (Disposal) Bill 2019* and associated amending legislation as drafted.

Consistent communication continued to be provided to the racing industry to allow participants and stakeholders to stay abreast of the progress of the proposed sale, with RWWA hosting open discussion forums regarding the drafted Bill. Following the approval of the legislation, the TAB sale process will move into the transaction phase. Since 2003, RWWA has operated the Western Australian TAB with the goal of maximising returns to the racing industry, the transaction phase will aim to continue this commitment by selecting a suitably qualified and capable wagering operator through an open market process.

The successful operator will be required to enter into a formal contractual arrangement called a Racing Distribution Deed (RDD), which the RWWA Board on behalf of the Western Australian racing industry must approve.

Following the execution of the RDD between the operator and RWWA, the Minister of Racing and Gaming is then able to issue the wagering license to the operator to commence operations.

RWWA will continue to consult with the racing industry throughout the transaction phase via the racing code committees and eligible bodies.

Chair and CEO Report

Western Australian TAB

RWWA's wagering revenue through the TAB was 2.5 per cent lower than last year on a 52 week equivalent basis or 5 per cent after taking into account the 53rd week last year. This variance was primarily driven by reduced customer spend per bet and increased customer generosity reflected in wagering revenue. Importantly, market share for the TAB in Western Australian has been maintained at 56 per cent in a highly competitive wagering environment.

Mobile channel turnover and active TABtouch customers also continues to grow, with increases of 11.2 per cent and 6.9 per cent respectively over the previous year.

Racing

Supply of racing product to the domestic and international wagering markets is a highly competitive environment. RWWA is focused on ensuring Western Australian racing is scheduled in optimal timeslots, vision is presented as professionally as possible through SKY Racing and is supported with accurate and timely racing information for wagering customers.

While RWWA has an overarching strategic plan for racing in the State, it is recognised that the three individual racing codes are unique and therefore a dedicated plan is maintained for each code.

During 2019, RWWA provided a \$1.8M increase in distribution funding to drive the delivery of the three strategic code plans, with key initiatives including thoroughbred stakes increases and the implementation of the New Business Model for harness.

In addition, \$1.3M was also allocated to promoting racing through various marketing initiatives, predominantly in the thoroughbred code to drive ownership and participation.

A further \$4.3M in grants was allocated to complete the Pinjarra Harness Stalls project, purchase and install a new big screen at Ascot Racecourse and various other racing projects.

The RWWA racing committees played an important role in determining the areas of funding priority for the three racing codes for the year.

An important part of summarising racing's key achievements for 2019 is to also recognise the winners of the major Group races throughout the season, who were as follows:

Thoroughbred

- Railway Stakes (Group One) won by GALAXY STAR; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd Syndicate (owners).
- Winterbottom Stakes (Group One) won by VOODOO LAD; Darren Weir (trainer); Damien Oliver (jockey); and Segenhoe Thoroughbreds Australia P/l Syndicate, N Leckie, D Anderson and P Blackburn (owners)
- Kingston Town Classic (Group One) won by ARCADIA QUEEN; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd Syndicate (owners).
- Perth Cup (Group Two) won by STAR EXHIBIT; Adam Durrant (trainer); Peter Hall (jockey); and Peters Investments Pty Ltd Syndicate (owners).
- Karrakatta Plate (Group Two) won by DIG DEEP; Daniel and Ben Pearce (trainer); Jarrad Noske (jockey); and C Pearce, N Ryde, P Whittleton, T Forrest, M Di Lena, D Greaves, R Peterson, K Hughes, L Hughes, M Bai, P Sullivan, M Desa, A Ladner, M McGee, M McGee, D D J R (D Miller), Wild Scene (J Riseborough), Pearce Racing (D Pearce) and The Kings Men (T Leighton) (owners).
- WATC Derby (Group Two) won by REGAL POWER; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd Syndicate (owners).

Harness

- Fremantle Pacing Cup (Group One) won by MY FIELD MARSHAL (NZ); Tim Butt (trainer); Anthony Butt (driver); and SA Brown, SB Brown (owners).
- WA Pacing Cup (Group One) won by ROCKNROLL LINCOLN (NZ); Justin Prentice (trainer); Gary Hall Jnr (driver); and JK Prentice, JA Lohman, R Fitzgerald, BL Jones, W Gardiner and GA Mortimer (owners).
- WA Derby (Group One) won by MAJOR TROJAN (NZ); Gary Hall Snr (trainer); Gary Hall Jnr (driver); and BV Richardson, Go Racing, SD MacGregor, R Patriarca, GL Moore and KA Hall (owners).
- WA Oaks (Group One) won by HAS NO FEAR; Justin Prentice (trainer); Jocelyn Young (driver); and Pacing WA (owner).

Chair and CEO Report

Greyhound

- The Galaxy (Group 1) won by ROCKSTAR PATRIOT; Paul Stuart (trainer); and J Jeffries and G Jovanovic (owners).
- Perth Cup (Group 1) won by ORSON ALLEN; Corey Grenfell (trainer); and B Wheeler (owner).
- National Sprint Championship (Group 1) in Victoria was also won by Western Australian greyhound WEST ON AUGIE; Chris Halse (trainer); and C Weston, L Britton, C Halse and G Weston (owners).

Strategic Outlook

RWWA maintains a strong focus on the following strategic priorities over the medium and long term to achieve the organisation's stated purpose:

1. Work with industry to increase the effectiveness and utilisation of racing assets;
2. Increase our share of the competitive wagering market through enhanced product and services;
3. Strengthen government relations and demonstrate the economic and social benefits of a positive and sustainable racing industry;
4. Improve the quality of racing product, oncourse attendance and relevance of Western Australian racing through increasing stakes distribution and industry marketing and planning;

5. Implement strategies to demonstrate best practice in animal welfare, as well as the promotion and delivery of responsible wagering; and
6. Strengthen the integrity and welfare standards across Western Australian racing to ensure public confidence and support.

Our People

In light of challenges and opportunities that the Western Australian racing industry continues to encounter under the authority and guidance of RWWA, whether they be foreign or domestic and either within or outside of our control, our organisation works hard to achieve the best outcome for its stakeholders.

More than 24,400 people participate directly within the Western Australian racing industry as an employee, participant or volunteer. Our people are our greatest asset and it is with their help that we are able to improve the quality of our racing product and promote the sport on a national and international stage.

We would like to take this opportunity to thank our racing participants, staff, TAB agents, Government and importantly our customers for their ongoing commitment in providing a sustainable future for the Western Australian racing industry, as we endeavour to be a national leader in racing and wagering entertainment.



Jeff Ovens, Chair



Richard Burt, Chief Executive Officer

Operational Structure

Enabling Legislation

RWWA commenced operations on 1 August 2003 upon promulgation of the *Racing and Wagering Western Australia Act 2003*. The Act established RWWA as the controlling authority for thoroughbred, harness and greyhound racing in Western Australia, together with the responsibility for off-course TAB wagering. Implementation of RWWA's responsibilities occurred in two stages.

Effective 1 August 2003, RWWA assumed the principal club/controlling authority responsibilities of the Western Australian Turf Club, Western Australian Trotting Association and Western Australian Greyhound Racing Authority. On 30 January 2004, the *Totalisator Agency Board Betting Act 1960* was repealed and RWWA assumed responsibility for the conduct of off-course TAB wagering.

The *Racing and Wagering Western Australia Regulations 2003* were enacted to establish key employee licensing procedures relating to RWWA's wagering activities, and to include those provisions of the *Totalisator Agency Board (Betting) Regulations 1988* needed to control RWWA's wagering activities. To complement the formation of RWWA, the Betting Control Board, established under the *Betting Control Act 1954*, was abolished and its functions transferred to the Gaming Commission of Western Australia, which was re-titled the Gaming and Wagering Commission of Western Australia.

Hence, the Gaming and Wagering Commission, under the *Gaming and Wagering Commission Act 1987*, now regulates RWWA's gambling activities. As part of the legislative package to establish RWWA, the *Totalisator Agency Board Betting Tax Act 1960* was repealed and replaced by the *Racing and Wagering Western Australia Tax Act 2003*. The *Racing Restriction Act 2003* replaced the *Racing Restriction Act 1917*.

Under the *Racing Restriction Act 2003*, no thoroughbred, harness or greyhound race for prize (exceeding \$50 in value) or betting may be held without a licence from RWWA.

Legislation

The principal legislation governing RWWA is:

- *Racing and Wagering Western Australia Act 2003*
- *Racing Restriction Act 2003*
- *Racing Bets Levy Act 2009*
- *Gaming and Wagering Commission Act 1987*
- *Betting Control Act 1954*

- *Betting Tax Act 2018*
- *Betting Tax Assessment Act 2018*
- *Taxation Administration Act 2003*

Other legislation with which RWWA must comply includes the following:

- *Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Commonwealth)*
- *Broadcasting and Recorded Entertainment Award 2010*
- *Copyright Act 1968 (Commonwealth)*
- *Corruption, Crime and Misconduct Act 2003*
- *Criminal Code Act 1913 (WA) and Criminal Code Act 1995 (Commonwealth)*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Gaming and Betting (Contract Securities) Act 1985*
- *Interactive Gambling Act 2001*
- *Liquor Control Act 1988*
- *Long Service Leave Act 1958*
- *Occupational Safety and Health Act 1984*
- *Patents Act 1990*
- *Public Interest Disclosure Act 2003*
- *Spam Act 2003*
- *State Government Agencies Administration Award 2010*
- *State Superannuation Act 2000*
- *Statutory Corporations (Liabilities of Directors) Act 1996*
- *Superannuation Guarantee (Administration) Act 1992*
- *Trade Marks Act 1995*
- *Trade Practice Act 1974*
- *Unclaimed Money Act 1990*
- *Workers Compensation and Injury Management Amendment (Jockeys) Act 2012*
- *Fair Work Act 2009*

The above list is not exhaustive, however represents the legislation that impacts on the general operation of RWWA.

Responsible Minister

The Hon Paul Papalia CSC MLA (Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests) was appointed the responsible Minister on 17 March 2017.

Operational Structure

The organisational structure of RWWA is based on a corporate model comprising a number of divisions that oversee the varying activities of the organisation.

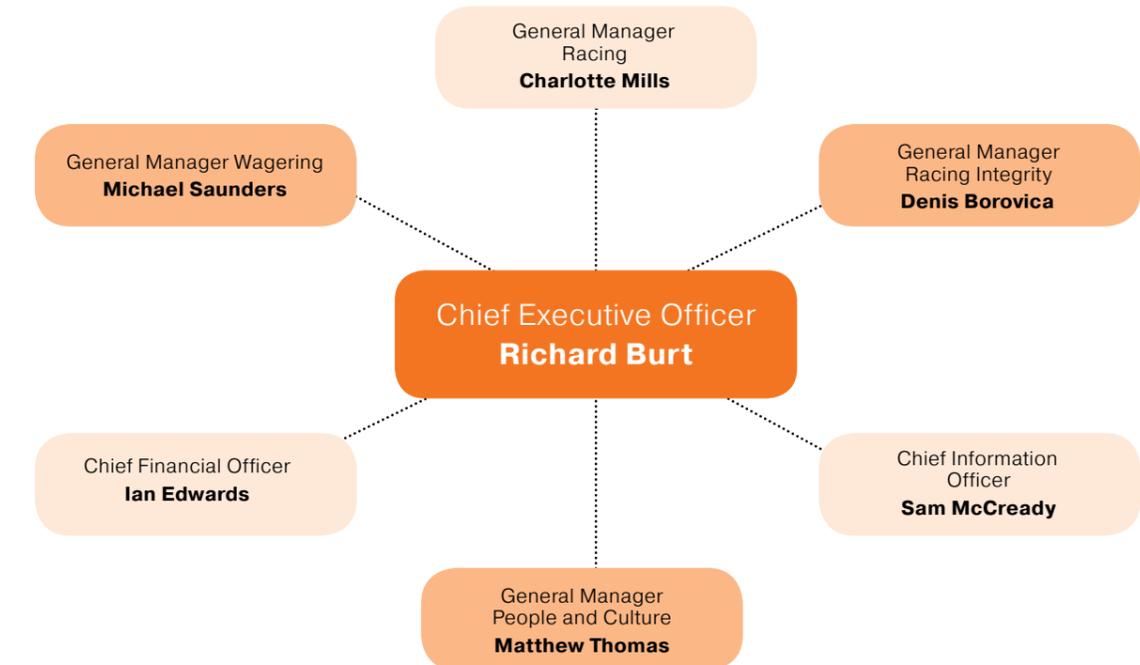


Image: Driver Chris Lewis and 2019 TABtouch Pearl Classic Final (Group 1) Winner Manning

Racing and Wagering Western Australia Board



Standing (L-R): Mr Bob Fowler, Mr Robert Bransby, Mr Stephen Langsford, Mr Anthony Hasluck and Mrs Kirrilee Warr.
Seated (L-R): Dr Lianne Cretney-Barnes, Mr Jeff Ovens and Mr Gary Gliddon

Mr Jeff Ovens

First appointed 21 November 2011

Appointed as Chair 1 February 2012

Mr Jeff Ovens is the Chair of the RWWA Board. Jeff has helped implement significant change programs aimed at improving company performance in ASX listed and private companies, the tertiary education sector, health and the sports industry.

Mr Robert Bransby

First appointed 1 August 2018

Mr Robert Bransby is the nominated code director for thoroughbred on the RWWA Board. Robert has more than 35 years' experience in business, financial services and the health sector, and currently holds a number of director and chair positions.

Mr Bob Fowler

First appointed 1 August 2016

Mr Bob Fowler is the nominated code director for harness on the RWWA Board. Bob is the managing director of Fowler Group of Companies and is also the founder of Allwood Stud Farm. Bob is a former president of the Western Australian Trotting Association and the WA Standardbred Breeders Association

Mr Gary Gliddon

First appointed 21 November 2011

Mr Gary Gliddon is the nominated code director for greyhound on the RWWA Board. Gary is currently the managing director of Braxford Consultancy, a firm specialising in corporate governance, probity and audit related services.

Dr Lianne Cretney-Barnes

First appointed 1 February 2011

Dr Lianne Cretney-Barnes is a business leader with the highest-level of business qualifications. Lianne has a Doctor of Business Administration and is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and the Australian Marketing Institute. Lianne also currently holds a number of board positions and is the founder of Board Connexions.

Mr Stephen Langsford

First appointed 1 February 2018

Mr Stephen Langsford is a corporate adviser, company director and entrepreneur. Stephen has founded and operated a number of companies in the consumer digital and information technology sectors.

Mr Anthony Hasluck

First appointed 1 February 2014

Mr Anthony Hasluck is one of Western Australia's leading communications consultants. Anthony is the managing director of Clarity Communications, the largest independent agency in the State, assisting corporations with public relations, branding, design and digital communications.

Mrs Kirrilee Warr

First appointed 1 February 2014

Mrs Kirrilee Warr is the regional representative on the RWWA Board. Kirrilee is a director of a broad acre agricultural enterprise, a board member of the CBH Grower Advisory Council and deputy president of the Shire of Chapman Valley. Kirrilee was also previously a board member of the Midwest Development Commission.

Board Committees

Integrity Assurance Committee

The Integrity Assurance Committee (IAC) has primary oversight of those aspects of RWWA's functions that relate to stewards, drug testing and control, licensing and registration, handicapping, racing appeals and the Rules of Racing.

Committee members:

- Dr Lianne Cretney-Barnes (Chair)
- Mr Stephen Langsford
- Mrs Kirrilee Warr
- Mr Anthony Hasluck (ex-officio)

Audit and Risk Committee

The Audit and Risk Committee (ARC) plays an important role in providing oversight of RWWA's values and ethics, governance, risk management and internal control practices. The ARC has oversight of the internal audit function and also reviews and approves RWWA's annual report.

Committee members:

- Mr Anthony Hasluck (Chair)
- Mr Jeff Ovens
- Mr Gary Gliddon

Racing Committees

In 2017, the RWWA Board established board sub-committees for each of the three racing codes. During 2019, the Committees' principle focus was directed towards the proposed sale of the Western Australian TAB.

Committee members:

- Mr Robert Bransby (Thoroughbred Chair)
- Mr Bob Fowler (Harness Chair)
- Mr Gary Gliddon (Greyhound Chair)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (RNC) oversees and reports on the remuneration for the Chief Executive Officer, bonuses for staff and executives, allowances for committee members, and the nomination process for the recruitment, appointment and development of the Board and committees, in accordance with its Charter.

Committee members:

- Mr Jeff Ovens (Chair)
- Dr Lianne Cretney-Barnes
- Mr Robert Bransby

Animal Welfare Committee

The Animal Welfare Committee (AWC) is responsible for the oversight of RWWA's animal welfare strategies and outcomes. The AWC regularly reviews and revises all matters pertaining to the proper control of the welfare of all racing animals within the Western Australian racing industry. The AWC also provides a communications conduit between the industry and the general public with respect to responding to public opinion and to promote the proper regulation of racing animal welfare within Western Australia. The AWC is a sub-Committee of the RWWA Board, currently in place with delegated power, and subject to reporting requirements.

Committee members:

- Chief Executive Officer (Chair)
- General Manager Racing
- General Manager Racing Integrity
- Racing Industry Veterinarian
- Manager Animal Welfare

Chapter 2: Report on Operations



Wagering

The Wagering division is responsible for the functions of the Western Australian TAB including sales, marketing and operations.

Selling channels include an exclusive retail network of more than 330 TAB agencies, hotels and clubs, as well as the TABtouch account channels, which include mobile, desktop and call centre.

The TAB offers totalisator and fixed odds betting on racing, sport and entertainment events. It is also the commercial agent for SKY Racing, which broadcasts thoroughbred, harness and greyhound racing into TAB agencies.

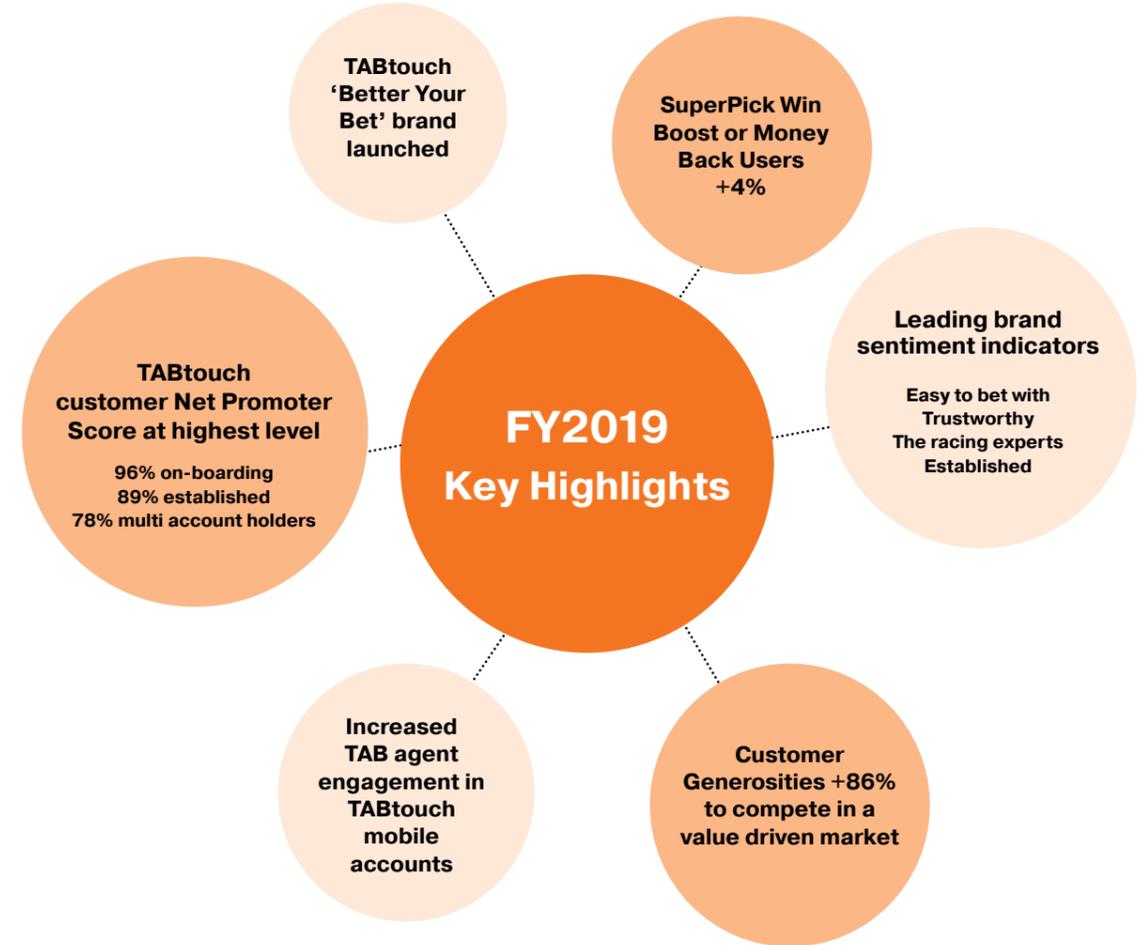
During FY2019, RWWA transitioned to a product management approach to implement new ways of working that were more competitive in the national wagering market. This saw the RWWA Wagering division move from a traditional project governance model to a product management model, as well as co-location of the wagering and information services teams into a Bettering Department.

The change allows RWWA to maximise the impact of people in critical roles within the division and in turn find out what the customer truly wants and deliver it as quickly as possible, enhancing the customer experience.

The focus was on customer acquisition, on-boarding and betting functionality and overall experience to make RWWA's offer more competitive in the market.



FY2019 Key Highlights



Wagering

Better Your Bet

Prior to the spring racing carnival, TABtouch relaunched its brand with a promise to 'better your bet' by highlighting its funding of the Western Australian racing industry and a promise to improve the customer experience.

The pre-work for the Bettering Department was completed, including co-location of the Wagering and Information Services teams in a refurbished open-plan office, as part of the broader change program to support RWWA's shift to a scaled agile delivery model.

The further adoption of a product management approach not only aligns with the Bettering Department brand, but also provides a lightweight framework that delivers continuous customer value. The result is empowered product squads across acquisition, betting, racing and sport, which drive initiatives that are important for customers and RWWA alike.



Image: Bettering Department

Wagering

TABtouch Digital

The number of customers wagering using mobile devices grew by 11 per cent in FY2019 which was driven by improvements in customer experience and delivery of value, including:

- **Betslip:** the mobile app betting process was enhanced with immediate results seen in singles and multi betting behaviour.
- **Vision and replays:** the full suite of racing digital streaming rights were implemented to give customers access to all live races and race replays.
- **AFL and NRL Form:** the form was introduced at bet page level to provide a one stop shop for sports betting.
- **Improved customer navigation:** this was the result of sports market groupings being introduced to support the large range of betting options per event.

- **National Consumer Protection Framework (NCPF):** customer care activities relating to the NCPF were progressed in line with national compliance deadlines.

TAB Retail

A key part of RWWA's strategic plan for FY2019 was targeted investment in its' exclusive retail wagering license and increasing the retail TAB agents engagement in the growing digital environment.

At the end of FY2019, racewall technology was in place in the majority of hotels and 29 full-time TABs. The racewall's paperless systems deliver TAB agents a more labour efficient race day, while customers can access the next six races to jump with a direct tote to fixed odds comparison, expert ratings and traditional racing information.

To reduce the barriers to the promotion of the digital channels by TAB agents, a TAB Agent Commission was introduced relating to new TABtouch accounts and located mobile transactions.





Racing

RWWA's Charter under the *Racing and Wagering Western Australia Act 2003* is to foster development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred, harness and greyhound racing in the interests of the long-term viability of the racing industry in Western Australia.

Industry Funding

The Western Australian racing industry is funded from the profits of the Western Australian TAB, income generated from the Western Australia Race Bets Levy paid by wagering operators, together with part proceeds of the *Betting Tax Act 2018*.

In FY2019, \$159.0M in funding was provided to the State's racing industry from the three revenue streams.

REVENUE STREAMS

WESTERN AUSTRALIAN TAB

The TAB offers totalisator and fixed odds betting on racing and sporting events. It is also the commercial selling agent for SKY Racing, which broadcasts thoroughbred, harness and greyhound racing into TAB agencies.

RACING BETS LEVY

The Racing Bets Levy is paid by all wagering operators who conduct betting on Western Australian thoroughbred, harness and greyhound racing. Funds received are remitted to the racing industry.

POINT OF CONSUMPTION TAX

Thirty per cent of the betting tax collected by the State Government is remitted to RWWA for distribution to the racing industry commenced January 2019.



INDUSTRY FUNDING - \$159.0M

RACING DISTRIBUTION \$143.7M

This includes funding for prize money, owner and breeder bonuses, participant payments, club event fees and training services, as well as club, welfare and marketing initiatives.

RWWA GRANTS & CLUB SUBSIDIES \$15.3M

This includes funding to assist clubs with infrastructure grants and subsidies outside of the Racecourse Infrastructure Grants Program (RIGP) and Royalties for Regions (RFR) funding.

RWWA RACING SERVICES - \$26.2M

RACING AND INTEGRITY SERVICES \$26.2M

This includes funding into RWWA's racing and integrity services to ensure the proper conduct and integrity of racing activities across the State.

Racing

Racing Division

The Racing division is responsible for the strategic direction of the thoroughbred, harness and greyhound racing industries in Western Australia, together with the operations functions to support the running of race meetings.

RWWA, as the Principal Racing Authority for the three racing codes in Western Australia, operates under the *Racing and Wagering Western Australian Act 2003* and also applies the National Rules of Racing for each code.

Key Racing Statistics

	Race Clubs	Meetings	Races	Starters	Individual Animals Raced
Thoroughbred	37*	283	2,140	20,522	3,197
Harness	12*	256	2,207	21,107	1,585
Greyhound	1	314	3,497	25,824	1,391
TOTAL	50	853	7,844	67,453	6,173

*Note: dual code race club Narrogin Race and Pace, are included in the above figures.

Funding by Code

	Prizemoney	Breeding Bonuses	Other Participant Payments	Club Funding	Club Subsidies	RWWA-Funded Grants	Total
Thoroughbred	\$62.7M	\$7.7M	\$5.8M	\$14.3M	\$8.0M	\$2.9M	\$101.4M
Harness	\$24.8M	\$1.7M	\$1.7M	\$5.7M	\$2.2M	\$1.2M	\$37.3M
Greyhound	\$11.3M	\$0.9M	\$1.3M	\$5.8M	\$0.8M	\$0.2M	\$20.3M
TOTAL	\$98.8M	\$10.3M	\$8.8M	\$25.8M	\$11.0M	\$4.3M	\$159.0M



Image: Ascot Racecourse

Racing

Thoroughbred

Strategic Priorities

RWWA's strategic priorities for the thoroughbred code are:

- Reinvigorate Western Australia as an attractive jurisdiction to own and race thoroughbred racehorses.
- Improve the commercial competitiveness of Western Australian thoroughbred racing and grow revenue streams.
- Maintain our 'right to exist' by proactively meeting community expectations in animal welfare and integrity.
- Facilitate viable race clubs with sound funding models, suitable facilities, sound business models and appropriate governance structures.
- Revitalise the relevance of Western Australian thoroughbred racing through marketing, branding and content.

Distribution

The following outcomes were delivered during FY2019:

- \$98.5M in club and participant funding and subsidies, including:
 - \$14.3M in club funding for 37* thoroughbred clubs (including tenanted arrangements for Coolgardie Race Club at Kalgoorlie)
 - Full Year impact of stakes increases implemented on 1 February 2018
 - Implementation of Westspeed Platinum for 4YO horses
- \$1.2M toward new ownership, marketing and branding initiatives, including:
 - Launch of The Races WA brand to revitalise the relevance of thoroughbred racing incorporating the Life's Better with Horses campaign
 - Second Own the Dream Event Series incorporating the Win a Share in a Racehorse competition with 750 participants taking part in the series (40 per cent increase from FY2018)
 - New brand ambassador for the Own the Dream Event Series, West Coast Eagles player Brad Sheppard
 - The running of WA Fashions on the Field, a state-wide racing fashion competition
 - Launch of the inaugural Ladies of Racing awards in conjunction with the WA Fashions on the Field Ladies Luncheon

Ways of Working

The following transformational project was delivered during FY2019:

- RWWA migrated from its legacy KLAN thoroughbred racing system to the Single National System (SNS) administered by Racing Australia. As part of this transition, nomination, acceptance, gear change and stable returns functions are being managed centrally by Racing Australia on behalf of RWWA. The SNS delivers a suite of new online functionality to trainers, which was previously not available through KLAN.

RWWA-Funded Grants

Key projects completed in FY2019 included:

- Albany Racing Club - equipment shed
- Bunbury Turf Club - new running rail training track
- Collie Race Club - judges tower
- Dongara-Irwin Race Club - shade sails
- Esperance Bay Turf Club - hydraulic post rail driver
- Marble Bar Race Club - electrical upgrade
- Moora Race Club - swab box
- Narrogin Race and Pace* - equipment shed
- Northam Race Club - track drainage
- Perth Racing - Ascot Super Screen; four new vision and steward towers
- Pingrup Race Club - parade ring
- Yalgoo Jockey Club - judges tower stairs
- York Racing - relocation of reticulation filter

RIGP and RfR Grants

Major projects completed from Royalties for Regions (RfR) and the Racecourse Infrastructure Grants (RIGP) funding in FY19 included:

- Albany Racing Club - equipment shed
- Narrogin Race and Pace* - equipment shed
- Northam Race Club - semaphore board
- Moora Race Club - swab box
- Dongara-Irwin Race Club - shade sails

*Note: dual code race club Narrogin Race and Pace is included.

Racing

Industry Training

Industry training highlights for FY2019:

- Four apprentice jockeys commencing race riding and four completing their apprenticeship.
- Seven new trainees commencing during the year, with four now riding in trials.
- The relationship with the Mauritius Turf Club continuing to deepen with Brandon Louis returning for a three month visit to gain race riding experience, and two apprentices arriving for a 12 month visit to gain trial riding experience and progress to race riding.
- RWWA again supporting the National Apprentice Jockey Challenge, with a heat held at Ascot in March, which was won by Baylee Nothdurft from Queensland. Western Australian representatives competing interstate were Shelby Colgate in Tasmania, Emma Stent in Queensland, Jade McNaught in South Australia and Kate Witten in Victoria.
- The Thoroughbred Curator Assistance Program provided clubs with advice on track preparation. Regular visits were made to clubs participating in the program to assist them with maintaining their tracks.
- On 9 July 2019, the WA Track Managers Training Day was held at Lark Hill Training Complex with representatives attending from most turf tracks in Western Australia. The

training day covered a variety of topics and included guest speakers providing new and relevant information on track preparation and maintenance.

Leading Apprentices for the season were:

- Brodie Kirby, Leading Metropolitan Apprentice
- Jade McNaught, Leading Provincial Apprentice
- Kristy Bennett, Leading Country Apprentice

Other Thoroughbred Activities

Other major thoroughbred racing activities during FY2019 included:

- The Magic Millions Yearling Sales recorded a sale aggregate of \$9.1M (\$11.7M in FY2018) and an average sale price of \$43,900 (\$45,800 in FY2018), with a clearance rate of 74.3 per cent.
- Ascot hosted the TABtouch Masters series featuring a \$1M Group One race on three consecutive Saturdays.
- Bunbury Turf Club and Pinjarra Race Club hosted successful standalone metropolitan class Saturday fixtures.



Image: Albany Racing Club

Racing

Harness

Strategic Priorities

RWWA's strategic priorities for harness are:

- Improve the commercial competitiveness of Western Australian harness racing.
- Maintain our 'right to exist' by proactively meeting community expectations in animal welfare and integrity.
- Increase the relevance of Western Australian harness racing.

Distribution

The following outcomes were delivered during FY2019:

- \$36.1M in club and participant funding and subsidies, including:
 - \$5.7M in club funding for 12 harness clubs and six harness training only venues (Byford, Dunbarton, Jandakot, Golden Mile, Wanneroo and York)
 - An additional \$960,000 in stakes with the implementation of the New Business Model
 - \$1.7M paid in Westbred bonuses
- Hosting of Owners Only events to recognise and reward current standardbred owners.

Ways of Working

- RWWA implemented the New Business Model to improve the commerciality of harness racing and provide a more sustainable future for the code. The model has a number of integrated components including race circuits, stakes tiering, meeting schedules, race programming, race handicapping and internal business systems and practices.

Industry Training

Industry training highlights for FY2019:

- Four C grade harness drivers (trials only) commenced during the season.
- Two drivers progressed to B grade drivers licences during the period.
- The Harness Curator Assistant Program provided clubs with advice on track preparation. Regular visits were made to clubs participating in the program to assist them with maintaining their tracks.
- On 18 May 2019, the inaugural WA Track Managers Training Day was held at Byford Trotting Complex, with representatives attending from harness clubs in Western Australia. The training day covered a variety of topics and included guest speakers providing new and relevant information on track preparation and maintenance.

Other Harness Activities

WA breeding highlights for FY2019:

- A total of 292 Western Australian trained mares earned \$247,800 in EPONA credits as a result of winning 575 races. Four mares each earned the maximum credit amount of \$5,000, and a total of \$143,000 was paid in subsidies to the owners of 63 mares.
- The Australian Pacing Gold Yearling Sales recorded a sale aggregate of \$1.6M (\$1.3M in FY2018) and an average sale price for fillies of \$15,000 and for colts \$21,000; the median sale price was \$15,000, up from \$11,000 last year.

RWWA-Funded Grants

Key projects completed in FY2019 included:

- Albany Harness Race Club – swab box
- Bridgetown Harness Racing Club - float car park fence
- Busselton Trotting Club - electrical upgrade to judges tower
- Gloucester Park Harness Racing Club - race wall
- Narrogin Race and Pace* - equipment shed
- Northam Harness Racing Club - track refurbishment and warning light system
- Pinjarra Harness Racing Club – new stalls, car parks and machinery shed
- Wagin Trotting Club – track equipment and facility upgrade

RIGP and RfR Grants

Major projects completed from RfR and the RIGP funding in FY19 included:

- Pinjarra Harness Racing Club - stalls
- Narrogin Race and Pace* - equipment shed
- Northam Harness Racing Club - warning light system
- Bridgetown Harness Racing Club - float car park fence

*Note: dual code race club Narrogin Race and Pace is included.



Image: Pinjarra Harness Racing Club

Racing

Greyhounds

Strategic Priorities

RWWA's strategic priorities for greyhounds are:

- Improve the commercial competitiveness of Western Australian greyhound racing and grow revenue streams.
- Maintain our 'right to exist' by meeting community expectations in animal welfare and integrity and by repositioning the brand of greyhound racing at a community level.
- Modernise the promotion of Western Australian greyhound racing to meet the needs of customers, industry participants and the general public.
- Facilitate optimal infrastructure requirements to adequately provide for the Western Australian greyhound racing industry.

Distribution

The following outcomes were delivered during FY2019:

- \$20.1M in club and participant funding and subsidies, including:
 - \$5.8M in club funding for one greyhound club (Western Australian Greyhound Racing Association (WAGRA)) racing at three venues (Cannington, Mandurah and Northam)
 - \$548,000 increase in Trainers Subsidies
 - \$1.1M increase in event fees, training and participant funding
 - \$909,000 paid out in Westchase bonuses

- Digital marketing promotions and outdoor media campaign for Perth Cup and Galaxy feature race meetings.

Ways of Working

The following project was initiated during FY2019:

- RWWA has maximised the OzChase support system for greyhounds and delivery of self service functions for participants.

Other Greyhound Activities

Other major greyhound racing activities for FY2019:

- The Group 1 Galaxy, was won by the Western Australian trained and owned greyhound. ROCKSTAR PATRIOT. Trainer: Paul Stuart, Owner: James Jeffries & Gemma Jovanovic.
- The Group 1 pinnacle was also achieved by the Western Australian trained, owned and bred greyhound WEST ON AUGIE, who won the Group 1 National Sprint Championship in Victoria. Trainer: Chris Halse, Owner: Craig Weston, Linda Britton, Chris Halse & Gary Weston, Breeder: Michelle Romer, Grant Adamson & Simon Allen.

RWWA-Funded Grants

Key projects completed in FY2019 included:

- Western Australian Greyhound Racing Association - Mandurah vision upgrade; vision cabling and equipment upgrade; greyhound track injury vehicle; sectional timing



Image: Greyhounds WA Cannington

Racing

Other Racing Highlights

On 28 March 2019, 12 new inductees were welcomed into the Western Australian Racing Industry Hall of Fame. The event, which is held every two years, welcomed more than 400 guests to honour some of the industry's most accomplished. Inductees included:

Thoroughbred:	Harness:	Greyhound:
Easingwold (Horse)	Gary Hall Jnr (Trainer/Driver)	Blue Echo (Greyhound)
F 'Ted' McAuliffe (Trainer)	Jack Morris (Horse)	David Hamer (Trainer)
Old Comrade (Horse)	John Hunt (Associate)	
R G 'Bobby' Morley (Jockey)	Mick Lombardo (Associate)	
Robert Peters (Associate)	Norms Daughter (Horse)	



Image: Western Australian Racing Industry Hall of Fame



Welfare

Animal Welfare

RWWA is committed to ensuring that racing animals in all three codes of racing are afforded appropriate care and attention before, during and after their racing careers.

RWWA aims to be the leader in animal welfare and build a racing culture in which the health and wellbeing of racing animals is paramount to all participants and owners. RWWA's commitment to the welfare of racing animals is achieved through a program of investment, education, monitoring and regulation.

To ensure that welfare remains at the forefront of all decisions, RWWA's Animal Welfare Committee (AWC) comprising the Chief Executive Officer, General Manager Racing, General Manager Racing Integrity, Racing Industry Veterinarian and Animal Welfare Manager, meets regularly to discuss strategic objectives and operational matters regarding animal welfare.

In evolving these strategies, RWWA sought consultation with industry stakeholders to best understand and address key issues relating to greyhound and equine welfare. These strategies will serve to guide RWWA and the racing industry into the future, setting clear priorities and objectives regarding the welfare of our racing animals.

Equine Welfare

RWWA recognises the importance of appropriate care and consideration for racing animals throughout their entire lifecycle, including retirement, and is committed to executing strategies aimed at facilitating the transition of thoroughbred and standardbred horses to secondary careers outside of racing.

In recognising the importance of equine welfare and in complementing national standards and the thoroughbred and harness racing strategic plans, RWWA works toward the following welfare commitments:

- Full lifecycle tracking
- Maximising race potential
- Minimising racing injuries
- Ensuring best practice in animal welfare
- Education
- Increasing demand for retired race horses
- Retirement requirements

Consistent with achieving these aims, the following strategies were implemented in FY2019:

- In November 2018, RWWA implemented a New Business Model within harness racing aimed at providing greater racing opportunities for all horses. This model is intended to extend the racing career of a horse and reduce the number of horses exiting the industry prematurely.
- To ensure that horses only race where they are in a suitable state to do so, the pre-race veterinary examination policy in harness racing was extended to include a compulsory veterinary examination for any standardbred horse that has raced on the previous day or has had more than 200 lifetime starts.
- On 1 September 2018, a revised whip rule was introduced in harness racing as well as increased penalties for whip rule breaches.

Off the Track

RWWA's Off the Track (OTT) program plays an integral part in promoting thoroughbreds and standardbreds in their second careers as pleasure and performance horses.

The program's activities increase the demand for, and supports the placement of retired racehorses in second careers through event sponsorship, promoting re-trainers and rehoming services, and holding education clinics for retired racehorses.

Strategic focus areas for OTT during FY2019 included:

- The listing of retired racehorses for sale on behalf of owners and trainers on Cavalotti Classifieds.
- Facilitating the assessment and re-training of retired standardbreds and thoroughbreds for HorsePower Australia.
- Sponsoring of local horse events and shows throughout Western Australia.
- Sponsoring of individual riders competing on retired racehorses at a high level, representing either the State or Australia.

Welfare

Greyhound Welfare

It is RWWA's vision to be the national leader in welfare practices to ensure the best possible care is given to greyhounds at all stages of their lives.

When a greyhound retires from the racing industry, at any age, RWWA aims to have every healthy and behaviourally sound greyhound re-homed.

RWWA's Greyhound Welfare Strategy identifies central disciplines that make up an effective welfare centric approach to greyhound racing, including:

Controlling Supply

With increased expectations to rehome greyhounds post racing, reaching a state of equilibrium between supply and demand is critical. In recognising this balance, RWWA has implemented reforms aimed at controlling the number of dogs in the Western Australian racing population while ensuring race fields are maintained. To maximise racing opportunities for greyhounds of all abilities, a graded racing system is operated.

Strict controls affecting breeding continue to be enforced including breeding licences, age restrictions, restrictions on breeding frequency, 'dam' registrations and the Breeding Review Panel.

Education

RWWA is committed to ensuring greyhound racing participants are offered the highest level of training and education to maintain a welfare centric approach to breeding, rearing, training and racing. In 2019, RWWA released an updated *Code of Practice for the Keeping of Racing Greyhounds* within the Western Australian Racing Industry. This code is based on current scientific knowledge, recommended industry practice and community expectations and describes standards and guidelines that safeguard the welfare of greyhounds within the racing industry in Western Australia.

Socialisation

The rearing and pre-education stages of a greyhound's lifecycle are key determining factors for a successful racing career, and for the development of a balanced dog beyond racing. As part of RWWA's *Code of Practice for the Keeping of Greyhounds* within the Western Australian Racing Industry, young greyhounds must be provided with a structured program of controlled exposure to a range of stimuli from an early age.

Minimising Track Injuries

RWWA is committed to ensuring that euthanasia of greyhounds, where not indicated for medical or behavioural reasons, is prevented.

In December 2017, RWWA introduced a Track Injury Rebate Scheme designed to offer more greyhounds who sustain a serious injury on the race track the opportunity to recover. Under the scheme, if a greyhound sustains an injury on the track and subsequently meets the eligibility requirements, RWWA will offer a financial contribution to help the trainer and owner pay for the costs of surgery.

In July 2019, the scheme was extended to increase the amount of the rebate and provide an additional pathway for recovery in which RWWA allocates industry funding towards both the cost of treatment and the responsibility for post-operative care, rehabilitation and subsequent re-homing through its Greyhounds as Pets (GAP) program.

Additionally, RWWA investigates, assesses and reports on track injuries and incidents that result in major injury while racing. RWWA maintains an injury recording system and data is continually monitored and trends are analysed with a view to improving safety where possible.

RWWA continues to be proactive in the implementation of national recommendations regarding best practice in track design and maintenance, and is investigating options for research on safety in Western Australian track design.

Increasing Demand

RWWA is committed to strategies aimed at maintaining community demand for adopting greyhounds as pets. In working to achieve this goal, RWWA increased investment in its GAP program.

Re-homing

RWWA is committed to ensuring all healthy and behaviourally sound greyhounds are able to transition to life as a pet post racing. In keeping with best practice, RWWA implemented a rule change in January 2018 requiring all greyhounds to be sterilised prior to re-homing unless the greyhound is being accepted into an adoption agency that undertakes sterilisation as part of their re-homing program. RWWA introduced a sterilisation rebate in tandem with this rule to assist industry participants to comply with increased welfare requirements.

Welfare

Tracking

RWWA is committed to full lifecycle tracking of all greyhounds throughout their racing career and into retirement by capturing and tracking data through stringent controls and regulatory structures and the continued auditing of industry compliance of the submission of mandatory retirement forms.

Consultation

In 2017, the Western Australian Greyhound Welfare Working Group (GWWG) was established by the Minister for Racing and Gaming. The group was formed to enhance communication and partnership between the racing industry bodies, the racing authority and the welfare advocacy and adoption groups, all of which bring a wealth of knowledge on the welfare and treatment of greyhounds across the State. During FY2019, RWWA continued to participate in the working group which achieved significant improvements to greyhound welfare standards. Key achievements included a review of the *Code of Practice for the Keeping of Racing Greyhounds* which was published in April 2019, the development of a foster carer workshop program, and the expansion of the Track Injury Rebate Scheme. Following substantial discussions regarding the achievements of the GWWG and the progress of specific projects moving forward, it was agreed that the group would be disbanded.

Greyhound Race Injury Report

This report has been prepared using the information on greyhound racing injury, fatality and related euthanasia recorded by on-track veterinarians and stewards at race meetings held in Western Australia.

Injury Severity Classification

All greyhounds with an on-track post-race or post-qualifying trial veterinary-reported injury have been included in this report. As the injuries range from very mild and requiring no incapacitation period to catastrophic injuries leading to death or euthanasia, the following rating guide has been used to categorise injury severity.

The examination of a greyhound post racing identifies any injuries, including minor injuries such as general muscle soreness that potentially impacted its racing performance, and therefore the reporting of injuries has both an integrity and welfare function. The period of incapacitation (stand-down) prescribed is to enable the greyhound to return to full race fitness prior to resuming competitive racing, above and beyond the time required to overcome the reported injury. Accordingly, the examination and subsequent reporting is based on a high level and conservative veterinary assessment of any injury related to the greyhound's ability to compete at the required level of racing beyond the primary requirements for a more standard welfare assessment.

Greyhound Injury Rating Guide Indicating Expected Stand-Down Periods and Examples of Related Injury Types

Rating	Incapacitation Period	Typical Injury Types
Minor Class I	0 days	Mild skin abrasions/grazes
Minor Class II	1- 10 days	Grade 1 muscle injury Minor skin laceration
Medium	11- 21 days	Joint/ligament sprain Skin laceration Grade 2 muscle injury
Major	Greater than 21 days	Grade 3 muscle injury Bone fractures
Catastrophic	Deceased or euthanased immediately	Severe skull or spinal trauma Complex/open/joint fractures

Welfare

Between 1 August 2018 and 31 July 2019, 3,505 greyhound races and 200 qualifying trials were conducted across Western Australia at racing venues comprising 25,874 race starters and 716 qualifying trial starters (26,590 total starters).

The below table details the number of injury incidents reported where a greyhound with at least one injury was identified by an on-track veterinarian after participation in a race or qualifying trial in Western Australia during this period.

These injury incidents affected 736 individual starters. This equates to an injury incident being reported on track from 2.8 per cent of official starters in races and qualifying trials. Of the total reported injury incidents, 52 per cent were of a minor nature requiring either no stand down period or a stand down period of less than 11 days. The percentage of starters affected by either a major or catastrophic injury was 0.5 per cent. **In FY2019, there has been a 31 percent decrease in greyhounds affected by a catastrophic injury compared to the previous year.**

Number of Race Injury Incidents, Injury Rates and Severity Reported at Western Australian Race Meetings by on Track Veterinarians between 1 August 2018 and 31 July 2019

Rating	Incapacitation Period	Total numbers of Injury Incidents	Injury Rate (Injury Incidents/1000 Starts)	Injury Rate as % of Total Starters
Minor Class I	0 days	36	1.4 (1.7)	0.14% (0.17%)
Minor Class II	1- 10 days	366	13.8 (12.7)	1.38% (1.27%)
Medium	11- 21 days	221	8.3 (8.1)	0.83% (0.81%)
Major	Greater than 21 days	113	4.2 (4.3)	0.42% (0.43%)
Catastrophic	Deceased or euthanased immediately	31	1.2 (1.7)	0.12% (0.17%)

Note: figures for 1 August 2017 to 31 July 2018

Greyhounds as Pets

Greyhounds as Pets (GAP) is a program of RWWA with a mission is promote, encourage and facilitate greyhound pet ownership to the wider community through the provision of healthy and behaviourally sound greyhounds to homes throughout Western Australia. The below table outlines the total number of greyhounds that entered the GAP program as well as the number of pre-assessments conducted at the facility in FY2019.

GAP Related Statistics	FY2017	FY2018	FY2019	Variance from FY2018 – FY2019
Adoptions	245	272	204	-25%
Greyhounds in Foster	112	82	94	15%
Pre-Assessments	432	367	343	-7%
Euthanasia at Kennels	18	14	15	7%
Euthanasia % of Total Adoptions	7%	5%	7%	40%

Note: while RWWA endeavour to rehome all greyhounds, there will be times when humane euthanasia is the most compassionate and responsible course of action for the animal's wellbeing and for public health and safety. GAP may euthanise animals, as either medically or behaviourally necessitated, who are found to meet criteria for unhealthy, untreatable or unadoptable animals.

Following the success of the inaugural 2018 campaign, each Australian state once again hosted an adoption day on Sunday 28 April 2019, as part of a nationwide push to boost awareness of greyhounds as pets. The Western Australian event was hosted at the GAP facility with approximately 240 people attending. All 48 available greyhounds were adopted in less than two hours.

During FY2019, GAP continued to enhance existing partnerships and programs including:

- South Metropolitan TAFE foster program
- Hosting students for work experience
- Hosting educational visits at the GAP facility
- GAP volunteer program
- Attendance at community events

Welfare

Greyhound Retirement Data

For the period 1 August 2018 to 31 July 2019, the following number of greyhounds were reported to RWWA, by the latest registered owners or persons responsible for the greyhounds at the relevant time, under requirements of the greyhound Rule of Racing Local Rule 106, as retired from racing or deceased:

	FY2018*	FY2019*	Variance from FY2018 - FY2019
Adopted through Greyhounds as Pets	270	203	-25%
Adopted through other greyhound rehoming organisations	225	190	-16%
Adopted as pet to a third party (non-owner / trainer)	84	39	-54%
Adopted as pet to an owner / trainer	30	17	-43%
Retired for breeding	37	47	27%
Total number of greyhounds retired	646	496	-23%
Deceased or euthanised due to accidental death, natural causes, illness or age	55	62	13%
Deceased or euthanised due to racing related injury	74	49	-34%
Euthanised not suitable for rehoming	43	34	-21%
Euthanised not suitable for racing	0	0	0%
Total number of greyhounds deceased	172	145	-16%
Total number of greyhounds retired or deceased	818	641	-22%

Note: the data for FY2019 is correct as of 17 September 2019. While the data for FY2018 was reported in the 2018 Annual Report (correct as of 4 September 2018), minor variances in some data can occur over time as LR106 forms are received and processed on a continuous basis, and the status of individual greyhounds may be updated from time to time with new information received.

Participant Welfare

RWWA contracts the service of an Employee Assistance Program (EAP) provider to ensure the commitment of emotional, mental and psychological wellbeing for RWWA employees, TAB agents, industry participants and jockeys is achieved.

Racing Assist

On 13 September 2018, RWWA launched a new welfare support program for licensed participants in all three racing codes called Racing Assist. This service provides free confidential support through counselling to any licenced industry participant, whether it be due to racing-related or personal issues.

Industry participants include licensed trainers, harness drivers, stable hands and stable forepersons, trackwork riders, greyhound attendants, farriers, rider agents, jockeys and apprentice jockeys, in metropolitan and regional Western Australia.

Jockey Assist

The support for jockey welfare includes Jockey Assist, which provides free access for all jockeys and apprentices to a leading sports psychologist. They also have access to a sports medical specialist for all injuries and most recently a Career Transition program has been made available for jockeys as they consider transitioning from race riding to alternative careers. The Jockey Assist program is funded by the Jockey Welfare Fund. The Jockey Welfare Fund is managed by the Western Australian Jockeys Association, and is funded by one percent of thoroughbred stake money.

TAB Agent Assist

RWWA also provides mental health and wellbeing support to licenced SL1 TAB agents, called TAB Agent Assist. The program provides free, confidential phone support services 24 hours a day, seven days a week, as well as up to six face-to-face counselling sessions.



Image: RWWA Stewards at Belmont Racecourse

Racing Integrity

The Western Australian racing industry is governed by a unique model compared to other states, where a Statutory Body RWWA, is charged with specialised functions in relation to racing as outlined in Part 4 of the *Racing and Wagering Western Australia Act 2003*.

In this capacity, RWWA is responsible for all functions of the principal club/controlling body in relation to thoroughbred, harness and greyhound racing.

The objective of the Racing Integrity division is to be a national leader in delivering the highest levels of integrity and welfare instilling confidence in the Western Australian racing industry at all levels.

This is achieved by providing and promoting a fair, safe and ethical racing industry for all through the use of proactive best practice methods of prevention, detection, investigation and enforcement.

The current level of integrity in Western Australian racing industry is considered to be high based on the following:

- High rates of human and animal drug control (screening) with low rates of detection of potentially performance enhancing substances.
- No internal corruption matters arising.
- No evidence of significant integrity breaches (e.g. race fixing, systematic doping regimes, live-baiting).
- Strong record of inquiry and appeal proceedings with strong penalty precedents compared to other Australian jurisdictions.
- Strong licensing regime with evidence of licence refusal to maintain high standard of 'fit and proper' principles.

- Confirmed absence of any significant penetration of organised crime groups in either the ownership or training of racing animals.
- Only isolated incidences of serious rule breaches, many of which arise from acts of negligence, poor information or unsophisticated offenders as opposed to organised, sustained and systematic negative practices.

Prohibited Substance Control

RWWA continues to invest heavily in prohibited substance control, with \$1.3M spent in FY2019 on analytical service costs alone.

The restrictions on the use of drugs in racing, which includes stimulants, analgesics and anti-inflammatory drugs, not only ensures the confidence of the betting public that races are determined through honest means but also ensures that the animals competing do so on their own merits without compromising their welfare.

The ChemCentre in Perth is contracted to undertake the screening of all samples taken by RWWA. Since acquiring additional modern instrumentation to assist in delivering a broader level of screening, there has been an increase in the number of detections of prohibited substances. Such results reinforce RWWA's commitment to ensuring the highest levels of fairness and integrity in racing.

The table below indicates total swabbing levels for the year FY2019.

Thoroughbred	Samples	Positives
Post Race	1,966	10
TCO2	1,463	-
OOCT	95	-
Human	198	4
Harness	Samples	Positives
Post Race	1,619	13
TCO2	2,534	1
OOCT	65	-
Human	99	-
Greyhound	Samples	Positives
Post Race	1,229	4
OOCT	42	-

Note: Figures are correct as at 12 August 2019, but subject to variation upon subsequent reporting from the ChemCentre.

Racing Integrity

From a total of 9,013 horse and greyhound swabs, 28 positive swabs were recorded for FY2019, with:

- Eight of the recorded positive swabs being established on inquiry to involve the ingestion of arsenic by horses chewing Chromated Copper Arsenate (CCA) treated timbers commonly used in the construction of fencing and paddocks. As such these positives were not the result of deliberate treatments but rather environmental factors.

- Twelve of the recorded positives related to therapeutic substances (e.g. anti-inflammatory drugs).
- Eight of the recorded positives related to potentially performance enhancing substances.

The graph below provides historical rates of negative swabs, which with expanded screening in recent years has seen a reduction in the rate of negatives.

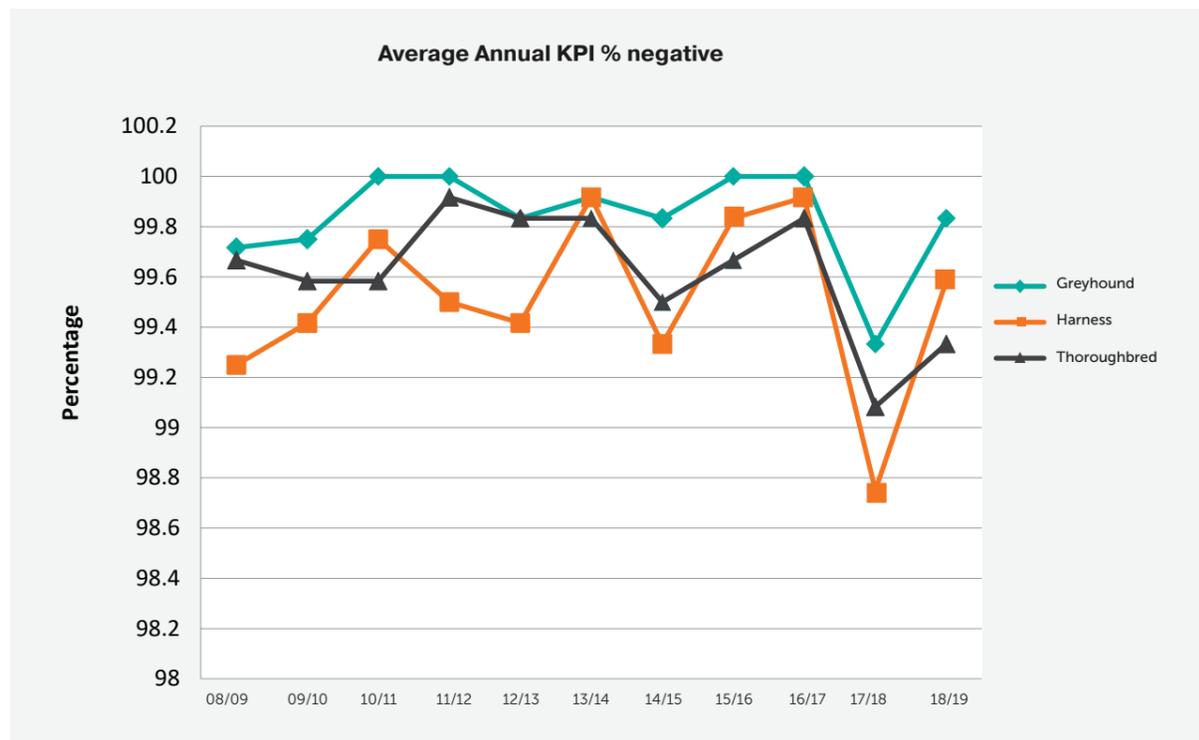
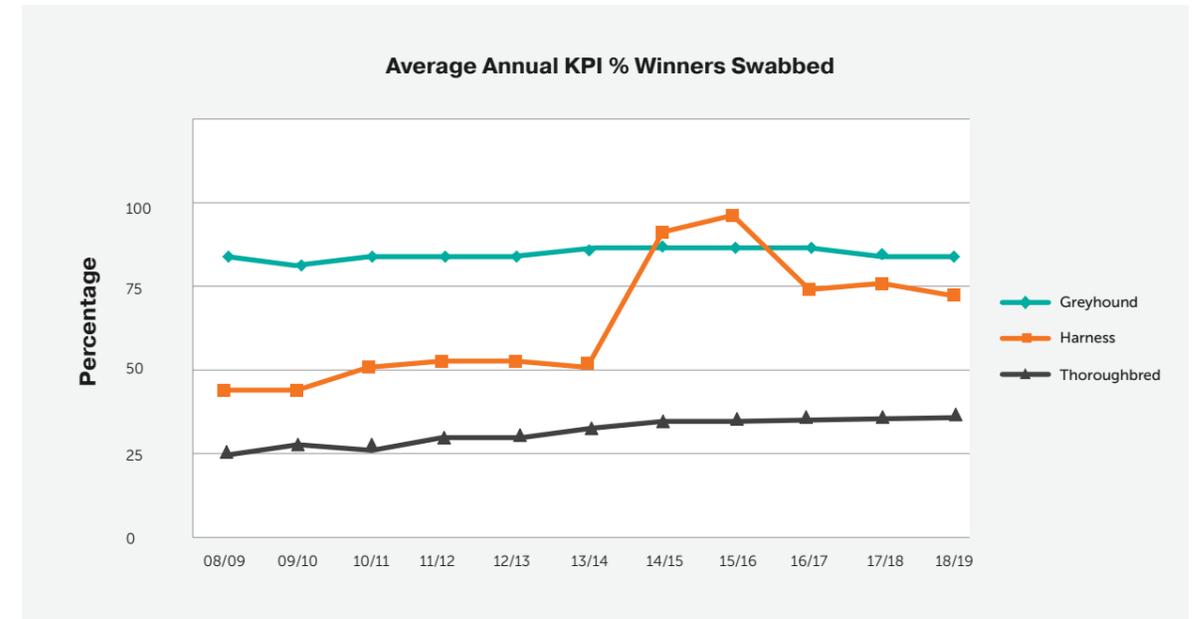


Image: Greyhounds WA Cannington

Racing Integrity

The level of swabbing relative to percentage of winners across all three codes is represented graphically as follows:



Inquiries

The Western Australian racing industry is recognised nationally as having the strongest approach to integrity matters with the range of penalties for serious offences at the upper end of the spectrum when compared to national penalties. This strong approach, particularly in matters of animal welfare, assists in maintaining the image and reputation of the Western Australian racing industry as being properly regulated.

The following refers to matters of a serious nature that have been dealt with by the RWWA Primary Inquiries Panel that is chaired by the General Manager Racing Integrity and comprised of the senior integrity officers across the racing codes who are empanelled to determine matters in accordance with the Rules of Racing.

The comparatively low rate of appeal from such matters is a positive reflection with respect to the processes that are applied.

Code	Total Inquiries	Appeals	Disqualifications	Suspensions	Fine	Reprimands	No Penalty
Thoroughbred	19	1	7	-	6	-	6*
Harness	20	2	7	-	6	-	7**
Greyhound	7	1	4	1	1	-	1***
Total	46	4	18	1	13	-	14

Notes: * No penalty to trainer/horse disqualified from race due to arsenic ingestion from CCA treated timbers.

** Six as above, one in relation to horse being ineligible for race.

*** No charge issued.

Racing Integrity

Racing Appeals

The Racing Penalties Appeal Tribunal (RPAT) was created to maintain industry confidence in the enforcement of the various racing rules by providing the industry with an impartial judicial forum for the hearing of appeals against RWWA determinations. The RPAT is responsible for hearing and determining appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of thoroughbred, greyhound and harness racing. The following data is courtesy of the FY2019 RPAT annual report.

During FY2019, seven new appeals were lodged with the RPAT. As at 30 June 2019, the RPAT had determined nine appeals, including three from FY2018, with only one appeal being carried over to FY2020. These appeals, together with appeals from FY2018, are summarised by racing code below:

Racing Code	Appeals Carried Over to 2018-19	Appeals Lodged	Appeals Determined	Appeals Carried Over to 2019-20
Thoroughbred	-	3	2	1
Harness	3	2	5	-
Greyhound	-	2	2	-
TOTAL	3	7	9	1

The results of the determinations in respect of the racing codes for the year FY2019 are summarised below:

Results	Thoroughbred	Harness	Greyhound
Allowed in Full	-	-	-
Allowed in Part (Penalty Reduced)	-	2	-
Referred Back to Stewards (RWWA)	1	-	-
Dismissed	1	2	1
Withdrawn/Not Progressed	-	1	1
Leave to Appeal Refused	-	-	-
TOTAL	2	5	2

Appeals to be carries over to FY2020 are summarised below:

Appeals Carried Over to FY2020	Thoroughbred	Harness	Greyhound
Reserved Decision	1	-	-
Reserved Decision on Penalty Only	-	-	-
Reasons to be Published	-	-	-
Yet to be Heard	-	-	-
TOTAL	1	-	-

Racing Integrity

In FY2019, there were two applications for stays of proceedings. The Chair made the determinations as follows:

Stays of Proceedings FY2019	Thoroughbred	Harness	Greyhound
Stays Granted	1	1	-
Stays Refused	-	-	-
Withdrawn	-	-	-
TOTAL	1	1	-



Image: Western Australian Harness Driver Chris Lewis



Image: RDA State Games

Corporate Social Responsibility

Effective Corporate Social Responsibility (CSR) guides and contributes to the sustainability of RWWA, is recognised as good business practice, and is increasingly expected by stakeholders. Community TAB is the brand responsible for upholding CSR of RWWA externally and internally.

Key Achievements

Major Partners

Major partners for FY2019 included:

- Netball WA Aboriginal Grassroots and All Stars Programs: \$40,000 for a second year to support the program as well as the off-court education programs for ten Aboriginal Grassroots Sites and major events.
- Lifeline WA:
 - \$25,000 to support the Lights for Lifeline campaign and the training of new crisis support volunteers.
 - \$6,500 to create the new Community TAB Connecting Regional LGBTQ + Communities program.
- HorsePower Australia (formerly Riding for the Disabled WA): \$80,000 for a fifth year to support the program development and major events.

Community Sport

- Community TAB Sports Grants: the program continued in FY2019. Since its inception, the program has provided 45 grants of up to \$4,000 to Western Australian sporting clubs, with a total contribution of \$144,000.
- Integrated Football Program: over \$10K of sponsorship through support of the Wembley Integrated Football Team, Willetton Integrated Football Team and the WA State Integrated Team, catering for men and women with intellectual disabilities to compete in amateur football.
- WA Sports Star Awards: sponsorship of the Sponsor and the Official of the Year Award.
- Parks and Leisure WA Awards: sponsorship of the Park and Leisure WA Awards.

Racing Industry Support

- Race Club Community Program: in FY2019, Community TAB had 28 partnerships with race clubs matching over \$50,000 in fundraising. The total amount of funds raised and matched since the inception of the program is over \$584,000, benefitting various groups including Men's Shed, Lions Club, Royal Flying Doctor Service, St John Ambulance, Full Circle, SAFE, South West Bushfire Relief, Breast Cancer Care WA, MDWA.
- Team Teal: support of the campaign which saw nine female Western Australian harness drivers take part. RWWA donated \$200 to the Women's Cancer Foundation every time one of the drivers won a race, with a total of \$5,000 being raised.

Regional Support

- WA Regional Achievement and Community Awards: Community Service Award Category Sponsor recognising those who make a significant contribution through community service or social justice initiatives.

Internal Engagement

- Internal initiatives: Stress Down Day, Responsible Gambling Week, Purple Bra Day, Mental Health Week and RSL fundraising were supported and promoted through Community TAB.
- Volunteering and fundraising: a total of 59 staff volunteered to not-for-profit groups during FY2019. RWWA also fundraised for its major partner organisations at various internal events.
- RWWA Not-For-Profit Recognition Program: each month Community TAB makes a donation to a not-for-profit group that RWWA employees vote to receive the donation. Since the launch of this program 27 donations have been made to not-for-profit organisations.



Image: RWWA Staff Christmas Party

People and Culture

The People and Culture division is responsible for the development and implementation of human resource management strategy and effective management of all workplace and employee related functions across the organisation.

The division provides support and guidance to staff and managers on all employment related matters including recruitment, induction, performance management, interpretation and application of policies and workplace conditions. Learning and Development, Occupational Safety and Health and employee wellness functions also play a key role within the division for RWWA and external stakeholders, which include TAB agents and the broader racing industry. In addition, the delivery of payroll services and the management of staff data and reporting sit within this division.

This year saw the continuation of external factors, such as ongoing uncertainty around privatisation, which presented the organisation with unique challenges in attracting, retaining and engaging its workforce.

Clear Strategy

During FY2019, RWWA adopted the Clear Strategy, which incorporated three key pillars of customer experience, employee experience and ways of working. Employee experience was the main focus for the People and Culture division, with a strong emphasis on increasing staff engagement.

With this direction, the division introduced various new leading edge technology platforms to assist in:

- Driving greater employee outputs
- Individually personalised experiences around key employee life cycle phases such as recruitment and on-boarding
- Re-engaging employees in fundamental processes around career pathing and skill development
- Measuring employee sentiment to allow for a more proactive response in addressing and resolving current issues

This approach assisted in positioning the organisation as a leader in this space, including RWWA receiving the Fuel50 Global Career Experience Champion Award for best communications, launch and stakeholder engagement for its career pathing initiative. RWWA was also selected as a 2019 Australian HR Awards Finalist for the best use of technology in human resources.

Employee Experience

Under the employee experience pillar, the embedding of RWWA's Inclusion and Diversity program continued to drive greater awareness and began to re-shape employee perceptions around a desired workplace culture. It included a variety of initiatives and programs pitched at different employee levels to allow a broader reach and impact, including:

- **Rise to Shine:** designed to empower women at work, the program saw over 30 female employees go through the program during the past 12 months.
- **Masterclass:** following the Rise to Shine program, the initiative was designed to develop leadership skills and allow female employees to become ambassadors within the organisation.
- **Voices of Change:** the initiative was launched to start the conversation around employee cultural backgrounds, LGBTIQ and disability, with the aim to foster more collaborative interactions.
- **Leadership and coaching:** leadership and capability development continued to be a primary focus with the continuation of leadership programs and coaching, introduction of new development areas such as emotional intelligence and the rollout of the second Emerging Leaders program. Other initiatives designed to drive a continuous learning environment were also launched including access to LinkedIn Learning.

Through the delivery of the employee experience strategy, RWWA successfully attracted new employees, increased its internal promotions and continued to maintain a high staff retention. These statistics have reinforced the belief and commitment that the implementation of the employee experience strategy will continue to provide staff with a workplace that they can continue to engage, learn and grow irrelevant of what external factors may be impacting the organisation moving forward.

Ways of Working

The introduction of the new ways of working pillar resulted in the Bettering Department being formed from the Wagering and Information Services divisions, with the principle focus of delivering an unsurpassed customer experience. Through the creation of a new office layout, the department adopted an agile methodology approach and had a clearly defined road map in place, which resulted in a more engaged and delivery focussed area that delivered the desired customer outcomes. The success has led to investigation on how this approach could be incorporated into other areas of the business.

Chapter 3: Disclosures and Legal Compliance



Opinion of the Auditor General



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

RACING AND WAGERING WESTERN AUSTRALIA

Report on the Financial Statements

Opinion

I have audited the financial statements of Racing and Wagering Western Australia which comprise the Statement of Financial Position as at 31 July 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Racing and Wagering Western Australia for the year ended 31 July 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Racing and Wagering Western Australia in accordance with the *Auditor General Act 2006* and the relevant 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 statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of Racing and Wagering Western Australia.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Opinion of the Auditor General

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

- Identify and assess the risks of material misstatement of the financial statements, 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, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 agency'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board 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 Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Racing Wagering Western Australia. The controls exercised by Racing and Wagering Western Australia are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by Racing and Wagering Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 July 2019.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Opinion of the Auditor General

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Racing and Wagering Western Australia for the year ended 31 July 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Racing and Wagering Western Australia are relevant and appropriate to assist users to assess Racing and Wagering Western Australia's performance and fairly represent indicated performance for the year ended 31 July 2019.

The Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Opinion of the Auditor General

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of Racing and Wagering Western Australia for the year ended 31 July 2019 included on Racing and Wagering Western Australia's website. Racing and Wagering Western Australia's management is responsible for the integrity of Racing and Wagering Western Australia's website. This audit does not provide assurance on the integrity of Racing and Wagering Western Australia's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 October 2019

Certification of Financial Statements

For the year ended 31 July 2019

The accompanying financial statements of Racing and Wagering Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 July 2019 and the financial position as at 31 July 2019.

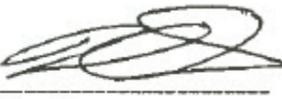
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.


 Jeff Owens
 Chair RWWA Board

14 October 2019


 Anthony Hasluck
 Chair Audit and Risk Committee

14 October 2019


 Ian Edwards
 Chief Financial Officer

14 October 2019

Statement of Comprehensive Income

For the year ended 31 July 2019

Income	Notes	2019 \$000	2018 \$000
WATAB Margin	2.1	305,581	321,514
Other revenue	2.4	20,175	22,625
Interest revenue		2,068	2,146
Total Revenue		327,824	346,285
Gains			
Gains on disposal of non-current assets	6.4	171	35
Total Gains		171	35
Total Income		327,995	346,320
Expenses			
Cost of sales	4.1	89,601	84,557
Wagering tax	4.2	41,907	41,510
Racing services	4.3	26,237	24,413
Wagering services	4.3	84,068	84,757
Support services	4.3	30,037	29,652
Grants and subsidies to racing	3.2	15,986	16,697
Distributions to racing and sports	3.1	145,203	146,541
Total Expenses		433,039	428,127
(Loss) before income from State Government		(105,044)	(81,807)
WA Racefields income	2.2	80,964	58,400
Betting tax income	2.3	12,639	-
Other rebate	2.2	8,325	14,310
Loss for the period		(3,116)	(9,097)
Other Comprehensive Income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	(196)	(507)
Changes in fair value of financial assets	8.8	193	-
Total other comprehensive loss		(3)	(507)
Total Comprehensive Loss for the period		(3,119)	(9,604)

See also Note 8.9 'Schedule of Income and Expenses by Service'

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 July 2019

Assets	Notes	2019 \$000	2018 \$000
Current Assets			
Cash and cash equivalents	7.3	72,371	74,733
Restricted cash and cash equivalents	7.3	359	1,060
Other financial assets	7.2	10,000	10,023
Inventories	6.8	841	743
Receivables	6.9	5,178	3,655
Other current assets	6.10	4,759	4,154
Non-current assets classified as held for sale	6.3	3,297	388
Total Current Assets		96,805	94,756
Non-Current Assets			
Other financial assets	7.2	1,495	455
Other non-current assets	6.10	235	310
Property, plant and equipment	6.1	44,977	51,515
Capital works in progress	6.6	2,026	4,250
Intangible assets	6.5	19,321	18,338
Total Non-Current Assets		68,054	74,868
Total Assets		164,859	169,624
Liabilities			
Current Liabilities			
Payables	6.11	42,277	45,059
Provisions	5.1	7,142	7,251
Total Current Liabilities		49,419	52,310
Non-Current Liabilities			
Payables	6.11	1,120	1,080
Provisions	5.1	1,389	1,179
Total Non-Current Liabilities		2,509	2,259
Total Liabilities		51,928	54,569
Net Assets		112,931	115,055
Equity			
Contributed equity	8.8	69,193	69,045
Reserves	8.8	43,738	46,010
Total Equity		112,931	115,055

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 July 2019

	Note	Contributed Equity \$000	General Reserves \$000	Asset Revaluation Reserves \$000	Financial Asset Reserve \$000	Retained Earnings \$000	Total Equity \$000
Balance at 1 August 2017		60,884	37,996	17,618	-	-	116,498
Surplus/(deficit)	8.8	-	-	-	-	(9,097)	(9,097)
Other comprehensive losses	8.8	-	-	(507)	-	-	(507)
Total comprehensive loss for the year		-	-	(507)	-	(9,097)	(9,604)
Transactions with owners in their capacity as owners:							
Other contributions by owners		8,161	-	-	-	-	8,161
Transfers between reserves		-	(9,097)	-	-	9,097	-
Total		8,161	(9,097)	-	-	9,097	8,161
Balance at 31 July 2018		69,045	28,899	17,111	-	-	115,055
Balance at 1 August 2018		69,045	28,899	17,111	-	-	115,055
Change in accounting policy		-	-	-	847	-	847
Restated balance at 1 August 2018		69,045	28,899	17,111	847	-	115,902
Surplus/(deficit)		-	-	-	-	(3,116)	(3,116)
Other comprehensive losses		-	-	(196)	193	-	(3)
Total comprehensive loss for the year		-	-	(196)	193	(3,116)	(3,119)
Transactions with owners in their capacity as owners:							
Other contributions by owners	8.8	148	-	-	-	-	148
Transfers between reserves	8.8	-	(3,116)	-	-	3,116	-
Total		148	(3,116)	-	-	3,116	148
Balance at 31 July 2019		69,193	25,783	16,915	1,040	-	112,931

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 July 2019

Cash Flows from Operating Activities	Notes	2019 \$000	2018 \$000
Receipts			
Receipts from customers		1,960,559	2,018,558
GST receipts on sales		37,993	40,154
Other receipts		12,044	14,052
Interest received		2,068	2,148
Payments			
Customers		(1,650,396)	(1,685,970)
Creditors		(209,138)	(201,710)
Employee benefits		(43,762)	(40,781)
Distributions, grants and subsidies		(161,189)	(163,238)
Interest paid		(14)	(15)
GST payments on purchases		(18,639)	(18,517)
GST payments to taxation authority		(19,165)	(21,936)
Other payments		(7,415)	(6,170)
Net cash used in operating activities	7.3	(97,054)	(63,425)
Cash Flows from Investing Activities			
Receipts			
Proceeds from sales of non-current assets		674	80
Proceeds from sale of investments in unit trusts		23	9,977
Payments			
Purchase of non-current physical assets		(8,782)	(12,209)
Net cash used in investing activities		(8,085)	(2,152)
Cash Flows from State Government			
WA Racefields income		80,964	58,400
Betting tax income		12,639	-
Other rebate		8,325	14,310
Stamp duty recoupment		148	-
Net cash provided by State Government		102,076	72,710
Net (decrease)/increase in cash and cash equivalents		(3,063)	7,133
Cash and cash equivalents at the beginning of period		75,793	68,660
Cash and cash equivalents at the end of period	7.3	72,730	75,793

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

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Contents of the notes to the financial statements

1 About this report

This section provides information on the basis of preparation of the financial statements and disclosure of the main judgements, estimates and assumptions used in preparation.

1.1 Basis of preparation

Racing & Wagering Western Australia (RWVA) is a WA Government Trading Entity. A description of the nature of its operations and its principal activities have been included in the Business Overview section of this report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Board of RWVA on 14th October 2019.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006*
- 2) The Treasurer's Instructions
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

1.2 Significant accounting policies

These financial statements contain all the significant accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the financial statements. Accounting policies that are specific to a note to the financial statements are described in the note to which they relate. Other accounting policies are set out below.

RWVA has consistently applied the accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Revenue Recognition

Revenue is recognised and measured at the fair value of consideration received or receivable.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. The GST on operator's margin, which is partially reimbursed by the Western Australian Government, is classified as cash flows from State Government.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

1.2 Significant accounting policies continued

Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current reporting period.

1.3 Critical estimates and judgements

In preparation of the financial statements, management is required to exercise its judgement when applying the accounting policies. When there is a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, these are disclosed separately. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in the following notes below:

	Section
Long service leave	5.1
Property, plant and equipment	6.1
Impairment	6.7

1.4 Future impact of Australian Accounting Standards not yet operative

RWVA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Applications of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101.

Where applicable, RWVA plans to apply the following Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
<p><i>AASB 15 Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that RWVA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>RWVA has not yet determined the application or the potential impact of the Standard.</p>	01-Jan-19
<p><i>AASB 16 Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been fully quantified, RWVA currently has commitments for \$14.7M worth of non-cancellable operating leases, which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.</p>	01-Jan-19
<p><i>AASB 1058 Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or other performance obligation (a promise to transfer a good or service), or a contribution by owner, related to an asset (such as cash or another asset).</p> <p>RWVA anticipates that the application will not materially impact the treatment of revenues.</p>	01-Jan-19

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

1.4 Future impact of Australian Accounting Standards not yet operative continued

<p><i>AASB 1059 Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.</p> <p>RWWA does not manage any public private partnership that is within the scope of the standard.</p>	01-Jan-20
<p><i>AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	01-Jan-19
<p><i>AASB 2018-4 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i></p> <p>This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licenses.</p> <p>RWWA has not yet determined the application or the potential impact of the Standard.</p>	01-Jan-19
<p><i>AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059</i></p> <p>This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting period periods beginning on or after 1 January 2020 instead of 1 January 2019.</p> <p>There is no financial impact.</p>	01-Jan-19
<p><i>AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material</i></p> <p>This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications.</p> <p>There is no financial impact.</p>	01-Jan-20
<p><i>AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit-Entities</i></p> <p>This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.</p> <p>RWWA will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.</p>	01-Jan-19

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

1.5 Initial application of Accounting Standards

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

RWWA applied AASB 9 prospectively, with an initial application date of 1 August 2018. RWWA has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

The effect of adopting AASB 9 as of 1st August 2018 was as follows:

	Adjustments	01-Aug-18 \$'000
Assets		
Other financial assets - non-current	(i)	847
Total adjustments on Equity		
Financial Asset Reserve	(i)	847

The nature of the adjustments are described below:

(i) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria: the business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of RWWA's business model was made as of the date of initial application, 1 August 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances at the time of initial recognition of the assets.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

1.5 Initial application of Accounting Standards continued

The classification and measurement requirements of AASB 9, resulted in the following changes:

- Trade receivables as at 31 July 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as 'Financial assets at amortised cost' beginning 1 August 2018.
- Financial assets classified as 'Available for sale' but measured at cost as at 31 July 2018 have been classified and remeasured at FVOCI beginning 1 August 2018.

In summary, upon the adoption of AASB 9, RWVA had the following required or elected reclassifications as at 1 August 2018:

Financial assets	AASB 9 measurement category			
	Previous classifications under AASB 139	New classifications under AASB 9	Carrying amount under AASB 139	Carrying amount under AASB 9
			\$'000	\$'000
Trade receivables	Loans and Receivables	Amortised cost	728	728
Investment in unit trusts	FVTPL	FVTPL	10,023	10,023
Investment in unlisted shares	Available for sale	FVTOCI	455	1,302
Total financial assets			11,206	12,053

There were no changes to the classification and measurement of financial liabilities.

(ii) Impairment

The adoption of AASB 9 has replaced the impairment methodology of AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

RWVA's historical prudent approach had estimated provisions in excess of those required on the adoption of AASB 9 expected credit loss approach. The difference was not materially different so no adjustment was made to the allowance for impairment at 1 August 2018.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

2 How RWVA is funded

This section provides information on how RWVA is funded. The main source of income flows from the trade of WATAB. This is supplemented by WA Product Fee income collected on behalf of the Racing Industry by State Government and the racing industry share of Betting Tax collected by State Government.

2.1 WATAB Margin

Margin on Turnover inclusive of GST
Goods and Services Tax

	2019 \$000	2018 \$000
Margin on Turnover inclusive of GST	332,812	347,909
Goods and Services Tax	(27,231)	(26,395)
Total	305,581	321,514

Goods and Services Tax (GST) is not applied to the consumption of gambling services. It is however, applied to the operator's margin defined as the total amounts wagered less total monetary prizes.

State Government provides reimbursement to gaming operations (including RWVA) for GST paid on the operator's margin on Fixed Odds Betting and Parimutuel Sports.

Treasurer's Instruction 1102 "Statements of Comprehensive Income" requires the GST reimbursement to be disclosed as income from State Government rather than offset against the cost to which it applies.

Accounting policy **Margin revenue recognition**

This represents bets taken net of monetary prizes and GST. Revenues are only recognised when the events to which they relate are finalised.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

	2019 \$000	2018 \$000
2.2 Income from State Government		
WA Racefields income ^(a)	80,964	58,400
Other rebate ^(b)	8,325	14,310
	89,289	72,710

(a) Income from State Government include \$81.0M (2018: \$58.4M) in revenue received from the Gaming and Wagering Commission WA, from national and international wagering operators betting on Western Australian racing product. Generated from RWWA's commercial activity, this revenue would otherwise be paid directly to RWWA by the wagering operators for distribution to WA race clubs, however, it is treated as income from government to be consistent with Section 110B(5) of the Gaming and Wagering Commission Act 1987, and Section 107A of the Racing and Wagering Western Australia Act 2003.

(b) The Western Australian Government provides partial reimbursement for GST paid on RWWA's margin and partial reimbursement for Wagering Tax paid on VIP turnover.

Accounting policy
Income from State Government

Under the Gaming and Wagering Commission Act 1987 (section 110B), the Gaming and Wagering Commission may credit RWWA with the proceeds collected under the Western Australian Race Fields legislation. The Racing and Wagering Western Australia Act 2003 (section 107A) requires these funds to be credited to RWWA and distributed to registered racing clubs in Western Australia. Treasurer's Instruction 1102 requires these amounts to be disclosed as Income from the State Government.

	2019 \$000	2018 \$000
2.3 Betting tax income		
Betting tax income	12,639	-
	12,639	-

Accounting policy

Under the Betting Tax Act 2018 Section 4, Department of Treasury is required to pay RWWA an amount equal to 30% of the amount of betting tax collected from all wagering operators taking bets from WA residents. Betting tax income is recognised for the amount which RWWA have a right to receive.

	2019 \$000	2018 \$000
2.4 Other Revenue		
Other revenue ^(a)	13,507	15,450
Unclaimed dividends (Racing) ^(b)	6,668	7,175
	20,175	22,625

Accounting policy

(a) Other revenue

Other revenue mainly consists of Sky vision rights income, TAB agency Sky subscriptions, breeder scheme nominations and other sundry income, and is recognised on receipt on funds.

(b) Unclaimed dividends

In accordance with the RWWA Act 2003 (section 104), dividends that are not claimed within seven months are included as income under Other Revenue.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

3 Industry funding

This section provides information on how RWWA uses its income and reserves to fund the racing industry.

	2019 \$000	2018 \$000
3.1 Distributions to Racing and Sports		
Thoroughbreds	90,461	89,235
Harness	33,944	34,593
Greyhounds ^(a)	19,367	18,146
Sports ^(b)	1,431	4,567
	145,203	146,541

(a) Greyhound distributions are paid to the Western Australian Greyhound Racing Association, a related party of RWWA.

(b) Sports distributions are paid to Department of Local Government, Sport and Cultural Industries, a related party of RWWA. Following introduction of Betting Tax Act 2018 on 1st January 2019 only unclaimed dividends are distributed to Sports.

	2019 \$000	2018 \$000
3.2 Grants and Subsidies to racing		
Grants ^(a)	4,254	4,547
Other subsidies ^(a)	11,014	10,880
Racecourse Infrastructure Grants Program	332	510
Royalties for Regions	386	760
	15,986	16,697

(a) Included in Grants and Other Subsidies is a total amount of \$458,886 (2018: \$976,572) paid to the Western Australian Greyhound Racing Association, a related party of RWWA.

Grants are recognised as an expense in the reporting period in which they are paid.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

4 Expenditure

This section provides information on the main costs incurred in the conduct of our obligations.

	2019 \$000	2018 \$000
4.1 Cost of Sales		
Cost of Sales mainly include pooling fees, product fees and rebates on wagering activities.	89,601	84,557
	89,601	84,557

4.2 Wagering Tax

	2019 \$000	2018 \$000
Tax on Turnover ^(a)	5,748	12,774
Tax on Margin ^(a)	12,383	28,663
Betting Tax Point of Consumption (POC) Tax - WA ^(b)	23,283	-
Point of Consumption (POC) Tax - Other	493	74
	41,907	41,510

(a) State Wagering Tax (effective until December 2018)

Section 102 of the Racing and Wagering Western Australia Act 2003 required RWWA to pay tax in respect of bets at the rate imposed by Sections 4 and 5 of the Racing and Wagering Western Australia Tax Act 2003.

The tax rate for Parimutuel Sports betting was 5.0% of turnover, whereas the tax rate for Parimutuel Racing was 11.91% of gross revenue. The tax rate for Fixed Odds Betting (FOB) Sports was 0.5% of turnover and FOB Racing was 2.0% of turnover.

(b) Betting Tax (WA) (effective from January 2019)

The Tax is payable at the rate of 15% of taxable betting revenue for the assessment periods after 1 January 2019.

Please note that (b) replaced (a) from 1st January 2019.

	2019 \$000	2018 \$000
4.3 Racing, Wagering and Support Services		
Employee Benefit Expense ^(a)	43,862	40,936
Depreciation and Amortisation Expense	12,951	12,747
Finance Costs	14	15
Supplies and Services	35,415	37,701
Advertising and Promotions	29,613	27,102
Communications	5,147	5,762
Accommodation	6,689	7,037
Other Expenses ^(b)	6,651	7,522
	140,342	138,822

(a) An amount of \$3,336,882 (2018: \$3,497,659) was paid to Government Employees Superannuation Board, a related party of RWWA.

(b) An amount of \$1,103,085 (2018: \$292,349) was paid to Insurance Commission and Riskcover Fund, a related party of RWWA.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2019

5 Employee benefits

This section provides information on employee benefits and entitlements.

	2019 \$000	2018 \$000
5.1 Provisions		
Current		
Employee benefits provision		
Annual Leave ^(a)	2,856	2,931
Long Service Leave ^(b)	3,886	3,915
	6,742	6,846
Other provisions		
Employment on-costs ^(c)	400	405
	400	405
	7,142	7,251
Non-Current		
Employee benefits provision		
Long Service Leave ^(b)	1,311	1,113
	1,311	1,113
Other provisions		
Employment on-costs ^(c)	78	66
	78	66
	1,389	1,179

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	2,030	2,084
More than 12 months after the end of the reporting period	826	847
	2,856	2,931

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as RWWA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because RWWA has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	1,195	1,156
More than 12 months after the end of the reporting period	4,002	3,872
	5,197	5,028

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

5.1 Provisions continued

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense is included under 'Other expenses' at Note 4.3.

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

	2019 \$000	2018 \$000
Employment on-cost provision		
Carrying amount at start of period	471	466
Additional provisions recognised	2,588	2,612
Payments/other sacrifices of economic benefits	(2,581)	(2,607)
Carrying amount at end of period	478	471

Accounting policy

Provisions - Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as current liability as RWWA does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long Service Leave

A liability for long service leave is recognised after an employee has completed two years of service based on remuneration rates current as at the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as RWWA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because RWWA has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

5.1 Provisions continued

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of RWWA's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision.'

Superannuation - Provisions

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation date.

Employees may contribute to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme now closed to new members. Employees commencing employment prior to 16 April 2007, who were not members of GSS, became non-contributory members of the West State Superannuation Scheme (WSS).

Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of WSS or GESBS and new employees became able to choose their preferred superannuation fund provider. RWWA makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish RWWA's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS Scheme, the WSS Scheme, and the GESBS, where the current service superannuation charge is paid by RWWA to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS, the WSS, and the GESBS are extinguished by the concurrent payment of employer contributions to the GESB.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

Critical accounting estimates and judgements: Long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Several estimates and assumptions are used in calculating RWWA's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

5.2 Compensation of Key Management Personnel

RWWA has determined that key management personnel include Ministers, board members, and senior officers of RWWA. However RWWA is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for key management personnel, comprising members of the accountable authority and other senior officers of RWWA for the reporting period are presented within the following bands:

Compensation of members of the accountable authority		2019	2018
Compensation Band (\$)			
1 - 10,000	(a)	1	-
20,001 - 30,000		-	1
50,001 - 60,000		5	-
60,001 - 70,000		2	6
100,001 - 110,000		1	-
110,001 - 120,000		-	1
		\$000	\$000
Short term employee benefits		475	484
Post employment benefits		43	41
Other long term benefits		-	-
Termination benefits		-	-
Total compensation of members of the accountable authority		518	525
Compensation of senior officers			
Compensation Band (\$)			
220,001 - 230,000	(a)	-	1
270,001 - 280,000		1	-
280,001 - 290,000		1	2
290,001 - 300,000		1	-
300,001 - 310,000		1	1
310,001 - 320,000		-	1
320,001 - 330,000		1	-
380,001 - 390,000		-	1
400,001 - 410,000		1	-
740,001 - 750,000		-	1
760,001 - 770,000		1	-
		\$000	\$000
Short term employee benefits		2,176	2,086
Post employment benefits		222	218
Other long term benefits		248	242
Termination benefits		-	-
Total compensation of senior officers		2,646	2,546

(a) Senior officer/Board Member employed for partial periods of the financial year in their positions.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6 Operating assets and liabilities

This section includes information regarding the key assets RWWA utilises to gain economic benefits from wagering activities and provide service to the racing industry. It also includes liabilities incurred during normal operations.

	2019 \$000	2018 \$000
6.1 Property, plant & equipment		
Freehold Land		
At fair value	19,422	22,084
	19,422	22,084
Buildings		
At fair value	11,012	12,236
Accumulated depreciation	-	(26)
	11,012	12,210
Leasehold Improvements		
At cost	10,461	10,399
Accumulated depreciation	(10,011)	(9,786)
	450	613
Infrastructure		
At cost	5,216	5,216
Accumulated depreciation	(4,799)	(4,675)
	417	541
Machinery, Plant & Equipment		
At cost	5,335	5,270
Accumulated depreciation	(4,796)	(4,406)
	539	864
Computer Equipment		
At cost	51,408	48,147
Accumulated depreciation	(39,760)	(34,303)
	11,648	13,844
Furniture and Fittings		
At cost	4,411	4,055
Accumulated depreciation	(3,873)	(3,731)
	538	324
Motor Vehicles		
At cost	2,030	2,103
Accumulated depreciation	(1,079)	(1,067)
	951	1,035
	44,977	51,515

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.1 Property, plant & equipment continued

Freehold land and buildings were revalued as at 1 July 2018 by Western Australian Land Information Authority. The valuations were performed during the year ended 31 July 2019 and recognised at 31 July 2019. The fair value of all land and buildings has been determined by reference to recent market transactions. In undertaking the revaluation, fair value was determined by reference to market values for land: \$15,877,000 (2018: \$17,709,000); current use of land \$3,545,000 (2018: \$4,375,000); market value of buildings \$4,530,000 (2018: \$5,627,000); current use of buildings \$6,482,000 (2018: \$6,583,000).

Information on fair value measurement is provided in Note 6.2.

Accounting policy

Capitalisation/expensing of assets

Items of property, plant and equipment costing over \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items costing less than \$5,000 are expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and the historical cost for all other property, plant, equipment and infrastructure. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.1 Property, plant & equipment continued

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the assets' fair value at the end of the reporting period.

Infrastructure is carried at historical cost less accumulated depreciation and accumulated impairment loss.

Derecognition

Upon disposal or derecognition of an item of property, any revaluation relating to that asset is retained in the asset revaluation surplus.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	10 to 40 years
Infrastructure	10 years
Leasehold Improvements ^(a)	5 to 15 years
Motor vehicles	5 years
Machinery, Plant and Equipment	5 years
Furniture and Fittings	5 years
Computer Equipment ^(b)	3 to 7 years
Software ^(c)	2 to 15 years

(a) Leasehold Improvements useful life will depend on duration of lease.

(b) Rate reflects the estimated economic life of the asset.

(c) Software that is integral to the operation of related hardware.

Land is not depreciated.

Critical accounting estimates and judgements: Plant, property and equipment / fair value

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.1 Reconciliation of Property, plant & equipment, work in progress and intangible assets

	Freehold Land \$000	Buildings \$000	Leasehold Improvements \$000	Infrastructure \$000	Machinery, Plant and Equipment \$000	Computer Equipment \$000	Furniture and Fittings \$000	Motor Vehicles \$000	Intangible Assets \$000	Capital WIP \$000	Total \$000
2019											
Carrying amount at start of period	22,084	12,210	613	541	864	13,844	324	1,035	18,338	4,250	74,103
Additions	148	-	-	-	-	-	-	-	-	8,634	8,782
Transfer to/(from) work in progress	-	-	62	-	65	3,262	356	383	6,730	(10,858)	-
Disposals	-	-	-	-	-	-	-	(117)	-	-	(117)
Classified as held for sale	(2,737)	(560)	-	-	-	-	-	-	-	-	(3,297)
Revaluation increments/ (decrements)	(73)	(123)	-	-	-	-	-	-	-	-	(196)
Depreciation	-	(515)	(225)	(124)	(390)	(5,458)	(142)	(350)	(5,747)	-	(12,951)
Carrying amount at end of period	19,422	11,012	450	417	539	11,648	538	951	19,321	2,026	66,324
2018											
Carrying amount at start of period	18,624	8,606	689	731	1,257	13,456	411	977	19,714	3,439	67,904
Additions	-	-	-	-	-	-	-	-	-	12,209	12,209
Transfer ^(a)	4,000	3,929	-	232	-	-	-	-	-	-	8,161
Transfer to/(from) work in progress	-	-	409	-	161	5,248	84	457	5,040	(11,398)	-
Disposals	-	-	-	-	-	-	-	(46)	-	-	(46)
Classified as held for sale	37	9	-	-	-	-	-	-	-	-	46
Impairment	-	-	-	-	-	-	-	-	(920)	-	(920)
Revaluation increments/ (decrements)	(578)	72	-	-	-	-	-	-	-	-	(506)
Depreciation	-	(406)	(485)	(422)	(554)	(4,861)	(171)	(352)	(5,496)	-	(12,746)
Carrying amount at end of period	22,084	12,210	613	541	864	13,844	324	1,035	18,338	4,250	74,103

(a) Transfer of Mandurah racecourse assets from Western Australian Greyhound Association.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.2 Fair Value Measurements

Assets measured at fair value:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
2019				
Non-Current assets classified as held for sale (Note 6.3)	-	3,297	-	3,297
Land (Note 6.1)	-	15,877	3,545	19,422
Buildings (Note 6.1)	-	4,530	6,482	11,012
	-	23,704	10,027	33,731
2018				
Non-Current assets classified as held for sale (Note 6.3)	-	388	-	388
Land (Note 6.1)	-	17,709	4,375	22,084
Buildings (Note 6.1)	-	5,627	6,583	12,210
	-	23,724	10,958	34,682

There were no transfers between Levels 1, 2 or 3 during the period.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-Current assets held for sale, Land and buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

Non-Current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices and comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$000	Buildings \$000
2019		
Fair value at start of period	4,375	6,583
Additions	148	-
Revaluation decrements recognised in Other Comprehensive Income	(978)	213
Depreciation Expense	-	(314)
Fair value at end of period	3,545	6,482
2018		
Fair value at start of period	375	2,776
Additions	4,000	3,929
Revaluation increments recognised in Other Comprehensive Income	-	19
Depreciation Expense	-	(141)
Fair value at end of period	4,375	6,583

There were no changes in valuation techniques during the period.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.2 Fair Value Measurements continued

Valuation Processes

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings and Infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciated replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

Significant Level 3 inputs used by RWWA are derived and evaluated as follows:

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

6.2 Fair Value Measurements continued

Information about significant unobservable inputs (Level 3) in fair value measurements

Description and fair value as at 31 July 2019	Description and fair value as at 31 July 2018	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Land \$3,545,000	Land \$4,375,000	Current Replacement Cost Method	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings \$6,482,000	Buildings \$6,583,000	Current Replacement Cost Method	Consumed economic benefit/obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value

Reconciliations of the opening and closing balances are provided in Note 6.1.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

	2019 \$000	2018 \$000
6.3 Non-current assets classified as held for sale		
Opening balance		
Freehold land	238	275
Buildings	150	159
	388	434
Assets reclassified as held for sale		
Freehold land	2,737	-
Buildings	560	-
	3,297	-
Revaluation decrement		
Freehold land	-	(37)
Buildings	-	(9)
	-	(46)
Total assets classified as held for sale		
Freehold land	2,975	238
Buildings	710	150
	3,685	388
Less assets sold		
Freehold land	238	-
Buildings	150	-
	388	-
Closing balance		
Freehold land	2,737	238
Buildings	560	150
	3,297	388

Accounting policy

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position.

	2019 \$000	2018 \$000
6.4 Net gain on disposal of non-current assets		
Proceeds from disposal	674	81
Carrying amount of disposal	(503)	(46)
Net gain	171	35

Accounting policy

The gain or loss on the disposal of assets is recognised at the date the significant risks and rewards of ownership of the asset passes to the buyer, usually when the buyer takes delivery of the asset. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

	2019 \$000	2018 \$000
6.5 Intangible Assets		
Computer Software		
At cost	71,513	64,783
Accumulated amortisation	(52,192)	(46,445)
	19,321	18,338
Domain Names		
At cost	25	25
Accumulated amortisation	(25)	(25)
	-	-
	19,321	18,338

Accounting policy

Capitalisation/expensing of assets

Acquisitions and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life.

All acquired and internally developed intangible assets are initially measured at cost.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis using rates which are reviewed regularly. All intangible assets controlled by RWWA have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Computer Software ^(a)	2 to 15 years
Web site costs	3 to 5 years
Domain names	10 years

(a) Software that is not integral to the operation of any related hardware.

Computer Software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset.

Web Site Costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

Domain Names

Domain names have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

	2019 \$000	2018 \$000
6.6 Capital Works In Progress		
TAB Terminals and Racewall Upgrade	650	1,212
Software Upgrades	1,278	1,837
Computer Equipment	37	769
Other	61	432
	2,026	4,250

6.7 Impairment of Assets

There were no indications of impairment to property, plant and equipment and intangible assets at 31 July 2019.

RWWA held no intangible assets with an indefinite useful life during the reporting period.

Accounting policy

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As RWWA is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an assets depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the assets future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of the reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

	2019 \$000	2018 \$000
6.8 Inventories		
Current		
Inventories not held for resale:		
At Cost		
Tickets	621	625
Agency Spares and Consumables	220	118
	841	743

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

	2019 \$000	2018 \$000
6.9 Receivables		
Current		
Receivables	972	794
Accrued Revenue	103	239
Other Debtors	4,166	2,688
Allowance for impairment of receivables	(63)	(66)
	5,178	3,655
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	66	71
Remeasurement under AASB 9	-	-
Restated balance at start of period	66	71
Doubtful debts expense	-	20
Expected credit losses expense	3	-
Amounts written off during the period	(6)	(25)
Balance at end of period	63	66

The maximum exposure to credit risk at the end of the reporting period for receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 7.1(c) 'Financial Instruments disclosures'.

RWWA does not hold any collateral as security or other credit enhancements relating to receivables.

Accounting policy

Receivables are recognised at original invoice amount less any uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days. Agents settle on a weekly basis.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

	2019 \$000	2018 \$000
6.10 Other Assets		
Current		
Prepayments	4,759	4,154
	4,759	4,154
Non-Current		
Prepayments	235	310
	235	310

Accounting policy

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

	2019 \$000	2018 \$000
6.11 Payables		
Current		
Trade Payables	3,721	3,590
Unclaimed Dividends and Refunds	4,264	4,564
TAB Payables and Account Betting Deposits	20,446	22,233
Other Payables	4,975	5,681
GST Payable	2,035	1,843
Accrued Expenses	6,836	7,146
	42,277	45,059
Non-Current		
Agents deposits and property bonds	1,120	1,080
	1,120	1,080

Accounting policy

Payables are recognised at the amounts payable when RWWA becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7 Capital and financial risk management

This section sets out the material balances and disclosures associated with financing and cashflows.

7.1 Financial Instruments

(a) Financial Risk Management objectives and policies

Financial Instruments held by RWWA are cash and cash equivalents, other financial assets, receivables, payables and agent deposits.

RWWA has limited exposure to financial risks. RWWA's overall risk management program focuses on managing the risks identified below.

Credit Risk

Credit risk arises when there is the possibility of RWWA's receivables defaulting on their contractual obligations resulting in financial loss to RWWA. The majority of the authority's trading with customers is conducted on a cash basis. In addition, receivable balances are monitored on an ongoing basis with the result that RWWA's exposure to bad debts is minimal. Credit risk in other financial assets is mitigated by RWWA's investment policy which requires surplus funds to be predominantly invested in unit trusts with underlying assets with credit ratings above investment grade (BBB- or above as per a Standard & Poors rating). At the end of the reporting period there were no significant concentrations of credit risk.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

Liquidity Risk

Liquidity risk arises when RWWA is unable to meet its financial obligations as they fall due. RWWA is exposed to liquidity risk through its trading in the normal course of business. RWWA has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and unit trust prices will affect RWWA's income or the value of its holdings of financial instruments. RWWA does not trade in foreign currency and thus has no exposure to foreign currency risk.

Other than as detailed in the interest rate sensitivity analysis table, RWWA's exposure to interest rate risk is limited because it does not have any borrowings.

RWWA has limited exposure to foreign currency risk on purchases that are denominated in a currency other than Australian dollars.

To manage its price risk in these investments RWWA utilises the services of a professional firm of investment advisors. Price risk is mitigated by RWWA's investment policy that provide strategies for the minimisation of price risk with the diversification of risk across a number of classes of investment.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.1 Financial Instruments continued

(b) Categories of Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 \$000	2018 \$000
Financial Assets		
Cash and cash equivalents ^(a)	72,730	75,793
Financial Assets at fair value through Profit or loss	10,000	10,023
Loans and Receivables ^(b)	-	3,655
Financial assets at amortised cost ^(b)	5,178	-
Financial asset at fair value through OCI	1,495	-
Available for sale financial asset	-	455
	89,403	89,926
Financial Liabilities		
Financial liabilities at amortised cost ^(b)	41,363	44,296
	41,363	44,296

(a) Cash and cash equivalents includes restricted cash and cash equivalents.

(b) These amounts exclude GST recoverable/payable to the ATO (statutory receivable/payable).

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.1 Financial Instruments continued

(c) Credit risk exposure

The following table discloses RWWA's credit risk exposure for trade receivables using a provision matrix.

	Total \$000	Days past due			
		Current \$000	31-60 days \$000	61-90 days \$000	>91 days \$000
2019					
Expected credit loss rate		0%	0%	0%	21%
Estimated total gross carrying amount at default	972	340	160	164	308
Expected credit losses	(63)	-	-	-	(63)
2018 (Remeasurement)					
Expected credit loss rate		0%	0%	0%	16%
Estimated total gross carrying amount at default	794	240	43	98	413
Expected credit losses	(66)	-	-	-	(66)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.1 Financial Instruments continued

(d) Liquidity Risk and Interest Rate Exposure

The following table details RWWA's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Interest Rate Exposure				Nominal Amount \$000	Maturity Dates								
		Fixed Interest Rate \$000	Variable Interest Rate \$000	Non Interest Bearing \$000	Up to 1 month \$000		1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000					
2019															
Financial Assets															
Cash and cash equivalents	1.87%	72,730	42,046	684	72,730	22,730	35,000	15,000	-	-	-	-	-	-	-
Other financial assets		11,495	-	11,495	11,495	10,000	-	-	-	-	-	-	-	-	1,495
Receivables ^(a)		5,178	-	5,178	5,178	5,178	-	-	-	-	-	-	-	-	-
		89,403	42,046	17,357	89,403	37,908	35,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	1,495
Financial Liabilities															
Payables ^(a)		40,242	-	40,242	40,242	39,546	679	17	-	-	-	-	-	-	-
Agent Deposits and property bonds	0.95%	1,120	1,120	-	1,120	-	-	-	-	-	-	-	-	-	1,120
		41,362	1,120	40,242	41,362	39,546	679	17	17	17	17	17	17	17	1,120
2018															
Financial Assets															
Cash and cash equivalents	2.47%	75,793	38,156	638	75,793	18,793	50,000	7,000	-	-	-	-	-	-	-
Other financial assets		10,023	-	10,023	10,023	10,023	-	-	-	-	-	-	-	-	-
Receivables ^(a)		3,655	-	3,655	3,655	3,655	-	-	-	-	-	-	-	-	-
Investment		455	-	455	455	-	-	-	-	-	-	-	-	-	455
		89,926	37,000	14,771	89,926	32,471	50,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	455
Financial Liabilities															
Payables ^(a)		43,216	-	43,216	43,216	43,216	-	-	-	-	-	-	-	-	-
Agent Deposits and property bonds	1.45%	1,080	1,080	-	1,080	-	-	-	-	-	-	-	-	-	1,080
		44,296	1,080	43,216	44,296	43,216	43,216	43,216	43,216	43,216	43,216	43,216	43,216	43,216	1,080

(a) The amount of receivables/payables excludes GST recoverable/payable to the ATO (statutory receivable/payable). The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.1 Financial Instruments continued

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of RWWA's financial assets and liabilities at the end of the reporting period on the surplus of the period for a 1% change in interest rates. It is assumed that a change in interest rates is held constant throughout the reporting period.

	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2019					
Financial Assets					
Cash and cash equivalents ^(a)	42,046	(420)	(420)	420	420
Financial Liabilities					
Agent Deposits and property bonds	1,120	(11)	(11)	11	11
Total Increase/(Decrease)		(431)	(431)	431	431
2018					
Financial Assets					
Cash and cash equivalents ^(a)	38,156	(382)	(382)	382	382
Financial Liabilities					
Agent Deposits and property bonds	1,080	(11)	(11)	11	11
Total Increase/(Decrease)		(393)	(393)	393	393

(a) Excludes cash amounts that do not earn interest or have a fixed interest rate.

Price Sensitivity Analysis

A change in the market value of unlisted unit trust investments by +/-5% with all other variables held constant would have increased (decreased) RWWA's total surplus of the period as shown below.

	Carrying amount \$000	+5% change \$000	-5% change \$000
2019			
Financial Assets			
Investment in unit trusts	10,000	(500)	500
2018			
Financial Assets			
Investment in unit trusts	10,023	(501)	501

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.2 Other Financial Assets

Current

Short term investment in unit trusts at fair value through profit or loss

	2019 \$000	2018 \$000
Short term investment in unit trusts at fair value through profit or loss	10,000	10,023
	10,000	10,023

Non-Current

Unlisted shares at fair value through other comprehensive income

Unlisted shares - available for sale financial assets

Unlisted shares at fair value through other comprehensive income	1,495	-
Unlisted shares - available for sale financial assets	-	455
	1,495	455

Valuation of Investments

Investment in unit trusts are measured at fair value through profit and loss. Unlisted shares are measured at fair value through Other Comprehensive Income.

The approach to measuring the fair value of investments is described below:

Fixed interest unit trust

Unit trusts are priced using fund managers' quotes of unit prices determined on the basis of market value of the investment portfolio with an adjustment for transaction costs.

Unlisted shares

Unlisted shares are priced based on share in net assets.

Level 1 is the preferred input for valuation and reflects unadjusted quoted prices in active markets for identical assets or liabilities which the economic entity can access at the end of the reporting period. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arms length basis.

Level 2 is the valuation of assets and liabilities either directly or indirectly based upon market observables other than quoted prices. For example: Investments with fair values based on broker quotes, investments in unlisted trusts with fair values obtained via fund managers and assets that are valued using the economic entity's own models whereby the majority of assumptions are market observable.

Level 3 relates to inputs that are unobservable. Unobservable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Recurring fair value measurements

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2019				
Fixed interest unit trusts	-	10,000	-	10,000
Unlisted shares	-	-	1,495	1,495
2018				
Fixed interest unit trusts	-	10,023	-	10,023

There were no significant transfers between Level 1, 2 or 3 during 2019.

The table below provides information about the valuation technique and inputs utilised in fair value measurement:

	Valuation Technique	Inputs Utilised
Fixed Interest Unit Trusts	Quoted prices: Unit price	Unit Price, Quantity
Unlisted shares	Share of net assets	Financial Statements

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.3 Notes to the Statement of Cash Flows

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one and six months, depending upon the immediate cash requirements of RWWA, and earn interest at the respective short-term deposit rates.

Reconciliation of cash

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

	2019 \$000	2018 \$000
Cash and cash equivalents		
Cash at bank	17,327	12,656
Cash on hand	44	77
Short-term deposits	55,000	62,000
	72,371	74,733
Restricted cash ^(a)	359	1,060
	72,730	75,793
Reconciliation of profit to net cash flows used in operating activities		
Loss for the period	(3,116)	(9,097)
Non cash items:		
Depreciation and amortisation expense	12,951	12,747
Net gain on sale of property, plant and equipment	(171)	(35)
Impairment	-	920
Income from State Government	(89,289)	(72,710)
Betting tax income	(12,639)	-
(Increase)/decrease in assets:		
Receivables / Accrued Income	(1,523)	(1,397)
Current inventories	(97)	67
Prepayments	(529)	198
(Increase)/decrease in liabilities:		
Trade creditors	(2,322)	5,216
Other creditors	(610)	810
Annual leave and long service leave provisions	93	150
Other current provisions	6	5
Change in GST Receivables/Payables	192	(299)
Net cash used in operating activities	(97,054)	(63,425)

Accounting policy

Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and short term deposits with original maturities of six months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.4 Commitments

Commitments are inclusive of GST

Capital Commitments

Commitments in relation to capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities, are payable as follows:

	2019 \$000	2018 \$000
Within one year	186	504
	186	504
The capital commitments include amounts for:		
Racing Infrastructure	46	-
Motor Vehicles	28	-
Racewalls rollout	39	52
IT systems	73	415
TAB Radio	-	37
	186	504

Operating Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements as liabilities, are payable as follows:

Within one year	4,752	4,409
Later than one year but not later than five years	9,535	10,519
Later than five years	425	1,099
	14,712	16,027
Representing:		
Non-cancellable operating leases	14,712	16,027
	14,712	16,027
The non-cancellable operating lease commitments include amounts for:		
Property	14,712	16,027
	14,712	16,027

RWWA has entered into a number of property leases which are non-cancellable leases of varying lengths, with rent payable monthly in advance. Contingent rent provisions within the lease agreements allow annual increases and market reviews. In some instances an option exists to extend the leases at the end of the initial term.

Other Expenditure Commitments

Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

	2019 \$000	2018 \$000
Within one year	13,730	10,349
Later than one year but not later than five years	8,442	16,181
	22,172	26,530

Critical accounting estimates and judgements: Operating lease commitments

RWWA has entered into a number of leases for buildings for branch agency accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

7.5 Contingent (assets)/liabilities

	2019 \$000	2018 \$000
Contract performance guarantees exist over future rental payments on TAB Agencies	30	30
Approximate amount receivable from Riskcover in future years for performance adjustment in prior years Workers Compensation insurance premiums	(169)	(2,168)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

8 Other disclosures

This section provides information on other disclosures required to aid the understanding of the financial statements.

8.1 Remuneration of Auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019 \$000	2018 \$000
Auditing the accounts, financial statements and Key Performance Indicators	132	127
	132	127

8.2 Related Party Transactions

RWWA is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, RWWA is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of RWWA include:

- All Ministers and their close family members, and their controlled or jointly controlled entities;
- All senior officers and their close family members, and their controlled or jointly controlled entities;
- Other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- Associates and joint ventures, that are included in the whole of government consolidated financial statements;
- Government Employees Superannuation Board (GESB).

Significant transactions with government related entities:

- Royalties for Regions Fund (Note 7.3)
- Grants and Subsidies to Western Australian Greyhound Racing Association (Note 3.2)
- Distributions to Western Australian Greyhound Racing Association and Department of Sports and Recreation (Note 3.1)
- Insurance payments to the Insurance Commission and Riskcover Fund (Note 4.3)
- Income from State Government (Note 2.2)
- Remuneration for services provided by the Auditor General (Note 8.1)
- Betting tax Point of Consumption (POC) Tax - WA to State Revenue (Note 4.2)
- Betting tax income from Treasury (Note 2.3)

Material transactions with other related parties

- Superannuation payments to GESB (Note 4.3)

During the year, RWWA had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

8.3 Related Bodies

At year end RWWA did not have any related bodies.

8.4 Affiliated Bodies

Western Australian Greyhound Racing Association is a government affiliated body that received distributions of \$19,367,404 (2018 \$18,146,183) and grants and subsidies of \$458,886 (2018 \$976,572) from RWWA. WAGRA is not subject to operational control by RWWA.

8.5 Supplementary Financial Information Write-offs

(a) Write-offs

During the financial year, \$6,000 (2018 \$25,000) was written off RWWA's Receivables under the authority of:

The accountable authority

	2019 \$000	2018 \$000
The accountable authority	(6)	(25)
	(6)	(25)

(b) Losses through theft, defaults and other causes

Losses of public money and public and other property through theft or default

Amounts recovered

Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

Gifts of public property provided by the Agency

Gifts of public property provided by the Agency	-	-
	-	-

8.6 Events occurring after the end of the reporting period

On 4th September 2019 the TAB (Disposal) Bill 2019 was passed by the WA state parliament. The passing of this Bill provides the appropriate legislative framework to negotiate the sale of the WATAB. On 27th September 2019 Expressions of Interest were sought by WA State Government on Tenders WA.

8.7 Special purpose accounts

Monies held on trust for apprentice jockeys

The purpose of these accounts is for riding fees and winnings held on trust for apprentice jockeys during the period of an apprenticeship.

	2019 \$000
Balance at start of period	704
Receipts	554
Payments	(797)
Balance at end of period	461

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

8.8 Equity

Contributed Equity:

	2019 \$000	2018 \$000
Balance at the start of the period	69,045	60,884
Contributions ^(a)	148	8,161
Distributions	-	-
Balance at the end of the period	69,193	69,045

Reserves

General reserve:

Balance at the start of the period	28,899	37,996
Transfer from Retained Earnings	(3,116)	(9,097)
Balance at the end of the period	25,783	28,899

Asset revaluation reserve:

Balance at the start of the period	17,111	17,618
Net revaluation increments/(decrements):		
Land	(73)	(577)
Buildings	(123)	70
Balance at the end of the period	16,915	17,111

Financial assets revaluation reserve:

Balance at the start of the period	-	-
Changes in accounting policy - other financial assets	847	-
Net revaluation increments/(decrements):		
Financial Assets	193	-
Balance at the end of the period	1,040	-

Balance of reserves at end of the period

43,738 **46,010**

Retained earnings:

Balance at the start of the period	-	-
Result for the period	(3,116)	(9,097)
Transfer to General Reserve	3,116	9,097
Balance at the end of the period	-	-

(a) This related to transfer of Mandurah racecourse assets from Western Australian Greyhound Racing Association during prior year and related stamp duty current year.

General reserve

The purpose of the general reserve is to cushion the effect of turnover fluctuations, or for supplementing payments made to the racing industry; to meet capital commitments, including the repayment of borrowings; to provide for capital development in the long term interests of RWWA; to meet contingent losses; and for the maintenance, repair, improvement and equipment of premises used by RWWA or its agencies.

Accounting policy Contributed Equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

8.9 Schedule of Income and Expense by Service

	Racing		Wagering		Unallocated		Total	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
INCOME								
Revenue	-	-	-	-	-	-	-	-
Margin	9,759	10,010	305,581	321,514	-	-	305,581	321,514
Other revenue	-	-	10,415	12,598	1	17	20,175	22,625
Interest revenue	-	-	-	-	2,068	2,146	2,068	2,146
Gain on disposal of non-current assets	-	-	-	-	171	35	171	35
Total Income	9,759	10,010	315,996	334,112	2,240	2,198	327,995	346,320
EXPENSES								
Costs of sales	-	-	89,601	84,557	-	-	89,601	84,557
Wagering Tax	-	-	41,907	41,510	-	-	41,907	41,510
Racing Services	26,237	24,413	-	-	-	-	26,237	24,413
Wagering Services	-	-	84,068	84,757	-	-	84,068	84,757
Support Services	-	-	-	-	30,037	29,652	30,037	29,652
Grants and subsidies	15,986	16,697	-	-	-	-	15,986	16,697
Distribution to racing and sports industries	143,771	141,974	1,431	4,567	-	-	145,203	146,541
Total Expenses	185,994	183,084	217,007	215,391	30,037	29,652	433,039	428,127
Profit/(Loss) before income from State Government	(176,235)	(173,074)	98,989	118,721	(27,797)	(27,454)	(105,044)	(81,807)
WA Racefields income	80,964	58,400	-	-	-	-	80,964	58,400
Betting Tax income	12,639	-	-	-	-	-	12,639	-
Other rebate	-	-	8,325	14,310	-	-	8,325	14,310
Profit/(Loss) for the period	(82,632)	(114,674)	107,314	133,031	(27,797)	(27,454)	(3,116)	(9,097)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2019

8.10 Explanatory Statement

AASB 1055 Budgetary Reporting standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. RWWA falls within the category of Public Non-Financial Corporation Section. RWWA does not publish annual estimates in the budget papers or the Statement of Corporate Intent.

Therefore, as prescribed under TI 945P, RWWA provides details of any significant variations between the actual results for 2018 and 2019.

Significant variations are considered to be those in excess of 10% and \$2.5M.

Significant variances between actual results for 2018 and 2019

	Comment	2019	2018	Variance \$000
		Actual \$000	Actual \$000	
Revenue				
Margin		305,581	321,514	(15,933)
Other Revenue	(1)	20,175	22,625	(2,449)
Interest Revenue		2,068	2,146	(78)
Gains				
Gain on disposal of non-current assets		171	35	136
Expenses				
Cost of sales		89,601	84,557	5,045
Wagering Tax		41,907	41,510	398
Racing Services		26,237	24,413	1,823
Wagering Services		84,068	84,757	(690)
Support Services		30,037	29,652	387
Grants and subsidies to racing		15,986	16,697	(711)
Distribution to racing and sports		145,203	146,541	(1,339)
Loss on disposal of non-current assets		-	-	-
WA Racefields income	(2)	80,964	58,400	22,564
Betting Tax income	(3)	12,639	-	12,639
Other rebate	(4)	8,325	14,310	(5,985)

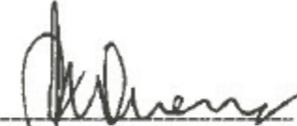
Comment

- (1) The settlement of a contract dispute in 2018 was a one-off increase under this heading. The continued transition from retail to mobile platforms will see a reduction in unclaimed ticket revenue.
- (2) WA Racefields income increased from prior financial year primarily due to the benefits of a rate rise on 1 August 2018.
- (3) Subsequent to the enactment of the Betting Tax Assessment Act 2018 on 1 January 2019 30% of the tax collected is remitted to RWWA to support the racing industry.
- (4) On the introduction of the Betting Tax Assessment Act 2018 on 1 January 2019 the reimbursement of GST ceased.

Certification of Key Performance Indicators

For the year ended 31 July 2019

We hereby certify that the key performance indicators for Racing and Wagering Western Australia (RWWA) are based on proper records, are relevant and appropriate for assisting users to assess the performance of RWWA and fairly represent the performance of RWWA for the financial year ended 31 July 2019.


 Jeff Owens
 Chair RWWA Board
 14 October 2019


 Anthony Hasluck
 Chair Audit and Risk Committee
 14 October 2019

Performance Management Framework

Relationship To Government Goals

Results-Based Service Delivery
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians

Desired Outcomes	Services Provided	Effectiveness Indicators	Efficiency Indicators
To provide an efficient, competitive and responsible wagering service for Western Australia	Provision of a betting system which is efficient, reliable, maintainable and capable Provision of services to support wagering	Primary Betting System availability Staff (FTE) Number of bets processed Distribution to Industry	Margin per employee Profit per employee Return on Assets (operating profit as a percentage of total assets) Margin
To achieve an optimum level of funding to the racing industry and sports	Grants administration, evaluation and distribution Administration of industry distribution to the clubs	Grants to industry (RWVA funded)	Operating Profit (excluding the profit/loss from sale of assets) before distribution to codes
To efficiently administer, and to provide effective leadership in the development, integrity and welfare of the racing and wagering industry in Western Australia	Maintain the integrity of the Western Australian racing industry Guarantee the ongoing welfare and sustainability of the Western Australian racing industry Provision of racing, stewarding, wagering, financial, marketing, human resources, IT, strategic and other services	Grants to industry (State Government funded) % of Winners Swabbed / Returned Negative Average number of starters in Western Australian races Annual growth in TAB Turnover on Western Australian racing	Racing and Steward expenses per Western Australian race meeting

RWVA's key performance indicators are aligned to the above government goals i.e. Better Places : A quality environment with liveable and affordable communities and vibrant regions.

RWVA's key performance indicators are also reported in the Financials section of this Annual Report.

Results with significant variances of 10% or more compared to the target or to prior year's results have been explained in detail.

Key Performance Indicators

For the year ended 31 July 2019

Outcome: To provide an efficient, competitive and responsible betting service for Western Australia.

Effectiveness Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	Result
Primary Betting System availability	The availability of the betting system is paramount to the TAB's ability to generate revenue. The high availability target reflects the importance RWVA places on this. A service that is reliable is necessary for the TAB to attract and retain customers.	99.71	99.96	99.98	99.99	99.99	The availability of the betting system during the year is above RWVA's target and comparable with prior year ratios.
Staff (FTE)	With staff employee benefits expense being one of the largest cost categories at RWVA, managing the FTE levels is an important part of ensuring an efficient competitive business.	368	370	374	366	366	The number of FTE at the end of 2018/19 was slightly lower than target and prior year.
Number of Bets Processed	The number of bets processed is an indicator of the TAB's competitiveness in the wagering and gambling marketplace.	214,714	222,193	214,790	202,346	197,954	The number of bets for 2019 shows a slight decrease of 3.4% on target and is comparable with prior year even though the 2018 actual results include an additional week. An extra week of turnover is required to be included every seventh year to realign with the financial reporting calendar.

Key Performance Indicators

For the year ended 31 July 2019

Outcome: To provide an efficient, competitive and responsible betting service for Western Australia.

Efficiency Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	2016 Result
* Margin per employee	Margin per employee is a measure of the competitiveness of the business.	\$000	830	860	860	860	902
							Margin per employee is down on prior year. The decrease in margin is due to a decrease in turnover and a reduced sports margin. Last financial year included one extra week of turnover necessitated by the financial calendar. Every seventh year an extra week is required to realign with the financial reporting calendar.
* Profit per employee	Profit per employee, like margin per employee, is a measure of the efficiency of the business in delivering wagering revenue and also providing racing and integrity services to the industry.	\$000	386	367	365	360	360
							Profit per employee is up on prior years due to continued cost control. Profit excludes the profit/loss from sale of assets and distribution to codes.
Return on assets (Operating profit as a percentage of total assets)	Return on assets (ROA) is a widely accepted indicator of the efficiency in the use of assets.	%	86.1	81.0	80.9	77.2	77.2
							ROA is broadly consistent with target and up on last year due to a reduction in deficit. Operating Profit excludes the profit/loss from sale of assets and distribution to codes.

* Targets have not been disclosed due to commercial sensitivity.

Key Performance Indicators

For the year ended 31 July 2019

Outcome: To achieve optimum level of funding to the racing industry and for sports.

Effectiveness Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	2016 Result
Distribution to Industry	RWWA's primary purpose is to provide a sustainable future for the West Australian racing industry, achieved by maintaining the optimum level of funding for the racing industry.	\$000	145,203	146,541	138,895	140,157	140,157
							Current year actual result is slightly higher than target.
Grants to Industry (RWWA Funded)	Grants to industry are essential to provide the safest possible racing environment and ensure the integrity of the racing product	\$000	4,254	4,547	5,821	9,112	9,112
							Grants to industry were above target due to additional grants paid during the year. The main grant being to Perth Racing - Ascot Super Screen.
Grants to Industry (WA Government Funded)		\$000	717	1,270	1,923	1,284	1,284
							The results were consistent with target and a reduction on prior years as approved funds are almost expended.

Efficiency Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	2016 Result
* Margin	Margin is an important indicator of the capacity of RWWA to fund the racing industry and sports.	\$000	305,581	321,514	314,694	330,169	330,169
							The decrease in margin is due to a decrease in turnover and a reduced sports margin. Last financial year included one extra week of turnover necessitated by the financial calendar. Every seventh year an extra week is required to realign with the financial reporting calendar.
* Operating Profit excluding the profit/loss from sale of assets before distribution to codes	Operating Profit excluding the profit/loss from sale of assets before distribution to codes highlights the amount of revenue that has been generated for distribution to the racing clubs.	\$000	141,916	137,410	133,636	131,815	131,815
							Operating profit is higher than last year due to continued cost control.

* Targets have not been disclosed due to commercial sensitivity.

Key Performance Indicators

For the year ended 31 July 2019

Outcome: To efficiently administer, and to provide effective leadership in the development, integrity and welfare of the racing and wagering industry in Western Australia.

Effectiveness Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	2016 Result
* % of Winners Swabbed / Returned Negative	A key component in maintaining the integrity of the racing industry is an efficient and effective drug testing regime and the % of winners swabbed / returned negative* is a key indicator of the drug testing regime impact on the industry.	99.3 99.4 99.8		99.2 99.0 99.4	99.9 99.9 100.0	99.7 99.8 100.0	99.7 99.8 100.0
* Average number of starters in WA Races (excluding non-TAB Meetings)	The average number of starters in WA races is an indicator of a healthy population of animals available for racing in WA.	9.8 9.6 7.4		9.7 9.8 7.3	10.4 9.9 7.6	10.4 9.5 7.6	10.4 9.5 7.6
* Annual Growth in TAB Turnover on WA racing	The TAB accepts bets on racing and sports product from WA, the Eastern States, and International Jurisdictions. The growth in TAB turnover on WA Racing is an indicator that the WA product is seen as an attractive proposition, demonstrating a quality product, with high levels of integrity.	(8.6)		(0.9)	(6.3)	(6.9)	(6.9)

(6.9) The reduction in TAB turnover on WA product for 2018/19 was expected in light of the continued economic climate in WA. Last financial year included one extra week of turnover necessitated by the financial calendar. Every seventh year an extra week is required to realign with the financial reporting calendar. Harness and Greyhound decline in WA is consistent with reduction in Harness and Greyhound Australia wide.

* Targets have not been disclosed due to commercial sensitivity.

Efficiency Indicators	Description	2019 Actual	2019 Target	2018 Actual	2017 Actual	2016 Actual	2016 Result
-----------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

Racing and Steward expenses per WA race meeting \$000 29.60 31.30 28.20 22.20 23.50
 % Change on prior year 4.83 10.88 26.99 (5.44) 11.42
 The racing and stewarding functions performed by RWWA are paramount to both the development and integrity of the racing industry. In delivering these functions, RWWA ensures that the cost of delivery is kept under control, and the cost per meeting is an important indicator of how well RWWA is at controlling the cost of delivery.

Other Financial Disclosures

Ministerial Directives

No Ministerial directives were received during the financial year.

Pricing Policies

RWWA has discretion over pricing for goods and services rendered.

Capital Works

Capital works in progress during FY2019:

Project Name	Expected Year of Completion	Expected Cost to Complete \$000	Expected Total Cost of Project \$000
Racing Infrastructure	19/20	192	2,404
Wagering Infrastructure	19/20	1,084	21,000
Support Infrastructure	19/20	797	3,715



Image: Western Australian Harness Drivers Chris Voak and Jocelyn Young

Other Financial Disclosures



Employee Profile

As at the end of the reporting period the number of people employed at RWWA was 490, down from 504 in FY2018. The decrease is attributable to an organisation-wide restructure that occurred within this reporting period.

Racing Industry Safety, Health and Injury Management

Throughout FY2019, RWWA has continued to support the Western Australian racing industry within the occupational health and safety space with regular communication, safety alerts, publications, training, audits and inspections.

The FY2020 will see Worksafe WA implementing changes to the *Occupational Safety and Health Act 1984*. With new occupational health and safety legislation will necessitate increased support from RWWA to ensure all legal obligations are met and a proactive approach to safety remains.

Industrial Relations

Within the reporting period the RWWA TAB Radio Agreement 2015 and the RWWA General Staff Agreement 2015 were in operation and both of these agreements had nominal expiry dates in August 2018. The RWWA TAB Radio Agreement 2015 continued to operate with an administrative salary increase applied in line with the Western Australian Government State Wages Policy, and a replacement for the RWWA General Staff Agreement 2015 was negotiated, culminating in the drafting of the RWWA General Staff Agreement 2019, accepted by all employees in March 2019.

Employee Profile	Full Time Equivalent (FTE)*	
	FY2018	FY2019
Full Time	240	244
Part Time	33	30
Casuals	62	50
Maximum-Term Contracts	57	44
Total	392	368

Other Financial Disclosures

Contracts with Senior Officers

At the date of reporting, other than contracts of employment or directorship appointment, no senior officers (directors and executives) or firms of which senior officers are members or entities in which senior officers have substantial interests had any interests in existing or proposed contracts with RWWA. However, it is noted that some senior officers own (in full and/or part) racehorses and/or greyhounds that participate in racing within Western Australia.

Insurance Premiums Paid to Indemnify Members of The Board

An insurance policy is held to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liabilities of Directors) Act 1996. The amount of the insurance premium paid for 2019 was \$16,943.

Unauthorised Use of Credit Cards

Officers of RWWA hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations under RWWA's credit card policy, 13 employees inadvertently utilised their corporate credit card for personal use. One matter was referred for disciplinary action. The other 12 matters were not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2019 \$
Aggregate amount of personal use expenditure for the reporting period	1,845
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	240
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	539
Aggregate amount of personal use expenditure outstanding at balance date	1,015



Image: WA Fashions on the Field State Final at Ascot Racecourse



Image: Perth Cup at Ascot Racecourse

Governance Disclosures

RWWA's Corporate Governance Principles

RWWA's Board strongly supports the principles of corporate governance and is committed to maintaining the highest standards within the organisation. This is particularly important given that RWWA has to balance commercial decisions with the welfare and integrity of the racing industry within a heavily regulated environment. This is to ensure that RWWA and the racing industry remain viable and sustainable into the future.

Board Powers, Structure, Composition and Membership

The management of the business and affairs of RWWA is under the direction of the RWWA Board. *Racing and Wagering Western Australia Act 2003* gives RWWA broad powers in relation to the management of its affairs and also in the management and regulation of the Western Australian racing industry.

Whilst the Gaming and Wagering Commission of Western Australia regulates RWWA's commercial wagering activities, RWWA's Board is not subject to government direction. Part 2, Division 2 of the *Racing and Wagering Western Australia Act 2003* describes how the Board is to be structured, its composition and membership.

The Board comprises:

- One chair appointed by the Minister responsible for RWWA;
- Four members selected for their expertise in management, finance, business, commerce or information technology, one of which has knowledge of and experience in regional development; and
- Three members representing each of the racing codes, comprising one representative from each code.

Boardroom Conduct and Relationships

The roles and delegated authorities of the Board, Board Committees, Chair, Chief Executive Officer and Executive Members are clearly defined and understood within RWWA.

Key roles of the Board include:

- **Strategy:** set goals and objectives for the organisation and the racing industry and provide strategic direction and planning;
- **Policies and procedures:** determine the organisation's and industry's policies and priorities;
- **Leadership and selection:** appoint the Chief Executive Officer;

- **Monitor performance:** monitor the performance of the organisation and management in achieving its goals;
- **Financial performance:** oversee the allocation of the organisation's finances and resources;
- **Risk management:** understand the major risks involved in the organisation's operations;
- **Relationship with the Minister, regulators and other key stakeholders:** create a regular flow of information to and from the Board, public, employees and industry stakeholders to contribute to the marketing and maintenance of RWWA's good reputation; and
- **Social responsibility:** consider the social, environmental, financial and ethical impact on RWWA's stakeholders and the community when making decisions.

Regulatory Disclosure and Stakeholders Communications

A board member who has a notifiable interest in matters involving RWWA must conform to the following:

- disclose this interest to the Board;
- not vote on the matter; and
- must not be present while the matter or resolution is being considered at the meeting.

However, if the Board has passed a resolution that specifies the Board Member, the interest and the matter, and the other board members voting for the resolution are satisfied, the interest should not disqualify the board member from considering or voting on the matter (Sections 18 and 19, Schedule 1, clause 8(1) of the *Racing and Wagering Western Australia Act 2003*).

RWWA complies with the requirements of disclosure as required by *Racing and Wagering Western Australia Act 2003*, *Financial Management Act 2006* and applicable Australian Accounting Standards.

RWWA maintains regular communications with its stakeholders through:

- Racing Industry Consultative Groups;
- TAB Agents Advisory Council;
- Meetings with the Minister responsible for RWWA; and
- Communications with employees.

Governance Disclosures

Risk Management and Compliance

The Board, through its Audit and Risk Committee (ARC), assesses and monitors the adequacy and effectiveness of RWWA's risk management and compliance processes. The ARC meets four times a year, together with senior management.

RWWA's risk management framework is established in accordance with the risk management standard AS/NZS ISO 31000:2009 Risk management – principles and guidelines. A designated risk manager supports the effective implementation and application of the framework across the organisation. The organisation's internal audit function, which reports to the ARC, provides assurance over the management of key organisational operational and strategic risks through implementation of the risk-based internal audit plan. The plan is compiled with reference to the organisation's key risks against which other forms of assurance are mapped to ensure targeted and effective internal audit reviews. RWWA's compliance and legal team is responsible for embedding and maturing the organisation's approach to legislative compliance, including anti-money laundering and counter-terrorism financing obligations. The team reports to the ARC on legislative compliance on a quarterly basis.

Management signs an annual representation letter providing the Board with assurance that its operations, including financial reports, are based on sound systems of governance, risk management, legislative compliance and internal control.

Integrity

The maintenance of the integrity and fairness of the Western Australian racing industry is paramount to ensuring the confidence and support of the public and participants who support the industry. In an industry dependent on the public wagering upon the outcome of races, it is imperative that racing is conducted on a level playing field and that the outcome of these races is determined through honest means.

The importance of ensuring the confidence of participants and supporters is recognised by the *Racing and Wagering Western Australia Act 2003*, by providing an Integrity Assurance Committee responsible for the primary oversight of those aspects of RWWA's functions that relate to stewards, drug testing and control, licensing and registration, handicapping, racing appeals and the Rules of Racing. Critical to the regulation, control and supervision of racing are the RWWA stewards.

By virtue of the relevant Rules of Racing, the stewards are

granted wide-ranging powers in order for them to properly control and regulate their respective racing codes. It is the stewards' task to ensure that the Rules of Racing are adhered to and to investigate, determine and where necessary penalise any breaches of the rules. The stewards are responsible for the conduct of race meetings throughout the State in addition to the conduct of all persons registered in varying capacities in the various racing codes.

Ethical Decision Making

RWWA considers the social, environmental, financial and ethical impact on RWWA's stakeholders and the community when making decisions. RWWA has developed a Responsible Wagering Policy to guide board members, employees and TAB agents in the responsible provision of wagering services and to ensure that RWWA provides customers with the highest standard of customer care.

Strategy, Planning and Monitoring

To outline RWWA's objectives, function, main undertakings and performance targets, an annual Statement of Corporate Intent and a Strategic Development Plan (longer term plan) are developed which documents the plans, direction and vision for RWWA and the Racing Industry. The Board monitors and evaluates the progress of implementing the Strategic and Business Plans of RWWA.

Encouraged Enhanced Performance

Annual budgets and business plans are developed to meet the targets set in the Statement of Corporate Intent and the Strategic Development Plan and these are linked into RWWA's Performance Management System.

Sustainability

RWWA considers sustainability an important issue, not only for the organisation but also for the Western Australian racing industry. RWWA believes that sustainability concentrates on providing a sustainable future; focusing on economic, environmental and social elements.

Key initiatives include:

- Responsible Wagering Program and Code of Conduct;
- Equity and diversity within the workplace; and
- Ensuring the financial viability of the Western Australian racing industry through financial practices.

RWWA is committed to improving its sustainability practices and principles.

Other Legal Requirements

Other Wagering Costs

In compliance with section 175ZE of the *Electoral Act 1907*, RWWA reports that it incurred the following expenditure in relation to account management, market research, content, direct communications and advertising.

Total expenditure for FY2019 was \$17.5M and was incurred as follows:

Supplier	\$'000
Advertising Agencies	
Brand Agency Production/ Operations	1,030
Brand Agency Media Expenditure	5,330
Signifi Digital Media	414
Direct Booked Media	
Croc Media	319
Redwave Media	139
Western Sports Media (Sport FM)	33
The West Australian (TABform)	450
Sky Channel (not media)	9,295
Market Research	
Painted Dog	206
Social & Content	
Facebook	192
Twitter	4
Direct Mail	
Engage Digital	34
Telstra SMS Services	-
Mobivate SMS	56
Mobivate Blackbook	64
Telstra Blackbook	13
Total	17,579

Record Keeping

In accordance with Section 61 of *State Records Act 2000*, RWWA provides the following information in support of compliance with the State Records Commission's Standard 2 (Principle 6). To maintain accurate records, a schedule is in place to conduct testing of records integrity on an ongoing basis. This schedule is used for checks and cross referencing of records held at offsite storage and on RWWA's digital platforms.

Government Policy Requirements

Occupational Safety and Health

As part of its employee experience focus, RWWA values safety highly and as such, the RWWA board and Executive team continue to ensure a proactive and positive approach to safety within the organisation. This includes the pre-emptive management of workplace safety, health and wellbeing throughout all levels of the organisation. This is done by setting measurable key performance indicators and continuous improvement of the Infrastructure, procedures and training within the workplace.

FY2020 will see a change to occupational health and safety legislation designed to modernise and strengthen safety law in Western Australia. RWWA will ensure its safety management system complies with the new changes to the legislation, continue to maintain compliance with the *Workers Compensation and Injury Management Act 1981*, as well as providing a proactive approach to risks at all RWWA divisions and occupational health and safety support to racing clubs.

Insurance and Lost Time Injury Table

Measure	Results 2015-16 ⁽¹⁾ Base Year	Results 2016-17 Prior Year	Results 2017-18 ⁽¹⁾ Current Reporting Year	Targets	Comments Towards Targets
Number of fatalities	0	0	0	0	Target Achieved
Lost time injury and/or disease incidence rate	0.79	0.0	0.54	0 or 10% reduction in incidence rate	Target Achieved
Lost time injury and/or disease severity rate	0.26	0	0.50	0 or 10% reduction in severity rate	Target not met. 2 LTI claims in 18/19
Percentage of injured workers returned to work (i) within 13 weeks	100%	Not Applicable	50%	Actual result to be stated	Target not met. 2 LTI claims in 18/19.
Percentage of injured workers returned to work (ii) within 26 weeks	100%	Not Applicable	100%	Greater than or equal to 80%	Target Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	81%	61.76%	68%	Greater than or equal to 80%	Target not met

Note (1) The performance reporting examines a three year trend and as such the comparison base year is to be two years prior to the current reporting year (i.e. current year is FY2019 and comparison year is FY2017).





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