RACING AND WAGERING
WESTERN AUSTRALIA

2020
ANNUAL REPORT

Image: Magic Millions Barrier Draw 2020

Statement of Compliance

For the year ended 31 July 2020

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 2020.

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

12 October 2020

Anthony Hasluck
Chair Audit and Risk Committee

12 October 2020

Contents

Chapter 1: Overview

About Us	1
2020 Key Performance Highlights	3
Chair and CEO Report	6
Operational Structure	11
Racing and Wagering Western Australia Board	13
Board Committees	14

Chapter 2: Report on Operations

Wagering	18
Racing	22
Welfare	32
Racing Integrity	41
Corporate Social Responsibility	47
People and Culture	50

Chapter 3: Disclosures and Legal Compliance

Opinion of the Auditor General	53
Certification of Financial Statements	57
Financial Statements	
Statement of Comprehensive Income	58
Statement of Financial Position	59
Statement of Changes in Equity	60
Statement of Cash Flows	61
Notes to and Forming Part of the Financial Statements	62
Certification of Key Performance Indicators	108
Performance Management Framework	109
Key Performance Indicators	110
Other Financial Disclosures	114
Governance Disclosures	117
Other Legal Requirements	119
Government Policy Requirements	120

Chapter 1: Overview

Image: Gloucester Park

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

RACING AND WAGERING WESTERN AUSTRALIA
TABtouch Better your bet
TABradio
Community TAB
THE RACES WA
RACING ASSIST
OFF THE TRACK WA More than a racehorse
CAREERS IN RACING
WESTBRED
WESTCHASE
WESTSPEED
WESTSPEED EPONA
WESTSPEED PLATINUM
GREYHOUNDS AS PETS Supporting Western Australian Retired Greyhounds
FASHIONS ON THE FIELD
OWNERS ONLY Own the dream
WA RACING INDUSTRY HALL OF FAME

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

GOALS

- Maximising wagering revenue
- Grow returns to Western Australian racing industry
- 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.

Image: Northam Race Club

FY2020 Key Performance Highlights

Wagering

- Highest recorded level of active accounts outside of Melbourne Cup week - 53,000 (July 2020)
- Achieved highest recorded TABtouch Net Promoter Score of 54 (July 2020)
- Maintained 39% digital wagering market share through COVID-19
- 17% increase in customers using mobile devices to wager
- Gross margin grew by 1.5% on previous year despite COVID-19
- Opened six new PubTABs within licensed venues

Racing

- $3.2B in turnover from all national wagering operators on WA racing
- $163.3M in funding to WA racing industry
- $12.2M increase in racefield revenue
- $15.8M in RWWA grants and club subsidies
- 854 race meetings and 7,946 individual races

Integrity

- $1.3M invested in prohibited substance control
- 8,753 individual horse and greyhound swabs collected
- 99.8% of swabs were negative

Welfare

- 304 greyhounds adopted through GAP (49% increase on FY2019)
- 26 greyhounds adopted through the Greyhound Injury Full Recovery Scheme
- Zero greyhounds euthanised as not suitable for racing
- 99.8% of greyhound starters not affected by serious injury
- 122 events sponsored through Off the Track WA, with 2,773 retired racehorses participating

Corporate Social Responsibility

- $233K in funding provided to community groups through Community TAB
- More than $107K raised for community groups through Community TAB Race Club Community Program

People and Culture

- Employee Onboarding overall satisfaction score 100% (18% increase on FY2019)
- 18 employees completed RWWA's Emerging Leaders Program
- 89% attendance rate at wellness activities, comprising 21 events and 1,781 participants
- Permanent employee turnover 8.4% (national average 18% turnover)
- Employee experience engagement score 72%, surpassing KPI target

Image: 2020 SKY Racing Perth Cup

Chair and CEO Report

Introduction

It is our pleasure to present the 2020 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 Western Australian racing industry from $63.3 million to $163.3 million in FY2020.

The Western Australian racing industry continues to provide important economic and social benefits to the State. Overall, the State's racing industry generates more than $821 million in economic contribution to Western Australia each year, and sustains more than 7,360 full-time-equivalent jobs[1].

RWWA commenced the year with a positive outlook for the Western Australian racing industry, with key focus areas including increases in prizemoney and breeding bonuses, ownership and racing marketing initiatives, as well as the introduction of seven day racing for the greyhound code.

During FY2020, RWWA delivered a dual purpose in ensuring that it continued to provide its critical services to the Western Australian racing industry, as well as support the State Government in its efforts with the sale of the Western Australian TAB. Negotiations of the sale were well progressed, with a preferred bidder selected. However due to the ongoing uncertainty surrounding the impacts of COVID-19, all parties agreed to disengage from the process until further notice.

RWWA and the Western Australian racing industry responded well to the impacts of COVID-19 and were successful in implementing effective bio-security measures to ensure the continuation of racing. This included restricting racecourses to essential persons only, consolidation of race meetings to reduce unnecessary travel, hygiene and social distancing practices implemented on-course and team segregation among many other strict bio-security measures.

However, RWWA's wagering business was impacted by COVID-19, with Government restrictions resulting in the closure of the retail network, with all PubTAB's required to close on 23 March 2020, followed by all TAB agencies two days later. On 1 May 2020, the Government authorised selected TAB outlets to open as 'Deposit and Withdrawal Centres' under certain restrictions. The re-opening of all TAB agencies was enabled following the introduction of the State Government's Phase 3 restrictions on 6 June 2020.

To mitigate the risk of declining income and ensure the ongoing sustainability of the Western Australian racing industry, RWWA made the decision to reduce prizemoney and associated breeding bonuses by 20 per cent, in addition to reductions in its own cost base.

RWWA's cost mitigating measures, along with the robust recovery of the Western Australian TAB business with the re-opening of the retail network, and strong receipts from the Racing Bets Levy, enabled RWWA to return stakes and bonuses to their full pre-COVID-19 levels within just four months.

Financial Performance

In order to ensure a sustainable future for the Western Australian racing industry, RWWA continues to develop strategies and new ways of working to be more competitive in the national wagering market.

FY2020 delivered a solid performance with overall revenue from all sources up by $20.5 million, resulting in a total of $450.2 million comprised of $310.2 million from TAB wagering, $93.2 million from the Western Australian Racing Bets Levy and $46.8 million from other items. The significant increase in revenue was once again driven by growth in income generated by the Western Australian Racing Bets Levy, which was up by 15 per cent or $12.2 million, growing from $81.0 million to $93.2 million in FY2020 (see Note 8.9 in Financial Statements: Grants and Subsidies from State Government).

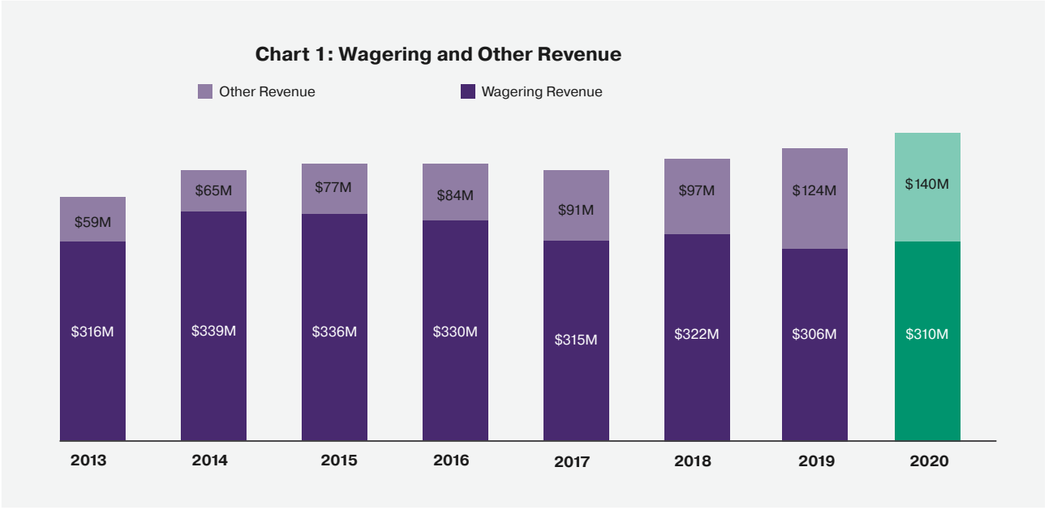
The Western Australian Racing Bets Levy is paid by wagering operators who conduct betting on Western Australian racing. The levy is revenue paid to RWWA, but is treated as income from the State Government because RWWA operates as both the principal racing authority and is the operator of the Western Australian TAB. It should be noted that a portion of the $12.2 million increase is a result of the COVID-19 pandemic, due to comparative wagering products including a majority of national and international sports and international racing being unavailable from March to July 2020. This left the Western Australian product with reduced wagering competition during the period resulting in a favourable increase in national wagering market share.

Income from other items for FY2020 also included Point of Consumption Tax (POCT), which provided an additional $12.0 million in revenue for the year. The increase reflects a full year of POCT in FY2020, whereas POCT for FY2019 was only in place from 1 January 2019.

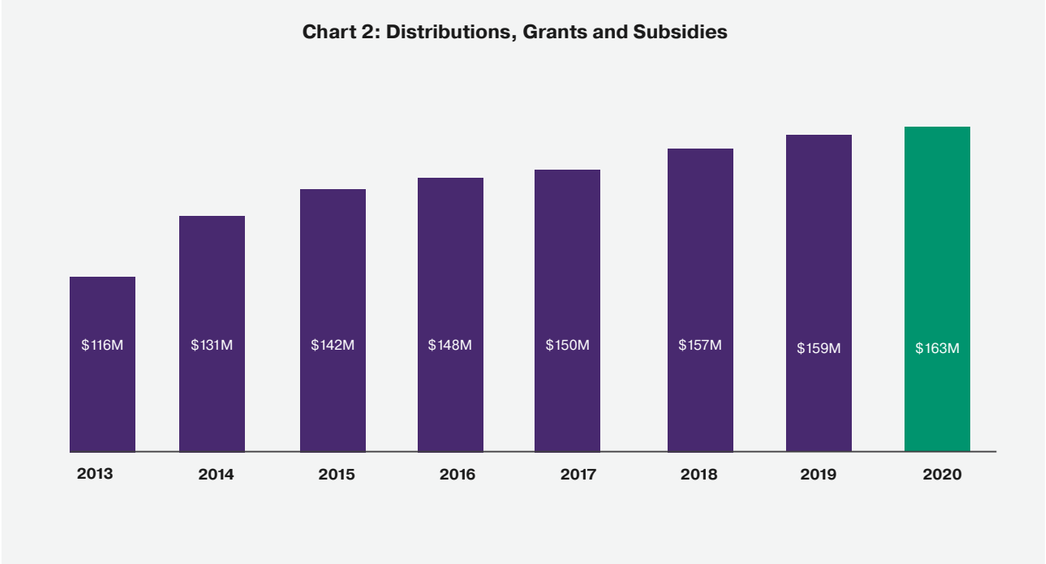
The Western Australian TAB produced a profit in FY2020 of $109 million excluding support costs.

[1]*Source: Size and Scope of the Western Australian Racing Industry, IER, January 2016*

Chair and CEO Report



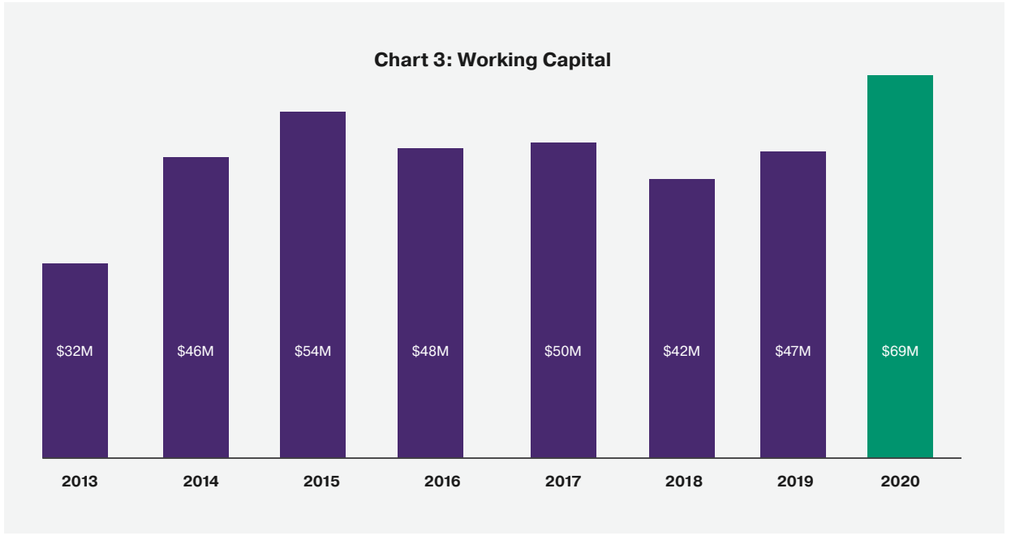
RWWA provided $163.3 million in funding to the racing industry via distributions, grants and subsidies, representing a $4.3 million increase from the previous year as shown in Chart 2.



In terms of racing industry grants, RWWA chose to distribute funds for relevant projects and investment priorities across all three codes totalling $4.2 million for FY2020.

After taking into account the various financial outcomes, including the increase in industry funding, working capital increased by $22.1 million over the prior year as highlighted in Chart 3.

Chair and CEO Report



Wagering

Point of Consumption Tax
On 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 Point of Consumption Tax (POCT). The tax 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.

WA TAB Sale
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.

Following the passing of the Act, negotiations of the sale were well progressed and a preferred bidder was selected. The WA Government and RWWA both engaged productively to fully explore the potential for a mutually beneficial transaction.

The ongoing uncertainty surrounding the impacts of COVID-19 was a major impediment to progressing negotiations. As a result, an announcement was made on 7 August 2020 that all parties had agreed to disengage from the process until further notice.

The sale of the Western Australian TAB was designed to test the market with the aim of providing the State's racing industry with a reform package, to secure its long-term financial future. It was determined that a sale in the current economic climate would not provide the best possible outcome for the industry.

With the sale on hold, RWWA will continue to actively manage and drive performance of the Western Australian TAB business in the long-term interest of the State's racing industry. Investment into the Western Australian TAB next financial year will be important post-COVID, while the sale process becomes more understood.

Chair and CEO Report

Western Australian TAB
The Western Australian TAB continues to perform favourably against other TAB's across the country.

RWWA's wagering revenue through the TAB was 1.5 per cent higher than the previous year. Mobile channel turnover and active TABtouch customers continue to grow, with increases of 7 per cent and 9 per cent respectively over the previous year.

Importantly, the Western Australian market share for the TAB rebounded to its pre-COVID-19 levels of 55 per cent, despite accelerated digital migration and potential loss of retail turnover to digital competitors.

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.

Wagering on all three codes was at record levels for FY2020, with strong interest in the Western Australian racing product throughout COVID-19. Overall national wagering on Western Australian racing increased by 14 per cent to $3.2 billion in FY2020.

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.

In order to improve the relevance of the thoroughbred code, RWWA invested $1.8 million in funding towards marketing and digital content strategies focused on ownership, post-racing equine welfare, and the newly created thoroughbred brand The Races WA.

A major announcement for greyhound racing saw RWWA commit to the introduction of seven day racing which came into effect on 22 March 2020.

RWWA's strategic focus for the harness code remained on the implementation of the Conditioned Racing System to improve the commercial competitiveness and generate greater revenue streams for the code.

From 6 April 2020 to 31 July 2020, in addition to reductions in its own cost base, RWWA made the decision to reduce prizemoney and associated breeding bonuses by 20 per cent to assist in mitigating the risk of a potential reduction in income as a result of COVID-19.

In line with State and Federal Government restrictions, race meetings were consolidated to 11 venues in order to reduce unnecessary travel. This resulted in the cancellation of the Pilbara racing season, including the Port Hedland Turf Cub and Nor-West Jockey Club (Roebourne), as well as the Broome Turf Club's season. Community race meetings were also cancelled at Dongara, Leinster, Leonora, Yalgoo, Kununurra, Wyndham, Derby and Newman.

An important part of summarising racing's key achievements for FY2020 is to also recognise the winners of the major Group races throughout the season, who were as follows:

Thoroughbred
- Railway Stakes (Group 1) won by REGAL POWER; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd (owners).
- Winterbottom Stakes (Group 1) won by HEY DOC; Tony and Calvin McEvoy (trainer); Luke Currie (jockey); and A F Ramsay, A C Hall, P M George, M J Davidson, D M Mahony, G S Tucker, J F Higgins, J W Higgins, M F James, A J James, B S Evans, J M Tynan, J M Harvey, D P Smith, R Smith, SR Smith, PH Smith, G C Babich, N J Babich, Lucky Fifteen (owners).
- Kingston Town Classic (Group 1) won by KAY CEE; Neville Parnham (trainer); Steven Parnham (jockey); and G J Edwards, K A Edwards, K J Edwards, C J Edwards (owners).
- Perth Cup (Group 2) won by MISSISSIPPI DELTA; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd (owners).
- Karrakatta Plate (Group 2) won by IMA SINGLE MAN; Chris and Michael Gangemi (trainer); Jordan Turner (jockey); and Yarradale Stud (owners).
- WATC Derby (Group 2) won by TUSCAN QUEEN; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd (owners).

Harness
- Fremantle Pacing Cup (Group 1) won by CAVIAR STAR (NZ); Gary Hall Snr (trainer); Stuart McDonald (driver); and K A Hall, S D MacGregor, R Patriarca, P Chivers and N Patriarca (owners).
- WA Pacing Cup (Group 1) won by MIGHTY CONQUEROR (NZ); Greg and Skye Bond (training partnership); Dylan Egerton-Green (driver); and G Bond and S Bond (owners).
- WA Derby (Group 1) won by PATRONUS STAR (NZ); Greg and Skye Bond (training partnership); Dylan Egerton-Green (driver); and Team Bond and The Running Camel Pty Ltd (owners).
- WA Oaks (Group 1) won by SPORTS PACKAGE; Terry Ferguson (trainer); Dylan Egerton-Green (driver); and T Ferguson (owner).

Chair and CEO Report

Greyhound
- Galaxy (Group 1) won by ROCKSTAR PATRIOT; Paul Stuart (trainer); and J Jeffries and G Jovanovic (owners).
- Perth Cup (Group 1) won by SIMON TOLD HELEN; David Burnett (trainer); and Emma's Boys Syndicate (owners).
- National Sprint Championship (Group 1) held in Western Australia, won by local greyhound PREMIUM SHARE; Chris Halse (trainer); and L Britton (owner).
- National Distance Final (Group 1) held in Western Australia, won by local greyhound REIDY'S RUNNER; Christine Bennett (trainer); and G Reid (owner).

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

As an industry, and indeed a nation, we have found ourselves in unchartered territory with the outbreak of COVID-19 during FY2020. However, as an industry we have proven that when faced with uncertainty we are able to work together to protect racing in Western Australia.

Whilst we have been fortunate, we recognise the impact the COVID-19 pandemic has had on our industry, with many having to make sacrifices to enable racing to continue. Therefore, we would like to take this opportunity to thank our racing participants, staff, TAB agents, Government and importantly our customers for their ongoing commitment and hard work as we have navigated through what has been a challenging year for all.

As we enter the new financial year, we will also look to recruit a new leader with the resignation of Chief Executive Officer Richard Burt after 13 years of service to the Western Australian racing industry.

Richard has been the corner stone of a successful exploitation of the WA TAB which has delivered for the racing industry year-on-year increases to racing distributions during his tenure. Richard's professionalism, commitment and strategic perspective have served racing well and established within the organisation and the industry a firm basis for continued success.

On behalf of the Board, RWWA and the industry, we wish Richard all the best in his new endeavours.

With a new year comes new exciting opportunities and RWWA looks forward to delivering on its commitments for FY2021.

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.

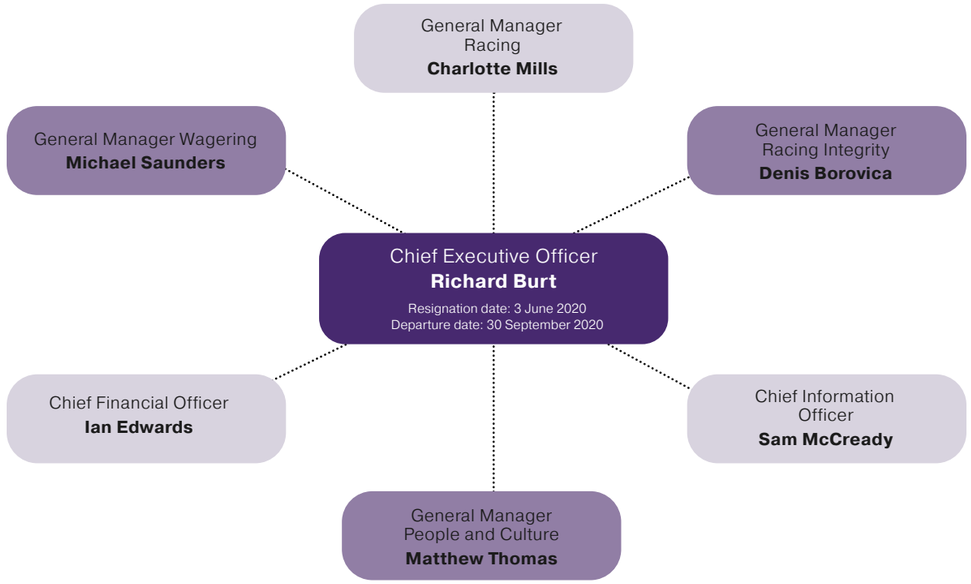


Image: Team Teal 2020

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
Jeff Ovens is the Chair of the RWWA Board. Mr Ovens 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
Robert Bransby is the nominated Thoroughbred Code Director on the RWWA Board. Mr Bransby 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
Bob Fowler is the nominated Harness Code Director on the RWWA Board. Mr Fowler is the Managing Director of Fowler Group of Companies and is also the founder of Allwood Stud Farm. Mr Fowler is a former President of the Western Australian Trotting Association and the WA Standardbred Breeders Association.

Mr Gary Gliddon
First appointed 21 November 2011
Gary Gliddon is the nominated Greyhound Code Director on the RWWA Board. Mr Gliddon 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. Dr Cretney-Barnes 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. Dr Cretney-Barnes also currently holds several board positions and is the founder of Board Connexions.

Mr Stephen Langsford
First appointed 1 February 2018
Stephen Langsford is a corporate adviser, company director and entrepreneur. Mr Langsford has founded and operated several companies in the consumer digital and information technology sectors.

Mr Anthony Hasluck
First appointed 1 February 2014
Anthony Hasluck is one of Western Australia's leading communications consultants. Mr Hasluck 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
Kirrilee Warr is the regional representative on the RWWA Board. Mrs Warr is a director of a broad acre agricultural enterprise, a former board member of the CBH Grower Advisory Council (retired 2020), Vice President of the Shire of Chapman Valley and committee member of Midwest AICD. Mrs Warr 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 Jeff Ovens (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 reviews and approves RWWA's annual report.

Committee members:

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

Racing Committees

In 2017, the RWWA Board established board sub-committees for each of the three racing codes. In February 2019, the Thoroughbred Racing Committee was disbanded. The Harness Racing Committee and Greyhound Racing Committee continued to operate until their final sitting dates of 9 October 2019 and 10 October 2019 respectively.

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, throughout all stages of their lives. 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

Image: Ascot Racecourse

Image: TABtouch 'Better Your Bet' Campaign 2019

Wagering

RWWA's wagering business offers totalisator (pari-mutuel) and fixed odds betting on racing and sport, as well as other emerging markets such as entertainment, e-sports and politics.

The Western Australian TAB operates a network of more than 320 retail TAB agencies and PubTABs, whilst supporting the wagering infrastructure at race clubs (on-course operations). Sales channels include retail TAB and TABtouch accounts for mobile, internet and call centre.

RWWA holds the commercial selling rights for Sky Racing in Western Australia, which broadcasts thoroughbred, harness and greyhound racing to audiences in TAB outlets, hotels and clubs.

The wagering business continued its customer development with a product management approach during FY2020. The agile way of working helped to ensure the business was competitive in the national wagering market.

A focus during the year was to acquire new customers and increase total active customer numbers with continuous effort to improve the customer experience.

Customer value was delivered by numerous digital improvements on the mobile app as well as an evolving generosities program to retain customers in an intensely competitive market.

FY2020 KEY HIGHLIGHTS

- **Digital wagering market share was maintained through COVID-19 – average of 39% per month for FY2020.**
- **TABtouch customer Net Promoter Score at highest level:**
  - **54 for new customers**
  - **24 for established customers**
- **The highest level of monthly active accounts reached, outside of a Melbourne Cup week, was 53,000 in July 2020.**
- **FY2020 gross margin generated was 1.5% higher than previous year despite COVID-19 impact on betting product and closure of the retail channel.**
- **With government support, WA was the only state in Australia to open TAB cash deposit and withdrawal centres through the COVID-19 retail shutdown.**

TABtouch Digital

The number of wagering customers using mobile devices grew by 17 per cent in FY2020, driven by improvements in user experience and delivery of value to account customers, including:

- Competitive SuperPick racing offers and complimentary sports specials across popular codes.
- Faster "Past the Post" fixed odds racing dividends including paying on protests was a first for any Australian TAB customer.
- Apple Pay for a popular and quick way to deposit funds into TABtouch accounts.
- Picture in Picture for SKY vision giving better access and useability for all live races and race replays.
- Racing improvements including smart form filter, racing search functionality, race alerts and meeting favourites.
- Sports development including MultiMate, for customers who multi bet across codes and bet types, and navigation to next and feature events.
- New fixed odds product featuring Insurance on mobile, A vs B and Head to Head racing markets.
- General navigation improvements on homepage with next events and featured events.

Wagering

TAB Retail

Wagering's strategy for FY2020 included targeted investment in the retail wagering license and continued cross channel focus on strengthening TAB agents' engagement with TABtouch. TAB agents across the State received incentives for all new TABtouch accounts opened by customers in their agency, which helped RWWA meet its acquisition targets for the year.

COVID-19 Impact

The public health response by the State and Federal Government as a result of the COVID-19 pandemic impacted on the TAB's retail operations during FY2020. On 23 March 2020, all PubTABs were required to close, followed by the closure of all TAB agencies two days later.

On 1 May 2020, the Government authorised selected TAB outlets to open as 'Deposit and Withdrawal Centres' for limited hours, to provide customers who preferred to transact in cash access to their accounts, and assist some small business agents to manage the financial impacts of COVID-19.

Strict social distancing measures were in place, with a maximum of four customers allowed in the agency at any one time. No audio or vision of any wagering content was displayed, and no wagering activity was allowed. In total, 18 metropolitan and four regional TAB agencies were opened as Deposit and Withdrawal Centres.

The opening of the deposit centres allowed the TAB agencies to maintain retail relevance while protecting online market share during the COVID-19 restrictions. On 6 June 2020, TAB agencies were re-opened following the implementation of the State Government's Phase 3 of the WA roadmap to ease COVID-19 restrictions. This was an important milestone for the many small business owners who run TAB agencies.

A large proportion of the WA TAB's revenue (55.7 per cent pre-COVID-19) is generated through its agencies. During the period in which agencies were closed, activity via TABtouch accounts increased more than 50 per cent with the variance due mostly to customers transitioning from retail to online wagering channels.

Racewalls

At the end of FY2020, racewall technology was in place in the majority of the PubTABs and 32 full-time TAB agencies. The racewall's paperless system delivers TAB agents a more labour efficient race day, and allows customers to access the next six races to jump together with a direct tote to fixed odds comparison, expert ratings and traditional racing information.

RWWA invested in the opening of six new PubTABs within licensed venues in Attadale, Harvey, O'Connor, Wellard, Walliston and Kalgoorlie. Following discussions with affected agents, a mutually agreed decision was made to close full-time TAB agencies in Willagee, Kalamunda and Kalgoorlie.

Image: TAB Agent Racewall

Racing

The racing division is responsible for the strategic direction of the thoroughbred, harness and greyhound racing codes in Western Australia, together with the operational 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 Australia Act 2003* and applies the National Rules of Racing for each code.

Key Racing Statistics

(Brackets indicate FY2019)	Race Clubs	Meetings	Races	Starters	Individual Animals Raced
Thoroughbred	37	269 (283)	2,089 (2,140)	20,639 (20,522)	3,193 (3,197)
Harness	12	258 (256)	2,142 (2,207)	19,991 (21,107)	1,471 (1,585)
Greyhound	1	326 (314)	3,707 (3,497)	27,433 (25,824)	1,545 (1,391)
TOTAL	**50**	**853 (853)**	**7,938 (7,844)**	**68,063 (67,453)**	**6,424 (6,173)**

Note: to enable racing to continue through the COVID-19 pandemic, thoroughbred race meetings in the Pilbara and Kimberley were impacted heavily, resulting in a reduction of 13 meetings year-on-year. Harness race meetings were consolidated to three venues and greyhound race meetings were run at two venues, and as such did not lose any race meetings.

Funding by Code

(Brackets indicate FY2019)	Prizemoney	Breeding Bonuses	Other Participant Payments	Club Funding	Club Subsidies	RWWA-Funded Grants	Total
Thoroughbred	63.5M (62.7M)	6.5M (7.7M)	8.3M (5.8M)	14.6M (14.3M)	8.4M (8.0M)	3.8M (2.9M)	105.1M (101.4M)
Harness	23.1M (24.8M)	2.0M (1.7M)	2.4M (1.7M)	6.0M (5.7M)	2.1M (2.2M)	0.4M (1.2M)	36.0M (37.3M)
Greyhound	12.1M (11.3M)	1.1M (0.9M)	1.8M (1.3M)	6.1M (5.8M)	1.1M (0.8M)	0.0M (0.2M)	22.2M (20.3M)
TOTAL	**98.7M (98.8M)**	**9.6M (10.3M)**	**12.5M (8.8M)**	**26.7M (25.8M)**	**11.6M (11.0M)**	**4.2M (4.3M)**	**163.3M (159.0M)**

Note: due to the COVID-19 pandemic, FY2020 included a reduction of 20 per cent in prizemoney and breeding bonuses paid from 6 April to 31 July 2020; as well as the cancellation of the Pilbara racing season, including the Port Hedland Turf Club, Nor-West Jockey Club (Roebourne), and the Broome Turf Club's season; community race meetings were also cancelled at Dongara, Leinster, Leonora, Yalgoo, Kununurra, Wyndham, Derby and Newman.

Image: Greyhounds WA Cannington

Image: Gloucester Park

Racing

COVID-19 Impact

While the Western Australian racing industry was privileged to continue to operate during the COVID-19 pandemic, the public health response by the State and Federal Government did impact the racing season during FY2020. On 16 March 2020, RWWA implemented a range of strict bio-security measures to protect both the health and livelihood of the industry's workforce and, as a result, the wellbeing of the State's racing animals. RWWA continued to monitor and work with Government to ensure the racing industry was, and in many cases beyond, compliant. Some of these restrictions included:

Essential Persons Only
Racecourses were restricted to only those personnel essential to the running of racing.

Consolidated Race Meetings
To reduce unnecessary travel, race meetings were consolidated to 11 out of 53 venues. Regional locations including Albany, Geraldton and Kalgoorlie were restricted to local horses only.

Good Hygiene & Social Distancing
Good hygiene and social distancing practices were implemented at racetracks and enforced by Compliance Officers who acted under the powers of the stewards.

Guidelines Developed
Guidelines outlining strict bio-security measures were developed and provided to all trainers and their stable/kennel staff.

On-course Restrictions
Further restrictions were implemented on-course with regards to the number of strappers/stable staff allowed to accompany trainers at venues, as well as increased security in restricted areas.

Race Day Practices Adjusted
Several race day practices were adjusted to ensure social distancing, including kennelling, boxing and the gearing up horses.

Team Segregation
Jockeys and critical RWWA staff were segregated into "A and B" teams to ensure that in the event a member was affected by COVID-19, not all personnel would be required to isolate.

Racing

On 6 June 2020, some racetracks re-opened to allow a maximum of 300 persons under the State Government's Phase 3 of the WA roadmap to ease COVID-19 restrictions. On 27 June 2020, race meetings and trials were re-opened to the public under certain conditions, following the implementation of the WA Government's Phase 4 restrictions.

Consolidated Race Meetings

In a concerted effort to reduce the amount of travelling by industry participants, particularly in regional areas, race scheduling changes were made from March to June 2020, including:

Thoroughbred:

- Inner provincial race meetings were consolidated to Ascot, Belmont Park, Bunbury, Northam and Pinjarra Park. All thoroughbred race meetings held on or after 13 April 2020 at Albany, Geraldton and Kalgoorlie were restricted to horses located within their respective Regional Development Commission areas.
- The Pilbara season, including the Port Hedland Turf Club and the Nor-West Jockey Club (Roebourne), as well as the Broome Turf Club's season in the Kimberley were cancelled.
- Community race meetings were cancelled at Dongara, Leinster, Leonora, Yalgoo, Kununurra, Wyndham, Derby and Newman.

Harness:

- From 28 March 2020, harness race meetings were consolidated to Gloucester Park, Bunbury and Pinjarra. Race clubs impacted in the FY2020 season included Central Wheatbelt (Kellerberrin), Narrogin, Northam and Wagin.

Greyhound:

- Greyhound race meetings were consolidated to Cannington and Mandurah. The Northam season did not commence as scheduled in April 2020, and the newly introduced Sunday greyhound race meetings alternated between Mandurah and Cannington.

The changes were aimed at further protecting the wellbeing of industry participants while still providing sufficient racing opportunities for all classes of racing animals.

Industry Funding

From 6 April to 31 July 2020, in addition to reductions in its own cost base, RWWA made the decision to reduce prizemoney and associated breeding bonuses by 20 per cent to assist in mitigating the risk of a potential reduction in income as a result of COVID-19.

Code	Reduction in Prizemoney	Reduction in Breeding Bonuses
Thoroughbred	-$3.80M	-$0.56M
Harness	-$1.60M	-$0.16M
Greyhound	-$0.64M	-$0.06M
Total	**-$6.04M**	**-$0.70M**

Image: Social Distancing at Ascot Racecourse during COVID-19

Racing

Thoroughbred

In FY2020, RWWA's strategic priorities for the thoroughbred code were to:

- 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 its '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 FY2020:

- $101.2M in club and participant funding and subsidies, including:
    - $14.6M in club funding for 37 thoroughbred clubs (including tenanted arrangements for Coolgardie Race Club at Kalgoorlie).
    - $63.5M in base and feature stakes.
    - $6.5M in Westspeed and EPONA bonuses.
- $1.8M toward ownership, marketing and branding initiatives, including:
    - The Races WA brand, to revitalise the relevance of thoroughbred racing - incorporating the Life's Better with Horses campaign.
    - At the commencement of the Spring-Summer racing period at Ascot, the Owners Vantage was made available as a destination for owners each Saturday. The Owners Vantage is an exclusive area for thoroughbred owners to enjoy on the day their horse is racing at Ascot Racecourse. Over 3,000 owners (~200 per meeting) and their guests accessed the venue. An area was also developed for the Belmont racing season.
    - A third Own the Dream Event Series, incorporating the Win a Share in a Racehorse competition. A total of 695 participants took part in the series, which achieved an average attendance of 237 participants per event (101 per cent increase on FY2019). The series was selected as a finalist for the 2020 AMI Awards for Marketing Excellence 'Event or Brand Experience', with the winners to be announced on 15 October 2020.

Other Thoroughbred Activities

Other major thoroughbred racing activities during FY2020:

- The Magic Millions Yearling Sales recorded a sale aggregate of $13.2M ($9.1M in FY2019) and an average sale price of $51,147 ($44,025 in FY2019), with a clearance rate of 83.5 per cent.
- Ascot hosted the TABtouch Masters, featuring three consecutive Saturdays of $1M Group One races.
- Completion of Pinjarra Race Club's second turn infrastructure project, allowing for more race meetings in future seasons.
- Commitment to the development and implementation of the WA Racehorse Welfare Plan, to ensure the best levels of care are provided to racehorses during all stages of their lives.

Image: Carnarvon Race Club

Racing

Industry Training

Industry training highlights for FY2020:

- Five apprentice jockeys commenced race riding and four completed their apprenticeship.
- Ten new trainees commenced during the year.
- Two apprentices sponsored by the Mauritius Turf Club trained in WA for 12 months, both progressing from trials to race riding.
- RWWA supported the National Apprentice Jockey Challenge up until it was cancelled due to the COVID-19 pandemic restrictions:
    - The first heat was held in Tasmania with Beaux Banovic-Edwards representing WA.
    - A heat was held at Ascot in March 2020, in which Campbell Rawiller (Vic), Dan Morgan (NT), Lachlan Neindorf (SA), Adin Thompson (Qld), and Chloe Azzopardi (WA) participated. The race was won by Queensland rider, Adin Thompson.
- Jade McNaught had a record-breaking year as an apprentice, being the first apprentice jockey to ride six winners on a metropolitan card on her way to outriding her claim in just over two years of race riding.

Infrastructure Projects

The following thoroughbred infrastructure projects were funded by RWWA or Royalties for Regions (RfR) grants during FY2020:

Venue	Funding Source	Infrastructure
Albany Racing Club	RWWA	New practice barriers
Carnarvon Race Club	RWWA	New tractor
Carnarvon Race Club	RWWA	Track resurface
Geraldton Turf Club	RfR	Toro Rake and Vac
Junction Race Club	RWWA	Mobile phone booster
Kalgoorlie Boulder Racing Club	RWWA	Second hand Verti-Drain machine
Kalgoorlie Boulder Racing Club	RfR	Tower stairs
Kalgoorlie Boulder Racing Club	RfR	Toro Groundsmaster mower
Lark Hill	RWWA	Judges tower
Lark Hill	RWWA	Massey Ferguson tractor
Lark Hill	RWWA	Verti-Drain turf aerator
Pinjarra Race Club	RWWA	Raceday stalls misting system
Pinjarra Race Club	RWWA	Second home turn construction
Port Hedland Turf Club	RfR	Jockeys room upgrade
WA Turf Club Ascot	RWWA	Ascot Vantage extension
WA Turf Club Ascot	RWWA	New Ascot beer garden
WA Turf Club Ascot	RWWA	Second hand JCB Fastrac tractor plus fabrication
WA Turf Club Ascot	RWWA	Feasibility study - Ascot on-course stabling design
York Racing	RWWA	Irrigation pump line

Racing

Harness

In FY2020, RWWA's strategic priorities for the harness code were to:

- Improve the commercial competitiveness of Western Australian harness racing by delivering improvements for the wagering customer through the delivery of competitive race fields, bigger field sizes and value betting opportunities.
- Optimise race programming to maximise turnover and revenue.
- Provide an environment that will sustain the racehorse population.
- Maintain its '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 FY2020:

- $35.7M in club and participant funding and subsidies, including:
  - $6.0M in club funding distributed between 12 harness clubs and five harness training only venues (i.e. Byford, Dunbarton, Jandakot, Golden Mile, Wanneroo).
  - $23.1M in base and feature stakes.
  - $2.0M paid in Westbred bonuses.
- Hosting of Owners Only events to recognise and reward standardbred owners.
- Introduction of the inaugural Ladies of Pacing Awards.

Ways of Working

- RWWA continued to develop the programming for the Conditioned Racing System and monitor the impact on wagering, race fields and participation levels.
- Harness Racing Australia (HRA) extended the 2019/20 racing season through until 31 December 2020 to assist race clubs in the eastern states with running their programmed feature races in the season. The interstate and intrastate border restrictions put in place as a result of COVID-19 jeopardised the running of juvenile futurity and other feature races. Although WA was not impacted by the border restrictions, RWWA as a member of HRA were obligated to abide by the season extension.

Industry Training

Industry training highlights for FY2020:

- Four C grade harness drivers (trials only) commenced during the season.
- Two drivers gained their 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.

Image: Gloucester Park

Image: Driver Michael Brennan and Sangue Reale at Pinjarra Trials

Other Harness Activities

Other major harness racing activities during FY2020:

- A total of 280 Western Australian trained mares earned $242,490 in EPONA credits as a result of winning 557 races. Six mares each earned the maximum credit amount of $5,000, and a total of $115,074 was paid in subsidies to the owners of 47 mares.
- The Australian Pacing Gold Yearling Sales recorded a sale aggregate of just under $2M ($1.6M in FY2019) and average sale prices of $20,000 for fillies and $21,500 for colts. The median sale price was $20,800, up from $15,000 in FY2019.

Infrastructure Projects

The following infrastructure projects were funded by RWWA grants or through Royalties for Regions (RfR) grants during FY2020:

Venue	Funding Source	Infrastructure
Bridgetown Harness Racing Club	RWWA	Stalls upgrade
Byford Trotting Training Complex	RWWA	Horse pool upgrade
Central Wheatbelt Harness Racing Club	RWWA	Water truck upgrade
Gloucester Park Harness Racing	RWWA	Track lighting repairs
Narrogin Harness Racing Club	RWWA	Home-straight fence
Northam Harness Racing Club	RWWA	Track conditioner and aerator
Northam Harness Racing Club	RWWA	Track lighting upgrade
Northam Harness Racing Club	RfR	Track conditioner and aerator
Pinjarra Trotting Club	RWWA	Waste water system upgrade
Pinjarra Trotting Club	RWWA	Track resurface

Racing

Greyhound

In FY2020, RWWA's strategic priorities for the greyhound code were to:

- Improve the commercial competitiveness of Western Australian greyhound racing and grow revenue streams.
- Maintain its 'right to exist' by meeting community expectations in animal welfare and integrity.
- Review and understand optimal infrastructure requirements to adequately provide for the Western Australian greyhound code.
- Revitalise the relevance of Western Australian greyhound racing to meet the needs of customers, industry participants and the general public.

Distribution

The following outcomes were delivered during FY2020:

- $22.2M in club and participant funding and subsidies, including:
  - $6.1M in club funding for Western Australian Greyhound Racing Association (WAGRA), racing at three venues (Cannington, Mandurah and Northam).
  - $12.1M in base and feature stakes.
  - $1.8M in trainer subsidies.
  - $1.1M paid in Westchase bonuses.
- Digital marketing promotions and outdoor media campaign for Perth Cup and Galaxy feature race meetings.
- Introduction of the inaugural Ladies of Chasing Awards.

Other Greyhound Activities

Other major greyhound racing activities for FY2020:

- TABtouch Park Cannington hosted the Nationals in August 2019:
  - Group 1 National Sprint final was won by Western Australian greyhound, Premium Share, trained by Chris Halse and owned by Linda Britton.
  - Group 1 National Distance final was won by Western Australian greyhound, Reidy's Runner, trained by Christine Bennett and owned by Glen Reid.
- Group 1 Galaxy was won by Western Australian greyhound, Rockstar Patriot, trained by Paul Stuart and owned by James Jeffries and Gemma Jovanovic.

Infrastructure Projects

The following greyhound infrastructure projects were funded by RWWA grants during FY2020:

Venue	Funding Source	Infrastructure
WAGRA	RWWA	Track injury vehicle purchase
WAGRA Cannington	RWWA	Stewards viewing platform

Image: 2019 Greyhound Clubs Australia CROCMEDIA National Championships

Racing

Other Racing Highlights

Awards ceremonies were held across the three codes to celebrate the successes of the industry, and to reflect on the outstanding achievements for the season. Please note due to Harness Racing Australia's decision to extend the code's racing season to 31 December 2020, the Harness of the Year Awards were not held during FY2020.

WA Thoroughbred Racing Awards	Greyhound of the Year Awards
• **WA Racehorse of the Year:** Regal Power • **2YO Racehorse of the Year:** Watch Me Dance • **3YO Racehorse of the Year:** Kay Cee • **4UP Racehorse of the Year:** Regal Power • **Leading Metropolitan Jockey:** William Pike • **Leading Metropolitan Trainer:** Alana and Grant Williams • **Leading Provincial Jockey:** Kyra Yuill • **Leading Provincial Trainer:** Peter Fernie • **Leading Apprentice Jockey (Metropolitan and Provincial):** Jade McNaught • **Best All Round Apprentice:** Chloe Azzopardi • **Leading Sire:** Blackfriars • **Leading Broodmare:** Broadway Belle and Star Encounter • **Leading Breeder:** Peters Investments • **Thoroughbred Media Award:** Paddy Sweeney	• **Greyhound of the Year:** Reidy's Runner • **Leading Trainer:** Chris Halse • **Young Achiever Award:** Jay Jacobson • **Gerry O'Keefe Award:** Dean Starkie • **Kerry Vernon Award for Animal Welfare:** Maria and Richard Dobrowolski • **Best Feature Article:** "WA Greyhound Owner Profile – Peter Cameron" by Thrill of the Chase • **Media Personality:** Peter O'Neill

Ladies of Racing Awards (Thoroughbred)	Ladies of Pacing Awards (Harness)	Ladies of Chasing Awards (Greyhound)
• **Ladies of Racing Leadership Award:** Charlotte Mills • **Ladies of Racing Dedication to Thoroughbred Racing Award:** Jan Williamson • **Ladies of Racing Welfare Award:** Linda Brenzi • **Ladies of Racing Administration Award:** Leanne Mott	• **Ladies of Pacing Leadership Award:** Wendy Dixon • **Ladies of Pacing Dedication to Harness Racing Award:** Jeanine Diederich • **Ladies of Pacing Welfare Award:** Bayley Thomas • **Ladies of Pacing Administration Award:** Patricia Swallow and Julie Doble	• **Ladies of Chasing Leadership Award:** Linda Britton • **Ladies of Chasing Dedication to Greyhound Racing Award:** Kathy Scott • **Ladies of Chasing Welfare Award:** Cheryl Isaac • **Ladies of Chasing Administration Award:** Kelly Frampton

Image: Ladies of Chasing Awards

Image: Off the Track WA Sponsored Rider Jaime Baker

Welfare

Animal Welfare

RWWA is committed to ensuring that animals bred for the purpose of racing, in all three codes of racing, are afforded the best levels of care before, during and after their racing careers.

RWWA's aim to be the national leader in animal welfare is underpinned by the facilitation of a racing culture in which the health and wellbeing of racing animals is paramount to all industry participants and owners. RWWA's commitment to the highest welfare principles for racing animals is delivered through a program of investment, education, monitoring and regulation.

Equine Welfare

RWWA is dedicated to executing strategies aimed at delivering its equine athletes the utmost care while they are racing, in addition to facilitating the transition of thoroughbred and standardbred racehorses into their secondary careers after retiring from racing.

Additionally, RWWA continues to apply a high level of integrity standards for both the thoroughbred and harness racing industry, including rules, policies and guidelines, to maintain and regulate best practice in equine welfare.

WA Racehorse Welfare Plan

The WA Racehorse Welfare Plan was announced in November 2019, with a specific focus in the areas of traceability, rehoming and responsible end of life management for horses that are not suitable for rehoming.

While animal welfare remained at the forefront for the racing industry throughout COVID-19, the complexity and uncertainty of the pandemic, and the subsequent response, had a substantial impact on the progression of specific initiatives outlined in the WA Racehorse Welfare plan. However, RWWA remains committed to ensuring that the initiatives, if not already, are implemented throughout FY2021 as a matter of priority.

Traceability

RWWA's advocacy for a national horse register, which was raised by the Minister for Racing and Gaming at the Australasian Racing Ministers' Conference in November 2019, resulted in agreement that the national coordination for the establishment of the 'National Horse Traceability Register' will be progressed through the peak bodies for the equine racing codes, Racing Australia and Harness Racing Australia.

RWWA's own WA Racehorse Passport project was temporarily paused during the COVID-19 pandemic response and will be progressed for implementation during FY2021.

Progress has been made in FY2020 on ensuring compliance with reporting requirements through greater enforcement and the appointment of an additional regulatory veterinarian, which was completed in early May 2020. Additionally, considerable progress has been made in respect to data verification, with the engagement of Racing Australia to complete and verify the accuracy of data for thoroughbred, and harness industry data confirmation on-going.

Rehoming

RWWA made a significant investment in retraining and rehoming with the purchase of a racehorse welfare facility in North Dandalup. Previously operated as Touchstone Farm, the 40 hectare property will have a multi-faceted use that primarily focuses on facilitating the retraining of ex-racehorses (standardbred and thoroughbred) for equestrian and pleasure pursuits. This will be complemented by hosting clinics and events to provide further training and education for owners of off the track horses, and importantly, provision for emergency care to racehorses as determined necessary by RWWA's Integrity Department.

Launched in August 2020, RWWA's Off the Track WA Retraining Program will be utilised in FY2021 to complement the current network of retrainers with the re-education of retired horses, bred for the purposes of racing. The program will comprise a thorough application and assessment process to identify suitable prospects for placement with contracted Official Retrainers for retraining and education, in preparation for transition into the equestrian community.

RWWA has also committed to introducing a local Rule of Racing whereby industry must aim to rehome all medically and behaviourally sound horses bred for the purpose of racing, once sufficient pathways for horses exiting the racing industry have been successfully established.

Welfare

Responsible End of Life Management

As a key component of the WA Racehorse Welfare Plan, RWWA committed to a Memorandum of Understanding (MoU) with the respective registered knackery in Western Australia. The principle of the MoU is primarily to ensure that the animal welfare standards practiced at this facility, and their services conducted remotely, are congruent with the standards established by the regulatory authority managing that industry, in conjunction with the reporting of relevant data to assist in the tracing of any retired racehorses that enter this pathway. The MoU is expected to be in place in early FY2021.

Off the Track WA

RWWA's Off the Track WA (OTTWA) program plays an integral role in the promotion of thoroughbred and standardbred horses in their second careers as pleasure and performance horses, and is an important support mechanism and resource for equestrians who have purchased off the track horses.

The program activities increase the demand for, and support the placement of, retired racehorses in secondary careers through event and individual sponsorship, promotion of recognised retrainers and rehoming services, and conducting educational clinics specifically for retired racehorses.

Strategic focus areas for OTTWA during FY2020 included:

- Development and implementation of a dedicated OTTWA website, which includes educational resources and a free platform to advertise off the track horses for sale.
- Commencing a partnership with Equestrian WA to provide education clinics for off the track racehorses, including those in regional locations.
- Continuing to sponsor horse events and shows throughout Western Australia that recognise off the track horses.
- Sponsoring of individual riders competing on retired racehorses at a high level, representing either the State or Australia.

In FY2020, the OTTWA program provided sponsorship for 122 events, with a total of 2,773 retired racehorses participating.

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.

Controlling Supply

RWWA has implemented reforms aimed at controlling the number of dogs in the Western Australian racing population whilst 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 and dam registrations. The Greyhound Breeding Review Panel further supports the reforms to control the number and quality of dogs in the WA racing population by assessing applications for Breeding Exemptions where the breeding female has already had three litters or is over eight years old. On assessment the greyhound's progeny must meet key metric data indicating racing success before approval to continue breeding is granted, with breeding approval only allowing the greyhound to be bred on one more occasion.

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 FY2019, 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, young greyhounds must be provided with a structured program of controlled exposure to a range of stimuli from an early age.

Welfare

Minimising Track Injuries

While most injuries that occur are of minor nature, RWWA has in place two injury support schemes to ensure appropriate care is available for those greyhounds that sustain serious injuries.

Under the Greyhound Injury Surgery Rebate 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 veterinary treatment.

In August 2019, the Greyhound Injury Full Recovery Scheme was introduced, whereby in the event of a serious injury the trainer/owner is able to sign over ownership of the greyhound to RWWA, where the cost of both veterinary treatment and post-operative care is paid through industry funding. Once recovered, the greyhound is rehomed through RWWA's Greyhounds as Pets program.

The scheme has proven successful in reducing the number of greyhounds euthanised on-course due to injury and has subsequently been broadened to include any eligible injuries sustained at official trials.

A further 13 applications were approved for the Greyhound Injury Surgery Rebate in FY2020.

Greyhound Injury Full Recovery Scheme – Greyhound Outcomes FY2020 (as at 31 July 2020)

Rehabilitation Post Surgery	Preparing for Adoption	Adopted	Deceased*	Total
6	4	26	6	42
14.29%	9.52%	61.90%	14.29%	-

**Reasons may include death due to natural causes, accident or illness, medical or surgical complications; or euthanasia due to medical or surgical complications, behavioural issues or poor prognosis for future quality of life based upon veterinary assessment and recommendation.*

Additionally, RWWA investigates, assesses and reports on track injuries and incidents that resulted in serious injury while racing. RWWA maintains an injury recording system and data is continually monitored and trends analysed with a view to improve safety.

RWWA continues to be proactive in the implementation of national recommendations regarding best practice in track design and maintenance, and accordingly engaged Professor David Eager, from the University of Technology Sydney (UTS), to conduct an analysis in FY2020 of the Western Australian greyhound tracks and their design.

During FY2020, RWWA received preliminary advice with respect to potential track adjustments that would improve existing key measures. Such adjustments would serve to elevate existing standards, which potentially may further reduce injury rates. While RWWA awaited specific details following the preliminary advice, the Northam season was deferred until the recommencement of the 2021 season, to allow for remedial works to be undertaken. The report is due to be received during FY2021.

Tracking

RWWA has continued with its steadfast procedures to ensure the full lifecycle tracking of all greyhounds throughout their racing career and into retirement by capturing and tracking data through stringent controls and regulatory structures, as well as the continued auditing of industry compliance of the submission of mandatory retirement (LR106) forms.

Welfare

Greyhound Race Injury Report

High performance athletes, whether human or animal, may experience injuries during exercise and competition. Most injuries that occur during greyhound racing are of a minor nature and can be treated by the on-track veterinarian present at every race meeting in Western Australia.

All race tracks are designed with the safety of the greyhound athlete in mind, and include such things as camber, careful surface preparation and monitoring of track conditions using scientific instrumentation.

Track conditions are also inspected by RWWA stewards at the beginning of every meeting, and periodically throughout the meeting to ensure their suitability for racing.

In the event a greyhound does sustain a serious injury, RWWA has in place two injury support schemes that provide financial assistance to trainers and owners, to ensure appropriate veterinary care is available for greyhounds.

The following 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, which is maintained by RWWA in the OzChase system.

All greyhound starters with an on-track, post-race or post-qualifying-trial veterinary-reported injury incident have been included in this report. This report covers the period of 1 August 2019 to 31 July 2020.

Greyhound Racing Statistics

The below summarises the greyhound racing statistics for FY2020.

(Brackets indicate FY2019)

Races	3,731 (3,505)
Qualifying trials	262 (200)
Total number of races and trials	**3,993 (3,705)**
Race starters	27,614 (25,874)
Trial starters	859 (716)
Total number of greyhound starters	**28,473 (26,590)**

Note: it is important to note the increase in the number of races and trials as well as starters for the FY2020 season compared to the previous year, when comparing injury data.

Injury Severity Classification

The examination of a greyhound post racing identifies any injuries, including minor injuries such as general muscle soreness that potentially has impacted its racing performance. Therefore, the reporting of injury incidents has both an integrity and welfare function. The stand-down period prescribed is intended to enable the greyhound to return to full race fitness and resume 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.

As the injury incidents reported range from very mild and requiring no incapacitation period (stand-down), to serious injuries leading to death or euthanasia, the following rating guide has been developed to categorise injury severity.

Please note the stand-down period categories have been modified in this report, compared to previous years, to provide a greater level of detail pertaining to the most serious injuries. These modifications are based on an agreed national injury recording template, designed to contribute toward greater national consistency in recording greyhound injury data between controlling bodies. Injury rates from the FY2019 season have therefore been re-calculated to meet the amended injury categories, as outlined below:

- **0 – 14 days:** injuries given a stand down period of 0 - 14 days by the officiating veterinarian, which are typically minor cuts or abrasions, or mild joint or muscle sprains/ soreness, and are expected to recover within that time period prior to being able to race again.
- **15 – 59 days:** injuries given a stand down period 15 - 59 days by the officiating veterinarian, which are typically more significant muscle injuries, minor fractures and tendon or ligament injuries that require a greater amount of treatment and recovery prior to being able to race again.
- **60 - 90 days:** injuries that are deemed to be of a more serious nature i.e. long bone or joint fractures or soft tissue injuries where the stand down period is 60 – 90 days. This category will include any greyhound that was deceased or euthanased on track as a result of a serious injury or medical episode.
- **Deceased or euthanased on-track:** any greyhound that died during a race or was euthanased by the officiating veterinarian due to the serious nature of the injury sustained. This may include a small number of medical episodes.

Welfare

Racing Injury Incidents

During the FY2020 season:

- 3 per cent of total greyhound starters were impacted by an injury incident.
- 71 per cent of injury incidents were of a minor nature (e.g. minor cuts or abrasions, mild joint or muscle sprains/soreness), which required a stand-down period of 0 to 14 days.
- 0.2 per cent of starters were reported to have had an injury incident of a serious nature, which required either a stand-down period of 60 to 90 days or resulted in death or euthanasia on-track.
- 0.03 per cent of starters had an injury incident that resulted in death or euthanasia on-course, compared to 0.12 per cent of starters in FY2019. The significant reduction is due to the introduction of RWWA's injury recovery schemes, which eliminated any unnecessary on-course euthanasia.

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. It is important to take into consideration the increase in the number of starters and races/trials when comparing injury data from the previous year.

(Brackets indicate FY2019)

Stand Down Period	Total numbers of incidents	Incident Rate (Incidents per 1000 Starters)	Incident Rate as % of Total Starters
0 – 14 days	605 (553)	21.2 (20.9)	2.1% (2.1%)
15 – 59 days	194 (161)	6.8 (6.1)	0.7% (0.6%)
60 – 90 days*	56 (53)	2 (2)	0.2% (0.2%)

**Note: includes all greyhounds euthanased or deceased on track.*

The below table details the number of greyhounds deceased or euthanased on track during the reporting period.

Stand Down Period	Total numbers of incidents	Incident Rate (Incidents per 1000 Starters)	Incident Rate as % of Total Starters
Euthanased or deceased on track	8 (31)	0.3 (1.2)	0.03% (0.12)

Image: Dr Garnett Hall Greyhounds as Pets WA Ambassador

Greyhounds as Pets

Greyhounds as Pets (GAP) is a RWWA program with a mission to promote, encourage and facilitate greyhound pet ownership to the wider community by the provision of healthy and behaviourally sound greyhounds to homes throughout Western Australia. The below table outlines the total number of greyhounds that were adopted through the GAP program in FY2020 as well as the number of pre-assessments conducted at the facility during this time.

GAP Related Statistics	FY2017	FY2018	FY2019	FY2020	Variance from FY2019 – FY2020
Adoptions	245	272	204	304*	49%
Pre-Assessments	432	367	343	368	7%
Euthanasia/Deceased at Kennels	18	14	15	11	-27%
Euthanasia/Deceased % of Total Adoptions	7%	5%	7%	3%	-57%

**Note: unique greyhounds adopted, this table does not include greyhounds transitioning through the Greyhound Injury Full Recovery Scheme.*

While RWWA endeavours 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 will only euthanise animals, as either medically or behaviourally necessitated, who are found to meet criteria for unhealthy/untreatable/unadoptable animals.

Following successful campaigns in FY2018 and FY2019, each Australian state once again prepared to host a coordinated GAP national adoption day in April 2020, as part of a nationwide push to boost awareness of greyhounds as pets. Unfortunately, this event was cancelled due to the COVID-19 pandemic. However, through the application of strict bio-security protocols and social distancing measures, GAP was still able to rehome 48 greyhounds in Western Australia in the month of April 2020.

During FY2020, 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.

Image: Greyhounds as Pets Facility

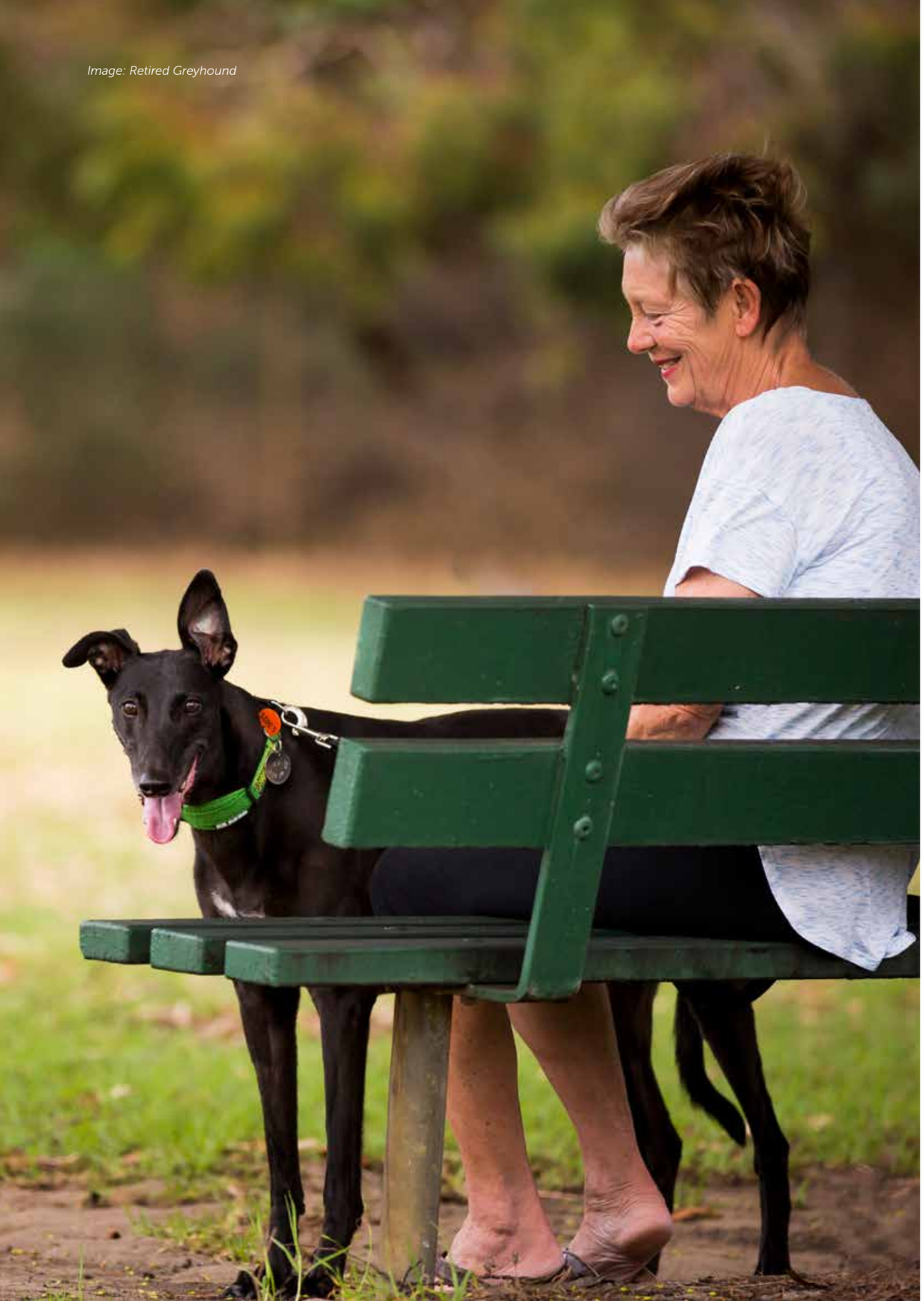


Image: Retired Greyhound

Greyhound Retirement Data

For the period 1 August 2019 to 31 July 2020, the following numbers 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.

	FY2019	FY2020	Variance from FY2019 - FY2020
Adopted through Greyhounds as Pets	203	350*	72%
Adopted through other greyhound rehoming organisations	190	184	-3%
Adopted as pet to a third party (non-owner / trainer)	39	74	90%
Adopted as pet to an owner / trainer	17	12	-29%
Retired for breeding	47	45	-4%
Total number of greyhounds retired	**496**	**665**	**34%**
Deceased or euthanased due to accidental death, natural causes, illness or age	62	65	5%
Deceased or euthanased due to injury	49	19	-61%
Euthanased not suitable for rehoming	34	17	-50%
Euthanased not suitable for racing	0	0	-
Total number of greyhounds deceased	**145**	**101**	**-30%**
Total number of greyhounds retired or deceased	**641**	**766**	**20%**

**Includes all greyhounds in the Greyhounds as Pets program at the time of reporting, including those not yet adopted.*
Note: the data for FY2020 is correct as of 18 September 2020. While the data for FY2019 was reported in the 2019 Annual Report (correct as of 17 September 2019), 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 offers the support of an Employee Assistance Program (EAP) provider to ensure the commitment of emotional, mental and psychological wellbeing for RWWA employees, TAB agents and agency staff, and licensed industry participants is supported. This is provided in three tailored programs, all providing similar support.

Racing Assist

RWWA's Racing Assist program provides mental health and wellbeing support to licenced racing trainers, harness drivers, stable hands/stable forepersons, track work riders, greyhound attendants, farriers, riders agents and permanent/part-time race club employees, whether it be due to racing-related or personal issues. Support includes a confidential phone support service 24 hours a day, seven days a week, as well as up to six face-to-face counselling sessions.

Jockey Assist

All jockeys and apprentice jockeys in Western Australia have access to unlimited consultations with one of the State's most respected and experienced sports psychologists, to assist them with their mental and physical wellbeing.

All jockey injuries are overseen by a sports medical specialist while a career transition program is also available to assist jockeys as they begin to consider retirement and the options available to them.

The Jockey Welfare Fund, which supports Jockey Assist, is managed by the Western Australian Jockeys Association and is funded by one per cent of thoroughbred stake money.

TAB Agent Assist

TAB Agent Assist provides mental health and wellbeing support to all SL1 TAB agents and agency staff, including casual staff. The program provides confidential phone support service 24 hours a day, seven days a week, as well as up to six face-to-face counselling sessions.

Maternity Assistance Program

In November 2019, RWWA announced a new Maternity Assistance Program to provide financial support to full-time licenced jockeys and A or B harness drivers. Under the Rules of Racing, jockeys and drivers are required to cease riding and driving in races after three months of pregnancy. RWWA's Maternity Assistance Program bridges the gap between when a jockey or driver is required to cease riding or driving until they are eligible for the Federal Government's Parental Leave provisions, which is available once their child is born.

Racing Integrity

RWWA is charged with specialised functions in relation to racing as outlined in Part 4 of the *Racing and Wagering Western Australia Act 2003*, which includes the control, regulation and supervision of racing integrity.

The long-term viability of the racing industry depends significantly on maintaining public and stakeholder confidence that racing is a fair, ethical, safe and honest sport. To achieve these outcomes, stringent controls with respect to the administration of racing integrity and the enforcement of various controls by peremptory means are applied.

An internal audit of Racing Integrity Complaints Management in FY2020 assessed the design and operating effectiveness of RWWA's processes and key controls in place across the management of racing related complaints. The audit did not identify any significant weaknesses based on available records. The development of a Complaint Management Policy to formalise the recommended governance and framework improvements was approved by the RWWA Integrity Assurance Committee.

As well as this, a high level of prohibited substance screening for both licensed persons and competing animals was maintained through the year.

Racing in Western Australia was able to continue through implementing stringent bio-security measures in response to COVID-19. This included the restriction to essential persons only on-course, as well as a reduced racing footprint, during which time stewards ensured compliance with all relevant requirements.

Prohibited Substance Control

RWWA continues to invest heavily in prohibited substance control, with $1.3 million spent 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 table below indicates total swabbing levels for FY2020.

(Brackets indicate FY2019)

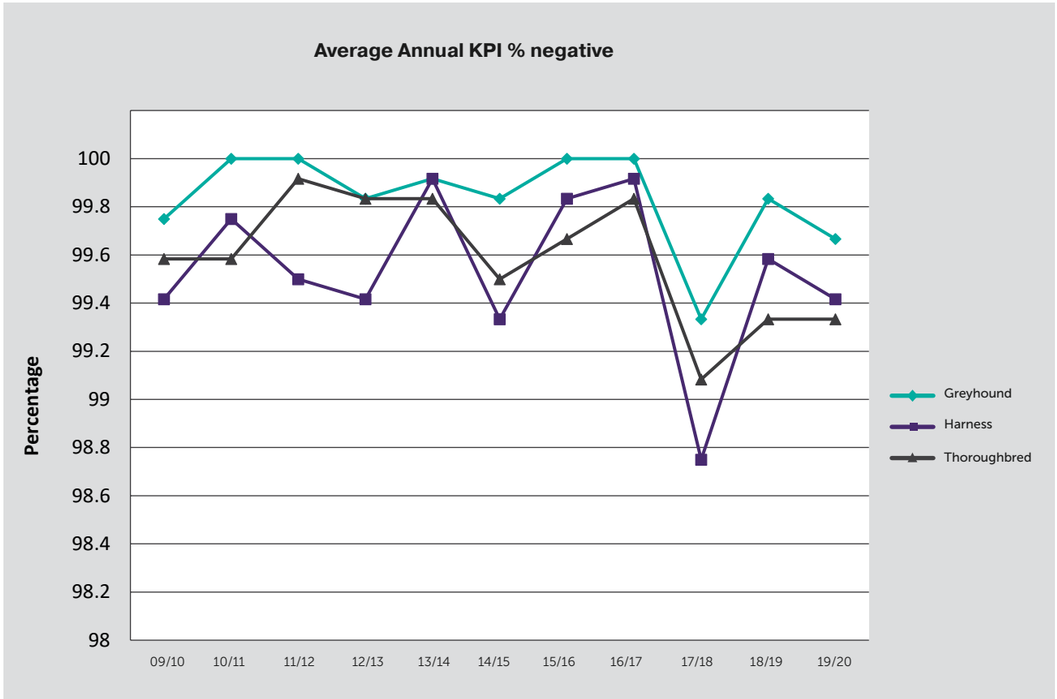
Thoroughbred	Samples	Positives
Post Race	1967 (1966)	8 (10)
TCO2	1450 (1463)	0 (0)
OOCT	104 (95)	0 (0)
Human	151 (198)	1 (4)
Harness	**Samples**	**Positives**
Post Race	1607 (1619)	9 (14)
TCO2	2267 (2534)	1 (1)
OOCT	71 (65)	0 (0)
Human	125 (99)	0 (1)
Greyhound	**Samples**	**Positives**
Post Race	1244 (1229)	4 (4)
OOCT	43 (42)	0 (0)
Total	**Samples**	**Positives**
Post Race	4,818 (4,814)	21 (28)
TCO2	3,717 (3,997)	2 (1)
OOCT	218 (202)	0 (0)
Human	276 (297)	1 (5)

Note: figures are correct as at 13 August 2020, but subject to variation upon subsequent reporting from the ChemCentre.

From a total of 8,753 horse and greyhound swabs, 21 positive swabs were recorded for FY2020, with the followng outcomes:

- Six of the recorded positive swabs were 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.
- Seven of the recorded positives related to therapeutic substances (e.g. anti-inflammatory drugs).
- Eight of the recorded positives related to potential performance enhancing substances.

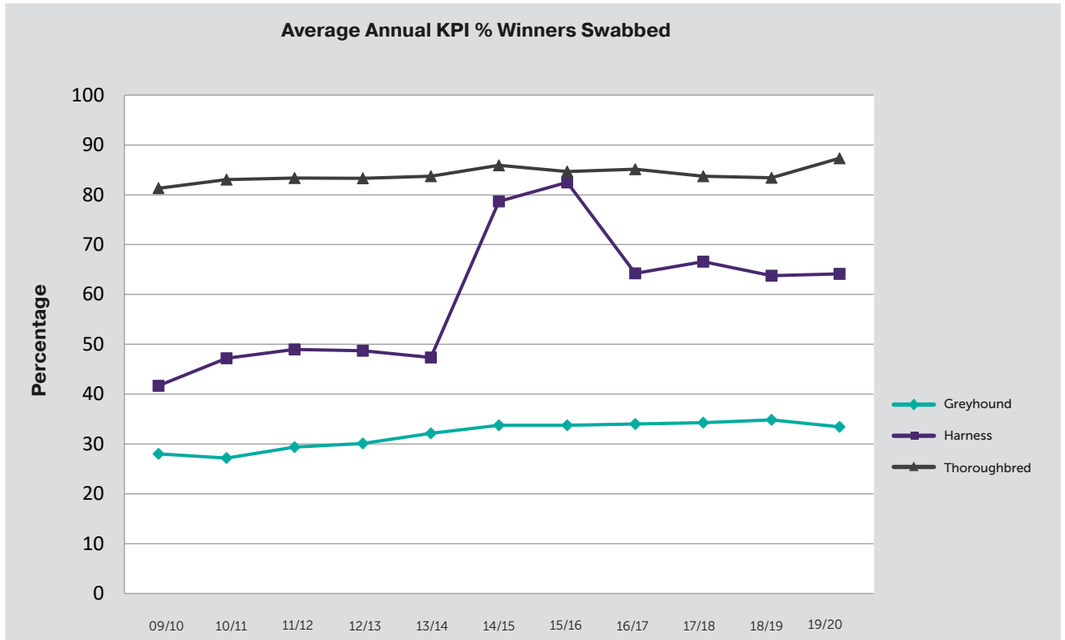
The graph below provides historical rates of negative swabs. Following introduction of expanded screening in FY2017, rates of negative results have increased, indicating higher levels of caution by industry with respect to the use of routine therapeutic substances.



The decrease in the percentage of negative results in comparison to FY2019 can be attributed to ChemCentre utilising additional modern instrumentation to enable a broader level of screening, resulting in a higher rate of detection of prohibited substances.

Racing Integrity

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



Racing Integrity

Inquiries

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 senior integrity officers across the racing codes who are empanelled to determine matters in accordance with the Rules of Racing.

Code	Total Inquiries	Appeals	Disqualifications	Suspensions	Fines	Reprimands
Thoroughbred	17	-	7	-	9	-
Harness	24	-	12	2	9	-
Greyhound	7	-	5	-	2	-
Total	**48**	**-**	**24**	**2**	**20**	**-**

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, harness and greyhound racing. The following data is courtesy of RPAT.

During the year, one appeal was carried over from FY2019 and 12 new appeals were lodged with the Tribunal. As at 30 June 2020, the Tribunal had determined ten appeals, including one from the previous year, with only three appeals being carried over to FY2021. These appeals, together with appeals from the previous year, are summarised by racing code below.

Racing Code	Appeals Carried Over from FY2019	Appeals Lodged	Appeals Determined	Appeals Carried Over to FY2021
Thoroughbred	1	2	3	-
Harness	-	6	4	2
Greyhound	-	4	3	1
TOTAL	**1**	**12**	**10**	**3**

Image: 2020 Mingenew Cup

Racing Integrity

The results of the determinations in respect of the racing codes for FY2020 are summarised below.

Results	Thoroughbred	Harness	Greyhound
Allowed in full	-	-	-
Allowed in part (penalty reduced)	2	1	-
Referred back to stewards (RWWA)	-	1	-
Dismissed	-	-	2
Withdrawn/not progressed	1	1	-
Leave to appeal refused	-	1	1
Total	**3**	**4**	**3**

Appeals Carried Over to FY2021	Thoroughbred	Harness	Greyhound
Reserved decision	-	2	1
Reserved decision on penalty only	-	-	-
Reasons to be published	-	-	-
Yet to be heard	-	-	-
Total	**-**	**2**	**1**

Stays of Proceedings

In FY2020, there were four applications for Stays of Proceedings. The Chair or the presiding member made the determinations as outlined in the table below.

Stays of Proceedings FY2020	Thoroughbred	Harness	Greyhound
Stays granted	1	1	0
Stays refused	0	0	1
Withdrawn	0	1	0
Total	**1**	**2**	**1**

Note: data courtesy of RPAT.

Corporate Social Responsibility

At RWWA, Corporate Social Responsibility (CSR) is about conducting business ethically and describes the way a business considers the financial, environmental and social impacts of decisions and actions it is involved in.

Effective CSR guides and contributes to the sustainability of RWWA, is recognised as good business practice and is increasingly expected by stakeholders.

RWWA applies the following four pillars to its CSR activities:

- **Philanthropic:** being a good corporate citizen – contribute resources to the community, improve quality of life.
- **Ethical:** be ethical – obligation to do what is right, just and fair; avoid harm.
- **Legal:** obey the law – law is society's codification of right and wrong; play by the rules.
- **Economic:** be profitable – the foundation upon which all others rest.

Community TAB is the brand that drives CSR at RWWA. Due to the impact of COVID-19 in FY2020 on local communities, Community TAB took a proactive approach in adapting certain strategies to ensure continued support could be provided to the Western Australian community.

Community Partners and Initiatives

Community partners and initiatives in FY2020 included:

- **HorsePower Australia:** $80,000 for a sixth year to support the program, major events and subsidise costs for participants in regional areas. $5,000 of this went towards supporting HorsePower's therapy horses during the time centres were closed due to COVID-19 restrictions, to ensure they could continue the upkeep and viability of their service to people with disabilities.
- **Netball WA Aboriginal Grassroots Program:** $5,000 to form the Community TAB Hero Grants to give back to Netball WA grassroots sites supporting their local communities.
- **Lifeline WA:** $4,000 to support the Lights for Lifeline campaign and the training of new crisis support volunteers.
- **WIRES Wildlife Emergency Fund:** $6,000 to support the fund during the Australian bushfires.
- **Returned and Services League WA:** $2,146 of matching donations collected at TAB agencies for the RSLWA.
- **WA Fashions on the Field:** during COVID-19, RWWA's WA Fashions on the Field initiative conducted seven virtual fashion competitions. Through the Community TAB brand, each winner was able to nominate a local charity to donate $500 towards.

Image: Team Teal 2020 Ambassadors Jocelyn Young and Deni Roberts

Corporate Social Responsibility

Image: Community TAB and HorsePower Australia

Community Sport

- **Community TAB Sports Grants:** $24,000 of grants to metropolitan and regional sporting clubs to celebrate the last week of the Community TAB Sports Grants program.
- **SportWest Awards:** $9,000 sponsorship of the Sponsor and the Official of the Year Award.

Racing Industry Support

- **Race Club Community Program:** each year Community TAB partners with race clubs to fundraise for local not-for-profit organisations at nominated race meetings, with Community TAB matching funds raised on the day. In FY2020, Community TAB partnered with 25 race clubs, raising more than $100,000 for local community groups. Beneficiaries included the Men's Shed, Lions Club, Royal Flying Doctor Service, St John Ambulance, Muscular Dystrophy WA, Variety WA, Riding for the Disabled and Motor Neuron Disease WA. A $4,000 grant drawn for one participating race club was won by Busselton Trotting Club.
- **Team Teal:** $9,000 to support this campaign, in which seven female Western Australian harness took part. Community TAB donated $200 to the Women's Cancer Foundation every time one of the nominated drivers won a race. With a total of 35 wins, this equated to $7,000; Community TAB donated an additional $2,000 to the foundation, presented at the Ladies of Pacing Awards.

Regional Support

- **WA Regional Achievement and Community Awards:** $16,102 sponsorship of Community Service Award Category, recognising those who make a significant contribution through community service or social justice initiatives in regional areas.

Internal Engagement

- **Internal initiatives:** Community TAB matched the fundraising of $2,683 for the World's Greatest Shave initiative in support of RWWA employees' involvement.
- **Volunteering:** a total of 22 staff volunteered to not-for-profit groups during FY2020.
- **RWWA Not-For-Profit Recognition Program:** $4,500 in donations was provided to nine charities nominated by RWWA employees.

People and Culture

During FY2020, RWWA continued to progress with the sale of the WA TAB, responded to the effects of COVID-19 and underwent an organisational restructure. Considering the many disruptions encountered, RWWA's employees ability to remain resilient while leading the organisation through these challenges is a credit to the resilience that has been created within the organisation.

Clear Strategy

During FY2020, RWWA continued to adopt its 'clear line of sight' strategy, which incorporates the three key pillars of customer experience, employee experience and ways of working. Employee experience continued to be a driving focus for the organisation, with the intent of delivering increased employee engagement.

RWWA introduced new technological tools, including artificial intelligence behavioural mapping, to enhance our employee and candidate experiences through timely and focused communication and feedback, resulting in:

- Personalised experiences for employees at key stages of their employment lifecycle.
- A leading candidate onboarding experience.
- Maintaining employees' engagement and feeling of being connected, under the veil of COVID-19 and remote working.
- A more proactive response in addressing and resolving issues, through timely measuring of employee sentiment.
- Driving greater employee productivity.

The organisation was once again recognised nationally as a finalist in the Australian HR Institute National Awards, for use of technology. RWWA was also a finalist for the second year running for the Human Resources Director National HR Awards for its onboarding and candidate experience.

Employee Experience

COVID-19 presented some new challenges around communicating with a predominantly remote workforce, and certain strategic initiatives were put on hold due to programs being required to be delivered onsite (e.g. inclusion and diversity programs). However, other programs were switched to being delivered remotely, including the leadership and emerging leader programs. Focus and investment turned to alternative initiatives to support employee wellbeing, communication and recognition. To allow a broader reach and impact, RWWA adopted a tailored holistic approach ensuring all employees needs or preferences were considered, which to date has been highly successful.

Through the delivery of the employee experience strategy, RWWA continued to attract new employees, increased its internal promotions and maintained a high rate of staff retention. This is validated by the results of the employee experience survey conducted in July 2020, where employees rated their overall satisfaction with RWWA's six key employee experience pillars at 70 per cent or higher. The feedback has reinforced RWWA's belief and commitment that the implementation of the employee experience strategy will continue to provide employees with a workplace where they can continue to feel engaged, develop their skills and grow as people, irrelevant of external factors that may affect the organisation moving forward.

Image: RWWA Staff Heartbeat Event

Image: Off the Track WA Dressage and Show Jumping Clinic at the State Equestrian Centre

Chapter 3: Disclosures and Legal Compliance

Image: Gloucester Park

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 2020, 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 2020 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 Responsibility 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 (including Independence Standards)* (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 entity'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.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Opinion of the Auditor General

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Opinion
I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Racing and 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 2020.

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.

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 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 non-compliance 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.

Opinion of the Auditor General

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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 the entity's performance and fairly represent indicated performance for the year ended 31 July 2020.

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 entity'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. 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.

Opinion of the Auditor General

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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 October 2020

Certification of Financial Statements

For the year ended 31 July 2020

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 2020 and the financial position as at 31 July 2020.

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 Ovens
Chair RWWA Board
12 October 2020

Anthony Hasluck
Chair Audit and Risk Committee
12 October 2020

Ian Edwards
Chief Financial Officer
12 October 2020

Statement of Comprehensive Income

For the year ended 31 July 2020

Income	Notes	2020 $000	2019 $000
Revenue			
WATAB Margin	2.1	310,233	305,581
Other revenue	2.4	20,794	20,175
Interest revenue		1,410	2,068
Total Revenue		**332,437**	**327,824**
Gains			
Gains on disposal of non-current assets	6.5	198	171
Total Gains		**198**	**171**
Total Income		**332,635**	**327,995**
Expenses			
Cost of sales	4.1	91,459	89,601
Wagering tax	4.2	41,880	41,907
Racing services	4.3	28,007	26,237
Wagering services	4.3	77,456	84,068
Support services	4.3	28,213	30,037
Grants and subsidies to racing	3.2	15,936	15,986
Distributions to racing and sports	3.1	147,989	145,203
Total Expenses		**430,940**	**433,039**
Loss before income from State Government		(98,305)	(105,044)
WA Racefields income	2.2	93,176	80,964
Betting tax income	2.3	24,609	12,639
Other Income from State Government	2.2	2	8,325
Profit/(Loss) for the period		**19,482**	**(3,116)**
Other Comprehensive Income/(Losses)			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	(923)	(196)
Changes in fair value of financial assets	8.8	(129)	193
Total other comprehensive losses		**(1,052)**	**(3)**
Total Comprehensive Income/(Loss) for the period		**18,430**	**(3,119)**

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 2020

Assets	Notes	2020 $000	2019 $000
Current Assets			
Cash and cash equivalents	7.3	96,993	72,371
Restricted cash and cash equivalents	7.3	-	359
Other financial assets	7.2	20,000	10,000
Inventories	6.9	787	841
Receivables	6.10	6,485	5,178
Other current assets	6.11	4,913	4,759
Non-current assets classified as held for sale	6.4	770	3,297
Total Current Assets		**129,948**	**96,805**
Non-Current Assets			
Other financial assets	7.2	1,636	1,495
Other non-current assets	6.11	12	235
Property, plant and equipment	6.1	39,345	44,977
Right-of-use assets	6.2	11,058	-
Capital works in progress	6.7	2,969	2,026
Intangible assets	6.6	16,608	19,321
Total Non-Current Assets		**71,628**	**68,054**
Total Assets		**201,576**	**164,859**
Liabilities			
Current Liabilities			
Payables	6.12	48,274	42,277
Lease liabilities	6.13	3,964	-
Provisions	5.1	8,275	7,142
Total Current Liabilities		**60,513**	**49,419**
Non-Current Liabilities			
Payables	6.12	1,120	1,120
Lease liabilities	6.13	7,324	-
Provisions	5.1	1,258	1,389
Total Non-Current Liabilities		**9,702**	**2,509**
Total Liabilities		**70,215**	**51,928**
Net Assets		**131,361**	**112,931**
Equity			
Contributed equity	8.8	69,193	69,193
Reserves	8.8	62,168	43,738
Total Equity		**131,361**	**112,931**

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 2020

	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 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
Deficit	8.8	-	-	-	-	(3,116)	(3,116)
Other comprehensive losses	8.8	-	-	(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		148	-	-	-	-	148
Transfers between reserves		-	(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
Balance at 1 August 2019		69,193	25,783	16,915	1,040	-	112,931
Change in accounting policy		-	-	-	-	-	-
Restated balance at 1 August 2019		69,193	25,783	16,915	1,040	-	112,931
Surplus		-	-	-	-	19,482	19,482
Other comprehensive losses		-	-	(923)	(129)	-	(1,052)
Total comprehensive (loss)/income for the year		-	-	(923)	(129)	19,482	18,430
Transactions with owners in their capacity as owners:							
Other contributions by owners	8.8	-	-	-	-	-	-
Transfers between reserves	8.8	-	19,482	-	-	(19,482)	-
Total		**-**	**19,482**	**-**	**-**	**(19,482)**	**-**
Balance at 31 July 2020		69,193	45,265	15,992	911	-	131,361

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 2020

Cash Flows from Operating Activities	Notes	2020	2019
		$000	$000
Receipts			
Receipts from customers		1,898,473	1,960,559
GST receipts on sales		38,786	37,993
Other receipts		12,796	12,044
Interest received		1,410	2,068
Payments			
Customers		(1,581,976)	(1,650,396)
Creditors		(197,805)	(209,138)
Employee benefits		(39,488)	(43,762)
Distributions, grants and subsidies		(163,926)	(161,189)
Interest paid		(5)	(14)
GST payments on purchases		(17,963)	(18,639)
GST payments to taxation authority		(20,160)	(19,165)
Other payments		(5,931)	(7,415)
Net cash used in operating activities	**7.3**	**(75,789)**	**(97,054)**
Cash Flows from Investing Activities			
Receipts			
Proceeds from sales of non-current assets		3,495	674
Proceeds from sale of investments in unit trusts		-	23
Payments			
Purchase of non-current physical assets		(7,088)	(8,782)
Payments for investments in unit trusts		(10,000)	-
Net cash used in investing activities		**(13,593)**	**(8,085)**
Cash Flows from Financing Activities			
Payments			
Principal elements of lease payments		(4,140)	-
Net cash provided by Financing Acttivites		**(4,140)**	**-**
Cash Flows from State Government			
WA Racefields income		93,176	80,964
Betting tax income		24,609	12,639
Other Income from State Government		-	8,325
Stamp duty recoupment		-	148
Net cash provided by State Government		**117,785**	**102,076**
Net increase/(decrease) in cash and cash equivalents		**24,263**	**(3,063)**
Cash and cash equivalents at the beginning of period		72,730	75,793
Cash and cash equivalents at the end of period	**7.3**	**96,993**	**72,730**

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 2020

Contents of the notes to the financial statements

1 About this report
1.1 Basis of preparation
1.2 Significant accounting policies
1.3 Critical estimates and judgements
1.4 Future impact of Australian Accounting Standards not yet operative
1.5 Initial application of Accounting Standards
1.6 Changes in Accounting Policy

2 How we are funded
2.1 WATAB Margin
2.2 Income from State Government
2.3 Betting tax income
2.4 Other revenue

3 Industry funding
3.1 Distributions to racing and sports
3.2 Grants and subsidies to racing

4 Expenditure
4.1 Cost of sales
4.2 Wagering tax
4.3 Racing, wagering and support services

5 Employee benefits
5.1 Provisions
5.2 Compensation of key management personnel

6 Operating assets and liabilities
6.1 Property, plant & equipment
6.2 Right-of-Use assets
6.3 Fair value measurements
6.4 Non-current assets classified as held for sale
6.5 Net gain on disposal of non-current assets
6.6 Intangible assets
6.7 Capital works in progress
6.8 Impairment of assets
6.9 Inventories
6.10 Receivables
6.11 Other assets
6.12 Payables
6.13 Lease liabilities

7 Capital and financial risk management
7.1 Financial Instruments
7.2 Other financial assets
7.3 Notes to the Statement of Cash Flows
7.4 Commitments
7.5 Contingent liabilities/(assets)

8 Other disclosures
8.1 Remuneration of Auditor
8.2 Related party transactions
8.3 Related bodies
8.4 Affiliated bodies
8.5 Supplementary financial information write-offs
8.6 Events occurring after the end of the reporting period
8.7 Special purpose accounts
8.8 Equity
8.9 Schedule of Income and Expense by Service
8.10 Explanatory Statement

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

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 (RWWA) 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 RWWA on 12th October 2020.

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.

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

1.2 Significant accounting policies continued

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.

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	6.8

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

1.4 Future impact of Australian Accounting Standards not yet operative

RWWA 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, RWWA plans to apply the following Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
AASB 1059 Service Concession Arrangements: Grantors 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. RWWA does not manage any public private partnership that is within the scope of the standard.	01-Jan-20
AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business The Standard amends AASB 3 to clarify the definition of a business, assisting RWWA to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. There is no financial impact.	01-Jan-20
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material. There is no financial impact.	01-Jan-20
AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. There is no financial impact.	01-Jan-20

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

1.4 Future impact of Australian Accounting Standards not yet operative continued

AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059 This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059. RWWA does not maintain any public private partnership that is within the scope of the Standard.	01-Jan-20
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. There is no financial impact.	01-Jan-22

1.5 Initial application of Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, RWWA shall recognise revenue when (or as) RWWA satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisifed

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) received by RWWA.

Refer to Note 2.1, 2.2, 2.3 and 2.4 for the revenue and income accounting policies adopted from 1 August 2019.

There is no effect of adopting AASB 15 and AASB 1058.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

(b) AASB 16 Leases
AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

RWWA applies AASB 16 Leases from 1 August 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than $5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, RWWA takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

a) right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate.

b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and

c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairments to its right-of-use assets.

On transition, RWWA has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

(a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
(b) Where the lease term at initial application ended within 12 months, RWWA has accounted for these as short-term leases;
(c) Initial direct costs have been excluded from the measurement of the right-of-use asset;

(d) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

RWWA has not reassessed whether existing contracts are, or contained a lease at 1 August 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 August 2019.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

1.5 Initial application of Accounting Standards continued

Measurement of lease liabilities	$'000
Operating Lease Commitments disclosed as at 31 July 2019	14,712
Discounted using incremental borrowing rate at date of initial application[1]	12,017
Add:	
Financial lease liabilities recognised as at 31 July 2019	-
Less:	
Short-term leases not recognised as liability	-
Low value leases not recgonised as liability	-
Lease liability recognised at 1 August 2019	12,017
Current lease liabilities	3,922
Non-current lease liabilities	8,095

[1] The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

1.6 Changes in Accounting Policy

To align capitalisation to the newly implemented Agile Software Development approach RWWA has reduced the capitalisation threshold on Acquisitions and internally generated intangible assets from $50,000 to $20,000 as of the 1 August 2019. This new way of working moves away from a long term, isolated objective focus project approach to a more flexible, adaptable, continuous delivery approach.

In accordance with AASB 108.24, under limited circumstances the current period may be the beginning of the earliest period for which retrospective application is practicable for a change in accounting policy.

It is not practicable for RWWA to retrospectively apply this change to the previous period as intangibles under $50,000 would not have been recorded in such a way as to be easily identifiable.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

2 How RWWA is funded

This section provides information on how RWWA 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.

	2020 $000	2019 $000
2.1 WATAB Margin		
Margin on Turnover inclusive of GST	335,321	332,812
Goods and Services Tax	(25,088)	(27,231)
	310,233	**305,581**

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.

Up to December 31 2018, the State Government provided a reimbursement to gaming operations (including RWWA) 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.

Until 31 July 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 August 2019, revenue is recognised at the transaction price when RWWA transfers control of the services to customers.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

	2020 $000	2019 $000
2.2 Income from State Government		
WA Racefields income [a]	93,176	80,964
Other income from State Government [b] & [c]	2	8,325
	93,178	**89,289**

(a) Income from State Government include $93.2M (2019: $81.0M) 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) For 2019 The Western Australian Government provided a partial reimbursement for GST paid on RWWA's margin and partial reimbursement for Wagering Tax paid on VIP turnover.

(c) For 2020 RWWA received services free of charge from other State government agencies during the period included Research Library Digital Map Downloads.

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.

The application of AASB 15 and AASB 1058 from 1 August 2019 has had no impact on the treatment of income from State Government.

	2020 $000	2019 $000
2.3 Betting tax income		
Betting tax income	24,609	12,639
	24,609	**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.

The application of AASB 15 and AASB 1058 from 1 August 2019 has had no impact on the treatment of income from State Government.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2020

	2020 $000	2019 $000
2.4 Other Revenue		
Other revenue [(a)]	14,240	13,507
Unclaimed dividends (Racing) [(b)]	6,554	6,668
	20,794	**20,175**

Accounting policy
(a) Other revenue

Until 31 July 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 August 2019, revenue is recognised at the transaction price when RWWA transfers control of the services to customers.

Other revenue mainly consists of Sky vision rights income, TAB agency Sky subscriptions, breeder scheme nominations and other sundry income, and is recognised after performance obligations are satisfied.

(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 2020

3 Industry funding

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

	2020 $000	2019 $000
3.1 Distributions to Racing and Sports		
Thoroughbreds	92,830	90,461
Harness	33,574	33,944
Greyhounds [(a)]	21,076	19,367
Sports [(b)]	510	1,431
	147,989	**145,203**

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

(b) Sports distributions were 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.

	2020 $000	2019 $000
3.2 Grants and Subsidies to racing		
Grants [(a)]	4,194	4,254
Other subsidies [(a)]	11,634	11,014
Racecourse Infrastructure Grants Program	-	332
Royalties for Regions	108	386
	15,936	**15,986**

(a) Included in Grants and Other Subsidies is a total amount of $687,794 (2019: $458,886) 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 ended 31 July 2020

4 Expenditure

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

4.1 Cost of Sales

Cost of Sales mainly include pooling fees, product fees and rebates on wagering activities.

	2020 $000	2019 $000
	91,459	89,601
	91,459	**89,601**

4.2 Wagering Tax

	2020 $000	2019 $000
Tax on Turnover [a]	-	5,748
Tax on Margin [a]	-	12,383
Betting Tax Point of Consumption (POC) Tax - WA [b]	41,205	23,283
Point of Consumption (POC) Tax - Other	675	493
	41,880	**41,907**

(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.

4.3 Racing, Wagering and Support Services

	2020 $000	2019 $000
Employee Benefit Expense [a]	40,490	43,862
Depreciation and Amortisation Expense	16,912	12,951
Finance Costs	306	14
Supplies and Services	31,535	35,415
Advertising and Promotions	28,210	29,613
Communications	4,571	5,147
Accommodation	2,123	6,689
Other Expenses [b]	9,529	6,651
	133,676	**140,342**

(a) An amount of $3,067,340 (2019: $3,336,882) was paid to Government Employees Superannuation Board, a related party of RWWA.

(b) An amount of $2,753,431 (2019: $1,103,085) 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 ended 31 July 2020

5 Employee benefits

This section provides information on employee benefits and entitlements.

5.1 Provisions

	2020 $000	2019 $000
Current		
Employee benefits provision		
Annual Leave [a]	3,433	2,856
Long Service Leave [b]	4,346	3,886
	7,779	**6,742**
Other provisions		
Employment on-costs [c]	495	400
	495	**400**
	8,275	**7,142**
Non-Current		
Employee benefits provision		
Long Service Leave [b]	1,183	1,311
	1,183	**1,311**
Other provisions		
Employment on-costs [c]	75	78
	75	**78**
	1,258	**1,389**

(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:

Within 12 months of the end of the reporting period	2,656	2,030
More than 12 months after the end of the reporting period	777	826
	3,433	**2,856**

(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:

Within 12 months of the end of the reporting period	1,183	1,195
More than 12 months after the end of the reporting period	4,346	4,002
	5,529	**5,197**

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

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.

	2020 $000	2019 $000
Employment on-cost provision		
Carrying amount at start of period	478	471
Additional provisions recognised	2,702	2,588
Payments/other sacrifices of economic benefits	(2,610)	(2,581)
Carrying amount at end of period	**570**	**478**

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 2020

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.'

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 2020

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 Compensation Band ($)	2020	2019
1 - 10,000 [(a)]	-	1
50,001 - 60,000	7	5
60,001 - 70,000	-	2
100,001 - 110,000	1	1
	$000	$000
Short term employee benefits	464	475
Post employment benefits	43	43
Other long term benefits	-	-
Termination benefits	-	-
Total compensation of members of the accountable authority	**507**	**518**

Compensation of senior officers Compensation Band ($)	2020	2019
270,001 - 280,000	-	1
280,001 - 290,000	1	1
290,001 - 300,000	1	1
300,001 - 310,000	1	1
310,001 - 320,000	1	-
320,001 - 330,000	1	1
400,001 - 410,000	-	1
440,001 - 450,000	1	-
750,001 - 760,000	1	-
760,001 - 770,000	-	1
	$000	$000
Short term employee benefits	2,238	2,176
Post employment benefits	224	222
Other long term benefits	248	248
Termination benefits	-	-
Total compensation of senior officers	**2,710**	**2,646**

(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 2020

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.

	2020 $000	2019 $000
6.1 Property, plant & equipment		
Freehold Land		
At fair value	18,904	19,422
	18,904	**19,422**
Buildings		
At fair value	11,357	11,012
Accumulated depreciation	(4)	(0)
	11,353	**11,012**
Leasehold Improvements		
At cost	6,714	10,461
Accumulated depreciation	(6,317)	(10,011)
	396	**450**
Infrastructure		
At cost	5,321	5,216
Accumulated depreciation	(4,887)	(4,799)
	433	**417**
Machinery, Plant & Equipment		
At cost	5,318	5,335
Accumulated depreciation	(4,888)	(4,796)
	430	**539**
Computer Equipment		
At cost	44,564	51,408
Accumulated depreciation	(37,774)	(39,760)
	6,790	**11,648**
Furniture and Fittings		
At cost	3,518	4,411
Accumulated depreciation	(3,140)	(3,873)
	378	**538**
Motor Vehicles		
At cost	1,990	2,030
Accumulated depreciation	(1,329)	(1,079)
	661	**951**
	39,345	**44,977**

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

6.1 Property, plant & equipment continued

Freehold land and buildings were revalued as at 1 July 2019 by Western Australian Land Information Authority. The valuations were performed during the year ended 31 July 2020 and recognised at 31 July 2020. 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: $15,529,000 (2019: $15,877,000); current use of land $3,375,000 (2019: $3,545,000); market value of buildings $5,211,000 (2019: $4,530,000); current use of buildings $6,142,000 (2019: $6,482,000).

Information on fair value measurement is provided in Note 6.3.

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 2020

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.

For the year ended 31 July 2020

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
2020											
Carrying amount at start of period	19,422	11,012	450	417	539	6,790	378	661	16,608	2,969	58,923
Additions	-	-	-	-	-	539	-	-	1,035	66,324	67,898
Transfer to/(from) work in progress	961	1,070	100	105	218	716	-	62	2,913	(6,145)	-
Disposals	-	11	-	-	-	-	-	(10)	-	-	1
Classified as held for sale	(650)	(120)	-	-	-	-	-	-	-	-	(770)
Impairment	-	-	-	-	-	-	-	-	(252)	-	(252)
Revaluation increments/ (decrements)	(829)	(95)	-	-	-	-	-	-	-	-	(924)
Depreciation	-	(525)	(155)	(88)	(327)	(5,574)	(160)	(342)	(5,374)	-	(12,544)
Carrying amount at end of period	**18,904**	**11,353**	**395**	**434**	**430**	**6,790**	**378**	**661**	**16,608**	**2,969**	**58,923**
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)
Impairment	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/ (decrements)	(75)	(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**

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

6.2 Right-of-Use assets

	Buildings $000	Total $000
At 31 July 2019		
Opening net carrying amount	-	-
Recognition of right-of-use assets on initial application of AASB16	12,017	12,017
Restated opening carrying amount	**12,017**	**12,017**
01 Aug 2019		
Gross carrying amount	12,017	12,017
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
	12,017	**12,017**
Additions	3,409	3,409
Transfers	-	-
Disposals	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Depreciation	(4,368)	(4,368)
Carrying amount at 31 July 2020	**11,058**	**11,058**
Gross carrying amount	15,426	15,426
Accumulated depreciation	(4,368)	(4,368)
Accumulated impairment loss	-	-

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset

RWWA has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairement of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 6.8

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

6.2 Right-of-Use assets continued

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income

	2020 $000	2019 $000
Depreciation expense of right-of-use assets	4,368	-
Lease interest expense	301	-
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	-	-
Low-value leases	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Total amount recognised in the Statement of Comprehensive Income	**4,669**	**-**

The total cash outflow for leases in 2020 was $4,440,596.

RWWA's leasing activities and how these are accounted for:

RWWA has leases for retail accommodations.

Up to 31 July 2019, RWWA classified lease as operating leases. From 1 August 2019, RWWA recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 6.13

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

6.3 Fair Value Measurements

Assets measured at fair value:

	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of period $000
2020				
Non-Current assets classified as held for sale (Note 6.4)	-	770	-	770
Land (Note 6.1)	-	15,529	3,375	18,904
Buildings (Note 6.1)	-	5,211	6,142	11,353
	-	**21,510**	**9,517**	**31,027**
2019				
Non-Current assets classified as held for sale (Note 6.4)	-	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**

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
2020		
Fair value at start of period	3,545	6,482
Revaluation decrements recognised in Other Comprehensive Income	(170)	(61)
Depreciation Expense	-	(279)
Fair value at end of period	**3,375**	**6,142**
2019		
Fair value at start of period	4,375	6,583
Additions	148	-
Revaluation increments recognised in Other Comprehensive Income	(978)	213
Depreciation Expense	-	(314)
Fair value at end of period	**3,545**	**6,482**

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 2020

6.3 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 (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 2020

6.3 Fair Value Measurements continued

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

Description and fair value as at 31 July 2020		Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Land	$3,375,000	Current Replacement Cost Method	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings	$6,142,000	Current Replacement Cost Method	Consumed economic benefit/obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value

Description and fair value as at 31 July 2019		Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Land	$3,545,000	Current Replacement Cost Method	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings	$6,482,000	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 2020

	2020	2019
	$000	$000
6.4 Non-current assets classified as held for sale		
Opening balance		
Freehold land	2,737	238
Buildings	560	150
	3,297	**388**
Assets reclassified as held for sale		
Freehold land	650	2,737
Buildings	120	560
	770	**3,297**
Total assets classified as held for sale		
Freehold land	3,387	2,975
Buildings	680	710
	4,067	**3,685**
Less assets sold		
Freehold land	2,737	238
Buildings	560	150
	3,297	**388**
Closing balance		
Freehold land	650	2,737
Buildings	120	560
	770	**3,297**

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.

	2020	2019
	$000	$000
6.5 Net gain on disposal of non-current assets		
Proceeds from disposal	3,495	674
Carrying amount of disposal	(3,297)	(503)
Net gain	**198**	**171**

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 2020

	2020	2019
	$000	$000
6.6 Intangible Assets		
Computer Software		
At cost	71,334	71,513
Accumulated amortisation	(54,726)	(52,192)
	16,608	**19,321**
Domain Names		
At cost	25	25
Accumulated amortisation	(25)	(25)
	-	**-**
	16,608	**19,321**

Accounting policy
Capitalisation/expensing of assets
Acquisitions and internally generated intangible assets costing over $20,000 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 2020

		2020 $000	2019 $000
6.7	**Capital Works In Progress**		
	TAB Terminals and Racewall Upgrade	112	650
	Software Upgrades	2,376	1,278
	Computer Equipment	160	37
	Other	321	61
		2,969	**2,026**

6.8 Impairment of Assets

As at 31 July 2020 RWWA had an impairment of intangible assets to the value of $252,000 (2019 : Nil). All intangible assets impaired relate to inhouse devloped software deemed no longer to be in use.

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 2020

		2020 $000	2019 $000
6.9	**Inventories**		
	Current		
	Inventories not held for resale:		
	At Cost		
	Tickets	610	621
	Agency Spares and Consumables	177	220
		787	**841**

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.

		2020 $000	2019 $000
6.10	**Receivables**		
	Current		
	Receivables	1,033	972
	Accrued Revenue	49	103
	Other Debtors	5,463	4,166
	Allowance for impairment of receivables	(60)	(63)
		6,485	**5,178**
	Reconciliation of changes in the allowance for impairment of receivables:		
	Balance at start of period	63	66
	Remeasurement under AASB 9	-	-
	Restated balance at start of period	63	66
	Expected credit losses expense	4	3
	Amounts written off during the period	(8)	(6)
	Balance at end of period	**60**	**63**

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 2020

		2020 $000	2019 $000
6.11	**Other Assets**		
	Current		
	Prepayments	4,913	4,759
		4,913	**4,759**
	Non-Current		
	Prepayments	12	235
		12	**235**

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.

		2020 $000	2019 $000
6.12	**Payables**		
	Current		
	Trade Payables	1,454	3,721
	Unclaimed Dividends and Refunds	3,217	4,264
	TAB Payables and Account Betting Deposits	21,203	20,446
	Other Payables	8,321	4,975
	GST Payable	2,696	2,032
	Accrued Expenses	11,383	6,836
		48,274	**42,277**
	Non-Current		
	Agents deposits and property bonds	1,120	1,120
		1,120	**1,120**

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 2020

		2020 $000	2019 $000
6.13	**Lease liabilities**		
	Current	3,964	-
	Non-Current	7,324	-
	Total lease liabilities	**11,288**	**-**

RWWA measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, RWWA uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by RWWA as part of the present value calculation of lease liability include:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by RWWA if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with Note 6.2

Subsequent Measurement
Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

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, agent deposits and lease liabilities.

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.

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 2020

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:

	2020 $000	2019 $000
Financial Assets		
Cash and cash equivalents [(a)]	96,993	72,730
Financial Assets at fair value through Profit or loss	20,000	10,000
Financial assets at amortised cost [(b)]	6,485	5,178
Financial asset at fair value through OCI	1,636	1,495
	125,114	**89,403**
Financial Liabilities		
Financial liabilities at amortised cost [(b)]	57,985	41,363
	57,985	**41,363**

(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 2020

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	Days past due			
		Current	31-60 days	61-90 days	>91 days
	$000	$000	$000	$000	$000
2020					
Expected credit loss rate		0%	0%	0%	21%
Estimated total gross carrying amount at default	1,033	550	149	47	287
Expected credit losses	(60)	-	-	-	(60)
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)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

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	Carrying Amount	Interest Rate Exposure			Maturity Dates				
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
2020											
Financial Assets											
Cash and cash equivalents	0.68%	**96,993**	70,756	25,000	1,237	96,993	66,993	25,000	5,000	-	-
Other financial assets		**21,636**			21,636	21,636	20,000				1,636
Receivables [a]		**6,485**	-	-	6,485	6,485	6,485	-	-	-	-
		125,114	**70,756**	**25,000**	**29,358**	**125,114**	**93,478**	**25,000**	**5,000**	**-**	**1,636**
Financial Liabilities											
Payables [a]		**45,578**	-	-	45,578	45,578	45,502	70	6	-	-
Lease Liabilities		**11,288**	-	-	-	-	12	16	336	10,740	184
Agent Deposits and property bonds	0.20%	**1,120**	-	1,120	-	1,120	-	-	-	-	1,120
		57,985	**-**	**1,120**	**45,578**	**46,697**	**45,514**	**86**	**342**	**10,740**	**1,304**
2019											
Financial Assets											
Cash and cash equivalents	1.87%	**72,730**	30,000	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	**30,000**	**42,046**	**17,357**	**89,403**	**37,908**	**35,000**	**15,000**	**-**	**1,495**
Financial Liabilities											
Payables [a]		**40,242**	-	-	40,242	40,242	39,545	679	17	-	-
Lease Liabilities		**-**	-	-	-	-	-	-	-	-	-
Agent Deposits and property bonds	0.95%	**1,120**	-	1,120	-	1,120	-	-	-	-	1,120
		41,362	**-**	**1,120**	**40,242**	**41,361**	**39,545**	**679**	**17**	**-**	**1,120**

(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 2020

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.

		-100 basis points		+100 basis points	
	Carrying amount $000	Surplus $000	Equity $000	Surplus $000	Equity $000
2020					
Financial Assets					
Cash and cash equivalents [(a)]	**25,000**	(250)	(250)	250	250
Financial Liabilities					
Agent Deposits and property bonds	**1,120**	(11)	(11)	11	11
Total Increase/(Decrease)		**(260)**	**(260)**	**260**	**260**
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**

(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
2020			
Financial Assets			
Investment in unit trusts	**20,000**	(1,000)	1,000
2019			
Financial Assets			
Investment in unit trusts	**10,000**	(500)	500

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 2020

7.2 Other Financial Assets

	2020 $000	2019 $000
Current		
Short term investment in unit trusts at fair value through profit or loss	20,000	10,000
	20,000	**10,000**
Non-Current		
Unlisted shares at fair value through other comprehensive income	1,636	1,495
	1,636	**1,495**

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
2020				
Fixed interest unit trusts	-	20,000	-	20,000
Unlisted shares			1,636	1,636
2019				
Fixed interest unit trusts	-	10,000	-	10,000
Unlisted shares			1,495	1,495

There were no significant transfers between Level 1, 2 or 3 during 2020.

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 2020

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:

	2020 $000	2019 $000
Cash and cash equivalents		
Cash at bank	66,909	17,327
Cash on hand	54	44
Short-term deposits	30,030	55,000
	96,993	**72,371**
Restricted cash [(a)]	-	359
	96,993	**72,730**

(a) Royalties for Regions fund - unspent funds are committed to Racecourse Infrastructure Grants Program in WA regional areas.

Reconciliation of profit to net cash flows provided by/(used in) operating activities		
Profit/(Loss) for the period	19,482	(3,116)
Non cash items:		
Depreciation and amortisation expense	12,544	12,951
Net gain on sale of property, plant and equipment	(198)	(171)
Impairment	252	-
Income from State Government	(93,178)	(89,289)
Betting tax income	(24,609)	(12,639)
(Increase)/decrease in assets:		
Receivables / Accrued Income	(1,307)	(1,523)
Current inventories	54	(97)
Prepayments	68	(529)
(Increase)/decrease in liabilities:		
Trade creditors [(a)]	5,938	(2,322)
Other creditors	3,499	(610)
Annual leave and long service leave provisions	909	93
Other current provisions	93	6
Net GST Receipts/Payments [(b)]	-	-
Change in GST Receivables/Payables [(c)]	664	192
Net cash used in operating activities	**(75,789)**	**(97,054)**

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.
(b) This is the net GST paid/received, i.e. cash transactions.
(c) This reverses out the GST in receivables and payables.

Accounting policy
Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) 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 2020

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:

	2020 $000	2019 $000
Within one year	378	186
	378	**186**
The capital commitments include amounts for:		
Racing Infrastructure	6	46
Motor Vehicles	79	28
Racewalls rollout	36	39
IT systems	256	73
TAB Radio	-	-
	377	**186**

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
Later than one year but not later than five years	-	9,535
Later than five years	-	425
	-	**14,712**
Representing:		
Non-cancellable operating leases	-	14,712
	-	**14,712**
The non-cancellable operating lease commitments include amounts for:		
Property	-	14,712
	-	**14,712**

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:

	2020 $000	2019 $000
Within one year	11,159	13,730
Later than one year but not later than five years	-	8,442
	11,159	**22,172**

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

7.5 Contingent liabilities/(assets)

	2020 $000	2019 $000
Contract performance guarantees exist over future rental payments on TAB Agencies	30	30
Approximate amount payable to (receivable from) Riskcover in future years for performance adjustment in prior years Workers Compensation insurance premiums	544	(169)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

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:

	2020 $000	2019 $000
Auditing the accounts, financial statements and Key Performance Indicators	152	132
	152	**132**

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 2020

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 $21,076,126 (2019 $19,367,404) and grants and subsidies of $687,794 (2019 $458,886) from RWWA. WAGRA is not subject to operational control by RWWA.

8.5 Supplementary Financial Information Write-offs

	2020 $000	2019 $000
(a) Write-offs		
During the financial year, $8,000 (2019 $6,000) was written off RWWA's Receivables under the authority of:		
The accountable authority	(8)	(6)
	(8)	**(6)**
(b) Losses through theft, defaults and other causes		
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	-	-
	-	**-**

8.6 Events occurring after the end of the reporting period

On August 7, 2020 RWWA released a media Statement in regards to the TAB Sale process which included the following:

"The ongoing uncertainty surrounding the impacts of COVID-19 (in-particular the second wave being experienced in Victoria) are a major impediment to progressing negotiations.
As a result, all parties have agreed to disengage from the process until further notice.
RWWA will continue to actively manage and drive performance of the WA TAB business in the long-term interest of the Western Australian racing industry."

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.

	2020 $000	2019 $000
Balance at start of period	461	704
Receipts	395	554
Payments	(618)	(797)
Balance at end of period	**238**	**461**

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2020

8.8 Equity

	2020 $000	2019 $000
Contributed Equity:		
Balance at the start of the period	69,193	69,045
Contributions [(a)]	-	148
Distributions	-	-
Balance at the end of the period	**69,193**	**69,193**
Reserves		
General reserve:		
Balance at the start of the period	25,783	28,899
Transfer from Retained Earnings	19,482	(3,116)
Balance at the end of the period	**45,265**	**25,783**
Asset revaluation reserve:		
Balance at the start of the period	16,915	17,111
Net revaluation increments/(decrements):		
Land	(828)	(73)
Buildings	(95)	(123)
Balance at the end of the period	**15,992**	**16,915**
Financial assets revaluation reserve:		
Balance at the start of the period	1,040	-
Changes in accounting policy - other financial assets	-	847
Net revaluation increments/(decrements):		
Financial Assets	(129)	193
Balance at the end of the period	**911**	**1,040**
Balance of reserves at end of the period	**62,168**	**43,738**
Retained earnings:		
Balance at the start of the period	-	-
Result for the period	19,482	(3,116)
Transfer to General Reserve	(19,482)	3,116
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 2020

8.9 Schedule of Income and Expense by Service

	Wagering		Racing		Unallocated		Total	
	2020 $000	2019 $000	2020 $000	2019 $000	2020 $000	2019 $000	2020 $000	2019 $000
INCOME								
Revenue								
Margin	310,233	305,581	-	-	-	-	310,233	305,581
Other revenue	9,707	10,415	11,046	9,759	41	1	20,794	20,175
Interest revenue	-	-	-	-	1,410	2,068	1,410	2,068
Gain on disposal of non-current assets	-	-	-	-	198	171	198	171
Total Income	**319,940**	**315,996**	**11,046**	**9,759**	**1,649**	**2,240**	**332,635**	**327,995**
EXPENSES								
Costs of sales	91,459	89,601	-	-	-	-	91,459	89,601
Wagering Tax	41,880	41,907	-	-	-	-	41,880	41,907
Racing Services	-	-	28,007	26,237	-	-	28,007	26,237
Wagering Services	77,456	84,068	-	-	-	-	77,456	84,068
Support Services	-	-	-	-	28,213	30,037	28,213	30,037
Grants and subsidies	-	-	15,936	15,986	-	-	15,936	15,986
Distribution to racing and sports industries	510	1,431	147,479	143,771	-	-	147,989	145,203
Total Expenses	**211,305**	**217,007**	**191,422**	**185,994**	**28,213**	**30,037**	**430,940**	**433,039**
Profit/(Loss) before income from State Government	**108,635**	**98,989**	**(180,376)**	**(176,235)**	**(26,564)**	**(27,797)**	**(98,305)**	**(105,044)**
WA Racefields income	-	-	93,176	80,964	-	-	93,176	80,964
Betting Tax income	-	-	24,609	12,639	-	-	24,609	12,639
Other income from State Government	2	8,325	-	-	-	-	2	8,325
Profit/(Loss) for the period	**108,637**	**107,314**	**(62,591)**	**(82,632)**	**(26,564)**	**(27,797)**	**19,482**	**(3,116)**

For the year ended 31 July 2020

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 2019 and 2020.

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

Significant variances between actual results for 2019 and 2020

	Comment	2020 Actual $000	2019 Actual $000	Variance $000
Revenue				
Margin		310,233	305,581	4,652
Other Revenue		20,794	20,175	620
Interest Revenue		1,410	2,068	(658)
Gains				
Gain on disposal of non-current assets		198	171	27
Expenses				
Cost of sales		91,459	89,601	1,859
Wagering Tax		41,880	41,907	(27)
Racing Services		28,007	26,237	1,770
Wagering Services		77,456	84,068	(6,614)
Support Services		28,213	30,037	(1,823)
Grants and subsidies to racing		15,936	15,986	(49)
Distribution to racing and sports		147,989	145,203	2,787
WA Racefields income	(1)	93,176	80,964	12,212
Betting Tax income	(2)	24,609	12,639	11,971
Other income from State Government	(3)	2	8,325	(8,323)

Comment

(1) Wagering by all wagering providers on WA product has increased during the Covid 19 period.

(2) 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. 2020 reflects a full 12 months of receipts compared to 2019 which includes receipts for 7 months only.

(3) 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 2020

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 2020.

Jeff Ovens
Chair RWWA Board

12 October 2020

Anthony Hasluck
Chair Audit and Risk Committee

12 October 2020

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	Primary Betting System availability	Margin per employee
	Provision of services to support wagering	Staff (FTE) Number of bets processed	Profit per employee Return on Assets (operating profit as a percentage of total assets)
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	Distribution to Industry Grants to industry (RWWA funded) Grants to industry (State Government funded)	Margin 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	% of Winners Swabbed / Returned Negative	Racing and Steward expenses per Western Australian race meeting
	Guarantee the ongoing welfare and sustainability of the Western Australian racing industry	Average number of starters in Western Australian races	
	Provision of racing, stewarding, wagering, financial, marketing, human resources, IT, strategic and other services	Annual growth in TAB Turnover on Western Australian racing	

RWWA'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.

RWWA'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 2020

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

Effectiveness Indicators	Description		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 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 RWWA places on this. A service that is reliable is necessary for the TAB to attract and retain customers.	%	100.00	99.96	99.71	99.98	99.99	The availability of the betting system during the year is above RWWA's target and comparable with prior year ratios.
Staff (FTE)	With staff employee benefits expense being one of the largest cost categories at RWWA, managing the FTE levels is an important part of ensuring an efficient competitive business.	No.	367	357	368	374	366	The number of FTE at the end of 2019/20 was slightly higher than target.
Number of Bets Processed	The number of bets processed is an indicator of the TAB's competitiveness in the wagering and gambling marketplace.	000's	213,017	217,127	214,714	214,790	202,346	The number of bets for 2020 shows a slight decrease of 1.9% on target and is comparable with prior year.

Key Performance Indicators

For the year ended 31 July 2020

Efficiency Indicators	Description		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 Actual	Result
* Margin per employee	Margin per employee is a measure of the competitiveness of the business.	$000	845		830	860	860	Margin per employee is up on prior year. The increase in margin is due to increased margins on fixed odds racing and sports.
* 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	456		386	367	365	Profit per employee is up on prior years due to growth in Western Australian Racing Bets Levy income and receiving a full year of revenue from betting tax income.
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.	%	83.0	95.7	86.1	81.0	80.9	ROA is down against target due to the impact of Covid on increasing revenues in the last quarter resulting in increased Cash balances. 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 2020

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

Effectiveness Indicators	Description		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 Actual	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	147,989	153,308	145,203	146,541	138,895	Current year higher than prior year and lower than target due to Covid reductions.
		% Change on prior year	1.9	5.6	(0.9)	5.5	(0.9)	
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	4,194	2,000	4,254	4,547	5,821	Grants to industry were above target due to additional grants paid during the year. The main grant being to Pinjarra Race Club.
Grants to Industry (WA Government Funded)		$000	108	108	717	1,270	1,923	The results were consistent with target and were a reduction on prior years as approved funds are now expended.

Efficiency Indicators	Description		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 Actual	Result
* Margin	Margin is an important indicator of the capacity of RWWA to fund the racing industry and sports.	$000	310,233		305,581	321,514	314,694	The increase in margin is due to increased margins on events particularly sport.
* 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	167,274		141,916	137,410	133,636	Operating profit is higher than last year due to phenomenal growth on racefield income and betting tax income.

* Targets have not been disclosed due to commercial sensitivity.

Key Performance Indicators

For the year ended 31 July 2020

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		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 Actual	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.	Thoroughbreds %	100.0		99.3	99.2	99.9	The results are consistent with previous years.
		Harness %	99.7		99.4	99.0	99.9	
		Greyhounds %	99.9		99.8	99.4	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.	Thoroughbreds %	10.0		9.8	9.7	10.4	The results are consistent with previous years.
		Harness %	9.3		9.6	9.8	9.9	
		Greyhounds %	7.4		7.4	7.3	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.	%	1.1		(8.6)	(0.9)	(6.3)	The results show a favorable growth against the previous year in part due to the positive impact on WA Racing from Covid shutdowns of competitive wagering products during Mar-Jun 2020.

* Targets have not been disclosed due to commercial sensitivity.

Efficiency Indicators	Description		2020 Actual	2020 Target	2019 Actual	2018 Actual	2017 Actual	Result
Racing and Steward expenses per WA race meeting	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.	$000	32.80	32.50	29.60	28.20	22.20	The results show an increase on last year which was anticipated and reflected in the higher target. This includes the impact of a continued focus on animal welfare.
		% Change on prior year	10.81	9.80	4.83	26.99	(5.44)	

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 FY2020 are outlined below.

Project Name	Expected Year of Completion	Expected Cost to Complete $000	Expected Total Cost of Project $000
Racing Infrastructure	FY2021	90	1,091
Wagering Infrastructure	FY2021	620	2,094
Support Infrastructure	FY2021	817	1,929

Note: FY2020 wagering infrastructure excludes racewall and terminal projects (as per previous years) as these are now complete.

Image: Magic Millions Perth Yearling Sales 2020

Image: WA Fashions on the Field Final 2019

Other Financial Disclosures

Employment and Industrial Relations

Employee Profile

At the end of the reporting period, the number of people employed at RWWA was 504. This figure includes all permanent and maximum term contract staff, including apprentice jockeys.

Full Time Equivalent (FTE)		
Employee Profile	**FY2019**	**FY2020**
Full Time	244	239
Part Time	30	36
Casuals	50	45
Maximum-Term Contracts	44	45
Total	**368**	**365**

Racing Industry Safety, Health and Injury Management

Throughout FY2020, RWWA continued to support Western Australian racing with safety advice, publications, training and inspections.

It is anticipated that FY2021 will see WorkSafe WA implement changes to the *Occupational Safety and Health Act 1984*. RWWA will ensure its legal obligations are met and that the organisation retains a proactive approach to safety within the racing industry.

Industrial Relations

Within the reporting period, the *RWWA TAB Radio Agreement 2015* and the *RWWA General Staff Agreement 2019* were in operation. The *RWWA TAB Radio Agreement 2015* continued to operate beyond the nominal expiry date of August 2018, with an administrative salary increase applied in line with the Western Australian Government State Wages Policy. The *RWWA General Staff Agreement 2019*, which was approved by the Fair Work Commission in July 2019, has a nominal expiry date in August 2021. Preparations to renegotiate both industrial agreements will commence in the first half of the 2021 calendar year.

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.

Image: Carnarvon Race Club

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 must 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 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.
- 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.
- Social responsibility: consider the social, environmental, financial and ethical impact on RWWA's stakeholders and the community when making decisions.

Regulatory Disclosure and Stakeholder 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.
- 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.
- Ensuring the financial viability of the Western Australia racing industry through financial practices.

RWWA is committed to improving its sustainability practices and principles.

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 FY2020 was $17,789.

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 FY2020 was $18.5 million and was incurred as follows:

Supplier	$000
Advertising Agencies	
Brand Agency Production/ Operations	700
Brand Agency Media Expenditure	5,633
Signifi Digital Media	375
Direct Booked Media	
Croc Media	245
Redwave Media	53
Southern Cross	71
The West Australian	105
The West Australian (TABForm)	375
Western Sports Media (Sport FM)	36
Creative Design	16
Macqaurie Media	83
Nova Entertainment	24
Sign Strategy	27
Other	43

Supplier	$000
Market Research	
Painted Dog	316
Social & Content	
Sky	9,815
Hamilton Content	164
Kelvin Ha	38
Ken Casellas	18
Michael Heaton	22
Facebook	188
Twitter	2
Direct Mail	
Mobivate Blackbook	76
Mobivate SMS	94
Telstra Blackbook	14
Total	**18,533**

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, 22 employees inadvertently utilised their corporate credit card for personal use. None of these matters were 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.

	2020 $
Aggregate amount of personal use expenditure for the reporting period	1,526
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	346
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	1,083
Aggregate amount of personal use expenditure outstanding at balance date	97

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

RWWA has continued its focus on a proactive and pre-emptive approach to safety within the organisation by setting measurable key performance indicators and continuous improvement of the infrastructure, procedures and training within its workplaces as well as providing safety advice and support to Western Australian race clubs.

As a result of the COVID-19 pandemic, adjustments were made to risk controls within all aspects of the organisation, to ensure the safety and wellbeing of both employees and the wider community.

It is anticipated that FY2021 will see Worksafe WA implement changes to the *Occupational Safety and Health Act 1984.* RWWA will ensure all legal obligations are met and a proactive approach to safety within the racing industry remains.

Insurance and Lost Time Injury Table

Measure	FY2018(1)	FY2019	FY2020(1)	Targets	Comments
Number of fatalities	0	0	0	0	Target Achieved
Lost time injury and/or disease incidence rate	0.0	1.09	0.55	0 or 10% reduction in incidence rate	Target Achieved
Lost time injury and/or disease severity rate	0.0	37.5	0.0	0 or 10% reduction in severity rate	Target Achieved
Percentage of injured workers returned to work (i) within 13 weeks	Not Applicable	50%	100%	Greater than or equal to 80%	Target Achieved
Percentage of injured workers returned to work (ii) within 26 weeks	Not Applicable	37.5%	Not Applicable	Greater than or equal to 80%	Target Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within three years	81%	61.76%	48.57%	Greater than or equal to 80%	The implementation of a new learning management system within RWWA means an expected increase in safety training and education amongst management in FY2021

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 FY2020 and comparison year is FY2018).

RACING AND WAGERING
WESTERN AUSTRALIA

rwwa.com.au