

**RACECOURSE DEVELOPMENT TRUST  
OF WESTERN AUSTRALIA**

**ANNUAL REPORT**

**2000/2001**

## STATEMENT OF COMPLIANCE

HON NICK GRIFFITHS LLB MLC  
MINISTER FOR RACING AND GAMING

### RACECOURSE DEVELOPMENT TRUST ANNUAL REPORT - 2000/2001

In accordance with section 66 of the *Financial Administration and Audit Act 1985*, we submit for your information and tabling in Parliament, the Annual Report of the Racecourse Development Trust of Western Australia (the Trust) for the year ended 31 July 2001.

This report summarises the Trust's functions and presents an overview of achievements for the year.

The Trust acknowledges and thanks the staff of the Department of Racing, Gaming and Liquor for their dedication and commitment in assisting the Trust to meet its objectives during the year.



**CHAIRMAN**  
26 September 2001



**MEMBER**  
26 September 2001

**STATEMENT OF COMPLIANCE  
WITH RELEVANT WRITTEN LAW**

**ENABLING LEGISLATION**

The Trust is established under the *Racecourse Development Act 1976*. The Trust assists racing and trotting clubs and training establishments to improve their facilities through the provision of grants and loans. The Trust is funded from unclaimed dividends and refunds from the Totalisator Agency Board.

**LEGISLATION ADMINISTERED**

*Racecourse Development Act 1976*

**LEGISLATION IMPACTING ON ACTIVITIES**

In the performance of its functions, the Trust complies with the following relevant written laws:

- *Financial Administration and Audit Act 1985;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *Public and Bank Holidays Act 1972;*
- *Equal Opportunity Act 1984;*
- *Library Board of Western Australia Act 1951;*
- *Occupational Health and Safety Act 1984;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Workplace Agreement Act 1993;*
- *Minimum Conditions of Employment Act 1993;*
- *Workers' Compensation and Rehabilitation Act 1981;*
- *State Supply Commission Act 1991;*
- *Anti Corruption Commission Act 1988; and*
- *Disability Services Act 1993.*

In the financial administration of the Trust, the Trust has complied with the requirements of the *Financial Administration and Audit Act 1985* and relevant written law. It has exercised controls which provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

**STATEMENT OF COMPLIANCE  
WITH RELEVANT WRITTEN LAW (cont.)**

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



**CHAIRMAN**  
26 September 2001



**PRINCIPAL ACCOUNTING OFFICER**  
26 September 2001



**MEMBER**  
26 September 2001

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## CORPORATE GOVERNANCE

### INTRODUCTION

The *Statutory Corporations (Liability of Directors) Act 1996*:

- declares that the members of all Government “corporations” established for a public purpose owe to the “corporation” the same duties that the directors of a company under the Corporations Law owe to that company; and
- imposes on the “directors” of Government owned “corporations” responsible for business activities, specific duties to act honestly, to exercise reasonable care and diligence and not to make improper use of their information and position.

For the purposes of the *Statutory Corporations (Liability of Directors) Act 1996* “corporation” means a body corporate established for a public purpose by a written law and, if the affairs of the corporation are managed by its members, a “director” means a member of the corporation.

While the Trust is not specified in Part 3 of the Act, the principles of corporate governance laid down in the Act have been used for the purposes of reporting. The following statements outline the Trust’s purpose, constitution, scope of responsibility and operational framework.

### Responsible Minister

The Minister for Racing and Gaming is responsible for the Racing and Gaming portfolio. At 31 July 2001 the Minister for Racing and Gaming was Hon Nick Griffiths, LLB MLC.

### Composition of the Trust

The Trust comprises of:

- (a) one person appointed by the Minister to be chairman of the Trust;
- (b) one person appointed by the Minister;
- (c) the Director General of the Department of Racing, Gaming and Liquor or a person nominated in writing by the Director General;
- (d) one person jointly nominated by the bodies known as Western Australian Provincial Thoroughbred Racing Association and the Country Racing Association and appointed by the Minister to represent country racing interests;
- (e) one person nominated by the Western Australian Turf Club and appointed by the Minister to represent metropolitan racing interests;
- (f) one person nominated by The West Australian Country Trotting Association and appointed by the Minister to represent country trotting interests; and

## 1. CORPORATE GOVERNANCE (cont.)

- (g) one person nominated by the Western Australian Trotting Association and appointed by the Minister to represent metropolitan trotting interests.

Deputy members are also appointed for positions (c) to (g).

### Trust Meetings

The Trust meets bi-monthly and every member is required to attend all meetings. If a member is unable to attend, arrangements are made for the deputy member to attend in his or her place. *If a member of the Trust is absent, without the permission of the Minister, from four consecutive meetings of the Trust, the office of that person becomes vacant.*

### The Role of the Trust

The *Racecourse Development Act 1976* specifies that the role of the Trust is to make loans or grants to racing and trotting clubs and allied bodies for:

- (i) the provision of new facilities or the improvement of existing facilities on a racecourse or training track;
- (ii) the establishment of a new racecourse or training track;
- (iii) the discharge or reduction of any existing loan previously obtained by the racing club or allied body; and
- (iv) assisting a racing club or an allied body to conduct its affairs during periods of financial difficulty.

Under the terms of the Act, funds are provided by:

- (a) the Totalisator Agency Board (TAB) - all moneys payable by way of dividends and refunds in respect of bets made on horse races, which remain unclaimed for a period of seven months and a proportion determined by the TAB of unclaimed dividends in respect of novelty bets known as favourite number bets;
- (b) repayment of loans made by the Trust;
- (c) income from investment of moneys in the Trust fund;
- (d) any other moneys lawfully payable to the fund;
- (e) any moneys, being grants, bequests or donations made to the Trust.

## 1. CORPORATE GOVERNANCE (cont.)

### Support for Trust Operations

Support for the Trust operations is provided by the Department of Racing, Gaming and Liquor. The Department recoups the cost of providing these services from the Trust.

### Trust Financial Controls

The Trust has complied with the requirements of the *Financial Administration and Audit Act 1985*, Treasurer's Instructions and other relevant written law. It has exercised controls which provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and the incurring of liabilities have been in accordance with legislative provisions.

The Department of Racing, Gaming and Liquor provides financial services and support to the Trust. While the Trust's Principal Accounting Officer (Manager, Finance and Administration, Department of Racing, Gaming and Liquor) is responsible for the financial administration of the Trust, the primary responsibility for the detection, investigation and prevention of financial irregularities always rests with the Trust.

As part of its annual reporting obligations, the Trust is required to submit to the Auditor General of Western Australia for auditing its Operating Statement, Statement of Financial Position and Statement of Cash Flows.

### Incurring and Certifying Officers

The following Officers are approved as Incurring and Certifying Officers on behalf of the Trust:

- |    |                                     |                      |
|----|-------------------------------------|----------------------|
| 1. | Registrar, Racing                   | (Incurring Officer)  |
| 2. | Administration Assistant            | (Incurring Officer)  |
| 3. | Manager, Policy & Executive Support | (Incurring Officer)  |
| 4. | Principal Accounting Officer        | (Certifying Officer) |
| 5. | Systems Accountant                  | (Certifying Officer) |
| 6. | Accountant                          | (Certifying Officer) |

### Compliance with State Supply Commission Guidelines

In the purchase of goods and services, the Trust complies with policies and practices prescribed by the State Supply Commission with an emphasis on value for money and ensuring the Trust's objectives are met. This approach is based on the four key principles of integrity, continuing competition, intelligent buying and active contract management.



## 1. CORPORATE GOVERNANCE (cont.)

The Finance and Administration Branch of the Department of Racing, Gaming and Liquor undertake these activities on behalf of the Trust.

The Department of Racing, Gaming and Liquor's *Supply Management Business Plan* and procedures ensure that:

- all requests for goods and services are reviewed and processed;
- goods and services are of an acceptable quality; and
- goods and services are obtained at the best possible price.

### Report on Equity, Access and Customer Focus

The Trust does not employ staff but has a net appropriation agreement with the Department of Racing, Gaming and Liquor relating to the functions carried out on behalf of the Trust by staff of that agency.

As such, the Trust does not maintain plans for -

- *Equal Employment Opportunities;*
- *Public Sector Standards;*
- *Plan for Women;*
- *Language Services;*
- *Disability Services;* and
- *Customer Focus,*

but has adopted the relevant plans of the Department of Racing, Gaming and Liquor. Accordingly, the Trust does not report on the outcomes of those plans. Details of the relevant plans and outcomes are available in the Department's Annual Report.

### Ethical Standards (Compliance with Public Sector Code of Ethics)

The Trust is cognisant of the Western Australian Public Sector *Code of Ethics*<sup>1</sup> which specifies ethical principles which, in one form or another, serve as a foundation of behaviour for all moral communities.

As a body established by written law, the Trust is subject to Public Sector ethical standards and to the application of the principles encompassed by those standards.

In the undertaking of their public duty, Trust members observe the principles specified in the *Code of Ethics*.

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<sup>1</sup> Operational since 1 July 1996

## 2. TRUST MEMBERSHIP

Members of the Trust as at 31 July 2001 are:

Hon T McNeil	Chairman
Mr R P Webb	nominated by the Minister
Mr J A Nicolay	representing metropolitan racing
Mr I W Loxton	representing country racing
Mr K J Tilbrook	representing metropolitan trotting
Mr R D Seaton	representing country trotting
Mr B A Sargeant	Director General, Department of Racing, Gaming and Liquor

Deputy members of the Trust as at 31 July 2001 are:

Mr G R Daws	Deputy for Mr J A Nicolay
Mrs R K Parsons	Deputy for Mr I W Loxton
Mr D M Fuller	Deputy for Mr K J Tilbrook
Mr A J Paganoni	Deputy for Mr R D Seaton
Mr J M Nichols	Deputy for Mr B A Sargeant

The Secretary is Mr D Smith.

The terms of appointment of Messrs McNeil and Webb and the member and deputy member representing country racing expire on 31 July 2002. The terms of appointment of the member and deputy member representing metropolitan racing, metropolitan trotting and country trotting expire on 31 July 2003. Messrs Sargeant and Nichols hold office *ex-officio*.

Mr Bob Jones resigned as a member of the Trust representing metropolitan trotting with effect from 5 April 2001. The Chairman and members wish to express their thanks for his contribution as a member since his appointment in January 1995.

### 3. REPORT ON OPERATIONS (cont.)

#### **POLICY BASE**

To assist it to carry out its function, the Trust has developed the following policies:

##### **Administration Matters**

The Chairman is the only member authorised to comment to the media on Trust matters.

All members may remain in a meeting as observers whilst all applications are determined even though a member may not be entitled to take part in deliberations or to vote on a particular matter.

Meetings are held bi-monthly and as required.

Clubs seeking grants or loans are to complete two copies of the specified application form forwarding one to the Trust and the other to either the Western Australian Turf Club or the Western Australian Trotting Association as the case may be.

The Secretary is to list each application in the agenda notwithstanding that a recommendation has not been received from either the Western Australian Turf Club or the Western Australian Trotting Association as the case may be.

All applications must be supported by at least three quotes or justification in writing if less than three quotes are submitted.

Any club seeking a grant or a loan must submit prior to any funding being approved the specified Financial Statements and Operation Statistics for the last racing year.

##### **Grant and Loan Matters**

The Trust will treat each application on its merits taking into account the status of the club in relation to its contribution or potential contribution to the racing industry.

The Trust will only consider applications relating to discreet, stand alone projects. Applications presented on a “share of available funds” or “annual allocation” basis will not be considered.

The Trust’s priorities for funding (in order) are:

##### **First Priorities**

Track improvements (including reticulation), horse facilities and safety items; and

Officials facilities (stewards/ jockeys/reinspersons etc).

### 3. REPORT ON OPERATIONS (cont.)

#### **Second Priority**

Public facilities eg grandstands, toilets, tote facilities.

#### **Third Priority**

Purchase of major items of equipment needed for racing activities (eg starting gates).

#### **Fourth Priority**

Purchase of minor items of equipment.

As a general policy the Trust will not support applications relating to:

- On-going general maintenance of tracks or facilities
- Facilities which are exclusively for members use
- Maintenance or repair of equipment

To maximise the spread of assistance the Trust is able to provide, some categories of grants will require a contribution on the part of the club concerned. Items which the Trust may part fund are as follows:

<b>Item</b>	<b>Level of RDT funding</b>
Public Facilities	up to 75 per cent
Major items of equipment	up to 75 per cent
Minor items of equipment	up to 50 per cent

The Trust's priority areas, track improvements, horse facilities and officials' facilities, may be funded to 100 per cent.

In most circumstances, the contribution required by clubs will be cash. However the Trust will consider other methods of contribution, such as volunteer labour. In cases where a club is unable to provide a cash contribution, and labour is not a component of the project, the Trust may consider an interest free loan to meet the club's contribution. This would be dependent on the club's financial position.

The Trust will set aside an amount each year for grants to non-TAB racing clubs. The amount set aside will be determined year by year having regard to the demand on Trust funds from other sectors of the industry. This funding will usually be offered on a dollar for dollar basis and the appropriateness of individual projects will be subject to Trust scrutiny.

### **3. REPORT ON OPERATIONS (cont.)**

The determination of applications in accordance with these guidelines will always be dependent upon the level of Trust funds available for allocation through grants or loans from time to time.

#### **Access to Resources and Information**

Each Member is entitled to obtain such resources and information from the Trust and/or the Department of Racing, Gaming and Liquor, including direct access to Agency staff, as they may require after notifying the Chairman.

#### **TRUST REVENUE**

The Trust receives its income from unclaimed Totalisator Agency Board dividends and refunds, and interest earned on funds held in the trust account. Revenue from these sources totalled \$2,599,235 for the year ended 31 July 2001. This represents an increase of \$45,137 or 1.7 per cent over the revenue from the same sources in the previous year.

Section 10A of the *Racecourse Development Act 1976* requires that, after the Trust's administration expenses have been met, the remaining funds paid into the trust fund are allocated to the racing allocation and the trotting allocation in the same proportion as profit distributions to the two codes are made pursuant to the *Totalisator Agency Board Betting Act 1960*. Since 28 June 1996 the distribution ratio between racing and trotting is set at 65:35.

In accordance with the legislative requirements the allocation of funds received during the year was as follows:

Racing	\$1,632,563
Trotting	\$879,072
Administration of the Trust	\$87,600
<b>Total Funds</b>	<b>\$2,599,235</b>

#### **APPLICATIONS FOR FUNDING**

The Trust met on seven occasions during the year and determined 74 applications for funding totalling \$6,615,510. Of these, applications totalling:

- \$2,521,868 were approved for immediate funding;
- \$315,475 were approved as interest free repayable loans;
- \$3,549,735 were deferred; and
- \$228,432 were not approved.

The results of applications for funding determined by the Trust for the year ended 31 July 2001 are shown in Schedule 1.

### **3. REPORT ON OPERATIONS (cont.)**

#### **GRANTS/LOANS APPROVED**

Grants/loans made by the Trust during the year in respect of applications approved totalled \$2,837,343. Details of these grants/loans are shown in Schedule 2.

The value of grants/loans approved increased by \$155,338 in comparison to the previous year.

#### **SUMMARY OF MAJOR GRANTS/LOANS**

During 2000/2001 various major projects were either completed or commenced with the assistance of Trust funding.

<b><u>CLUB</u></b>	<b><u>PROJECT</u></b>	<b><u>FUNDING</u></b>
WA Turf Club	Installation of Viscoride training at Ascot Racecourse	\$1,161,443
Geraldton Turf Club	Debt restructure – interest free repayable loan	\$300,000
WA Turf Club	Geraldton Turf Club - track repairs, install water storage tanks and sprinkler upgrade	\$200,000
Harvey District Trotting Club	Major track upgrade	\$142,500
WA Turf Club	Mobile tote facility	\$108,063
WA Trotting Association	Mobile start vehicle and barrier	\$100,350

#### **COUNTRY RACECOURSE INSPECTIONS**

The Trust inspected the facilities at the following clubs during 2000/2001:

Albany Racing Club	Albany & Districts Trotting Club
Bunbury Turf Club	Harvey District Trotting Club
Kalgoorlie-Boulder Racing Club	Mt Barker Turf Club
Narrogin Race Club	Narrogin Trotting Club
Northam Race Club	Pinjarra Race Club
Wagin Trotting Club	

### 3. REPORT ON OPERATIONS (cont.)

#### APPLICATIONS FOR FUNDING DETERMINED BY THE TRUST DURING THE YEAR 1 AUGUST 2000 TO 31 JULY 2001

##### RACE CLUBS AND ALLIED BODIES

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Albany Racing Club	Share of digital photo finish equipment	\$16,756	approved
	Purchase computer	\$2,015	approved
	Track repairs, upgrade sand track, woodchip crossover, drainage and reticulation	\$367,708	\$24,000 approved \$343,708 deferred
Broome Turf Club	Replace 108 metres of inside running rail	\$6,596	approved
Bunbury Turf Club	Purchase tractor	\$15,850	approved
	Install cabling to Stewards' tower	\$7,300	approved
	Upgrade horse stalls	\$12,675	approved
	Upgrade bookmakers prices display system	\$16,353	not approved
	Construct new slow work track	\$109,252	not approved
	Upgrade sand training track reticulation	\$28,054	approved
	Purchase and install new pump shed	\$3,065	not approved
	Upgrade main grass track reticulation	\$38,000	deferred
Esperance Bay Turf Club	Upgrade track reticulation	\$12,873	approved
Geraldton Turf Club	Debt restructure	\$300,000	approved as an interest free repayable loan

### 3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Kalgoorlie-Boulder Racing Club	Renovate ticket kiosk	\$20,000	approved
	Replace fencing surrounding race day stalls and parade ring	\$30,239	approved
Mount Barker Turf Club	Share of digital photo finish equipment	\$16,756	approved
	Repairs to running rail and cabling	\$5,044	approved
Narrogin Race Club	Upgrade track reticulation	\$50,000	approved
	Major track upgrade – additional costs	\$25,000	approved
Northam Race Club	Upgrade bookmakers prices display system	\$16,353	not approved
	Upgrade female jockey toilets	\$2,063	approved
	Preparation costs of Town Planning submission	\$10,000	not approved
Pinjarra Race Club	Enlarge dam capacity	\$11,500	approved
	Grade and re-surface 500 metres of inside grass track	\$20,000	approved
Southern Districts Thoroughbred Association	Purchase track sprinklers, extend machinery shed and install road base to parade area	\$7,916	approved
WA Turf Club	Geraldton Turf Club - track repairs, install water storage tanks and sprinkler upgrade	\$200,000	approved
	Install Viscoride training track at Ascot Racecourse	\$1,161,443	approved
WA Turf Club (cont)	Oncourse broadcasting for Ascot, Belmont, Pinjarra,	\$2,049,600	deferred



**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT REQUESTED</u></b>	<b><u>RESULT</u></b>
	Bunbury, Northam and York racecourses		
	Mobile tote facility	\$108,063	approved
	Upgrade bookmakers price service	\$20,453	approved

**3. REPORT ON OPERATIONS (cont.)**

**SCHEDULE 1 (CONTINUED)**

**APPLICATIONS FOR FUNDING DETERMINED BY THE TRUST  
DURING THE YEAR 1 AUGUST 2000 TO 31 JULY 2001**

**TROTting CLUBS AND ALLIED BODIES**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT REQUESTED</u></b>	<b><u>RESULT</u></b>
Albany & Districts Trotting Club	Share of digital photo finish equipment	\$16,756	approved
	Rebuild 21 horse stalls	\$11,534	approved
	Upgrade photo finish lighting	\$7,515	approved
	Upgrade power supply	\$11,808	approved
	Upgrade lighting to various areas	\$18,427	deferred
Bridgetown Trotting Club	Install flexi poles and construct safety lane	\$19,500	approved
Bunbury Trotting Club	Upgrade photo finish lighting	\$2,827	approved
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$1,100,000	deferred
Busselton Trotting Club	Upgrade photo finish lighting	\$3,430	approved
Byford Trotting Training Complex	Construct machinery shed	\$10,800	approved
	Replace flexi poles	\$1,962	approved
	Re-roof clubrooms	\$29,963	not approved

**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT REQUESTED</u></b>	<b><u>RESULT</u></b>
Byford Trotting Training Complex (cont)	Purchase new tractor	\$33,900	\$25,425 approved \$8,475 approved as an interest free loan to the WA Trotting Association
Central Wheatbelt Harness Racing Club	Consultancy fees – track reconstruction	\$32,738	approved
	Purchase water truck	\$7,727	approved
Collie Trotting Club	Purchase tractor	\$8,550	approved
	Replace 12 horse stalls	\$8,632	approved
Cunderdin Trotting Club	Install flexi poles, construct a safety lane and associated works	\$24,021	approved
	Upgrade photo finish lighting	\$8,449	approved
Fremantle Trotting Club	Purchase water truck for Jandakot Trotting Training Centre	\$3,250	approved
Geraldton Pacing Club	Replace flexi poles	\$1,894	approved
Golden Mile Trotting Club	Track upgrade and replace flexi poles	\$19,834	approved
Harvey District Trotting Club	Upgrade photo finish lighting	\$12,100	approved
	Major track upgrade	\$115,000	approved
	Major track upgrade – additional costs	\$37,496	\$27,500 approved \$9,996 not approved
	Purchase track conditioner and grader	\$23,020	approved

**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT REQUESTED</u></b>	<b><u>RESULT</u></b>
Narrogin Trotting Club	Purchase water truck	\$9,174	approved
	Construct four wash bays	\$11,214	approved
Northam Trotting Club	Purchase Sky Channel decoder	\$700	approved
	Upgrade photo finish lighting	\$8,745	approved
	Purchase water truck	\$28,000	\$21,000 approved \$7,000 approved as an interest free repayable loan
Pinjarra Trotting Club	Replace four Stewards' towers and modify video stand	\$24,500	approved
WA Trotting Association	Replace retaining wall	\$27,636	approved
	Install bore at Guildford Pacing Trainers Club	\$3,360	approved
	Purchase a new mobile start vehicle and barrier	\$133,800	\$100,350 approved \$33,450 not approved
	Install bore at Gloucester Park	\$6,909	approved
	Upgrade bookmakers price service	\$6,817	approved
Wagin Trotting Club	Upgrade photo finish lighting	\$3,374	approved
	Purchase water truck	\$7,477	approved
Wanneroo Trotting Training Club	Construct ablution block	\$58,754	approved
	Install rubber matting to horse stalls	\$1,090	approved

**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT REQUESTED</u></b>	<b><u>RESULT</u></b>
York Trotting Club	Upgrade photo finish lighting	\$9,900	approved
	Purchase tractor	\$12,000	approved

**3. REPORT ON OPERATIONS (cont.)**

**SCHEDULE 2**

**GRANTS/LOANS MADE TO CLUBS/ALLIED BODIES  
DURING YEAR 1 AUGUST 2000 TO 31 JULY 2001**

**RACE CLUBS AND ALLIED BODIES**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT APPROVED</u></b>	<b><u>TOTAL</u></b>
Albany Racing Club	Share of digital photo finish equipment	\$16,756	
	Purchase computer	\$2,015	
	Track repairs, woodchip crossover and drainage	\$24,000	<b>\$42,771</b>
Broome Turf Club	Replace 108 metres of inside running rail	\$6,596	<b>\$6,596</b>
Bunbury Turf Club	Purchase tractor	\$15,850	
	Install cabling to Stewards' tower	\$7,300	
	Upgrade horse stalls	\$12,675	
	Upgrade sand training track reticulation	\$28,054	<b>\$63,879</b>
Esperance Bay Turf Club	Upgrade track reticulation	\$12,873	<b>\$12,873</b>
Geraldton Turf Club	Debt restructure	\$300,000 as an interest free repayable loan	<b>\$300,000</b>
Kalgoorlie-Boulder Racing Club	Renovate Ticket Kiosk	\$20,000	
	Replace fencing surrounding race day stalls and parade ring	\$30,239	<b>\$50,239</b>

**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT APPROVED</u></b>	<b><u>TOTAL</u></b>
Mount Barker Turf Club	Share of digital photo finish equipment	\$16,756	
	Repairs to running rail and cabling	\$5,044	<b>\$21,800</b>
Narrogin Race Club	Upgrade track reticulation	\$50,000	
	Major track upgrade – additional costs	\$25,000	<b>\$75,000</b>
Northam Race Club	Upgrade female jockey toilets	\$2,063	<b>\$2,063</b>
Pinjarra Race Club	Enlarge dam capacity	\$11,500	
	Grade and re-surface 500 metres of inside grass track	\$20,000	<b>\$31,500</b>
Southern Districts Thoroughbred Association	Purchase track sprinklers, extend machinery shed and install road base to parade area	\$7,916	<b>\$7,916</b>
WA Turf Club	Geraldton Turf Club - track repairs, install water storage tanks and sprinkler upgrade	\$200,000	
	Install Viscoride training track at Ascot Racecourse	\$1,161,443	
	Mobile tote facility	\$108,063	
	Upgrade bookmakers price service	\$20,453	<b>\$1,489,959</b>
<b>TOTAL ALL RACE CLUBS AND ALLIED BODIES</b>			<b>\$2,104,596</b>

**3. REPORT ON OPERATIONS (cont.)****SCHEDULE 2 (CONTINUED)****GRANTS/LOANS MADE TO CLUBS/ALLIED BODIES  
DURING THE YEAR 1 AUGUST 2000 TO 31 JULY 2001****TROTTING CLUBS AND ALLIED BODIES**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT APPROVED</u></b>	<b><u>TOTAL</u></b>
Albany & Districts Trotting Club	Share of digital photo finish equipment	\$16,756	
	Rebuild 21 horse stalls	\$11,534	
	Upgrade photo finish lighting	\$7,515	
	Upgrade power supply	\$11,808	<b>\$47,613</b>
Bridgetown Trotting Club	Install flexi poles and construct safety lane	\$19,500	<b>\$19,500</b>
Bunbury Trotting Club	Upgrade photo finish lighting	\$2,827	<b>\$2,827</b>
Busselton Trotting Club	Upgrade photo finish lighting	\$3,430	<b>\$3,430</b>
Byford Trotting Training Complex	Construct machinery shed	\$10,800	
	Replace flexi poles	\$1,962	
	Purchase new tractor	\$25,425	<b>\$38,187</b>
Central Wheatbelt Harness Racing Club	Consultancy fees – track reconstruction	\$32,738	
	Purchase water truck	\$7,727	<b>\$40,465</b>
Collie Trotting Club	Purchase tractor	\$8,550	
	Replace 12 horse stalls	\$8,632	<b>\$17,182</b>
Cunderdin Trotting Club	Install flexi poles, construct a safety lane and associated works	\$24,021	
	Upgrade photo finish lighting	\$8,449	<b>\$32,470</b>
Fremantle Trotting Club	Purchase water truck for	\$3,250	<b>\$3,250</b>



### 3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
	Jandakot Trotting Training Centre		
Geraldton Pacing Club	Replace flexi poles	\$1,894	<b>\$1,894</b>
Golden Mile Trotting Club	Track upgrade and replace flexi poles	\$19,834	<b>\$19,834</b>
Harvey District Trotting Club	Upgrade photo finish lighting	\$12,100	
	Major track upgrade	\$115,000	
	Major track upgrade - additional costs	\$27,500	
	Purchase track conditioner and grader	\$23,020	<b>\$177,620</b>
Narrogin Trotting Club	Purchase water truck	\$9,174	
	Construct four wash bays	\$11,214	<b>\$20,388</b>
Northam Trotting Club	Purchase Sky Channel decoder	\$700	
	Upgrade photo finish lighting	\$8,745	<b>\$9,445</b>
	Purchase water truck	\$21,000	<b>\$28,000</b>
		\$7,000 as an interest free repayable loan	
Pinjarra Trotting Club	Replace four Stewards' towers and modify video stand	\$24,500	<b>\$24,500</b>
WA Trotting Association	Replace retaining wall	\$27,636	
	Install bore at Guildford Pacing Trainers Club	\$3,360	
	Purchase a new mobile start vehicle and barrier	\$100,350	
	Install bore at Gloucester Park	\$6,909	

**3. REPORT ON OPERATIONS (cont.)**

<b><u>CLUB/ALLIED BODY</u></b>	<b><u>PURPOSE</u></b>	<b><u>AMOUNT APPROVED</u></b>	<b><u>TOTAL</u></b>
WA Trotting Association (cont)	Purchase new tractor for Byford Trotting Training Complex	\$8,475 as an interest free repayable loan	
	Upgrade bookmakers price service	\$6,817	<b>\$153,547</b>
Wagin Trotting Club	Upgrade photo finish lighting	\$3,374	
	Purchase water truck	\$7,477	<b>\$10,851</b>
Wanneroo Trotting Training Club	Construct ablution block	\$58,754	
	Install rubber matting to horse stalls	\$1,090	<b>\$59,844</b>
York Trotting Club	Upgrade photo finish lighting	\$9,900	
	Purchase tractor	\$12,000	<b>\$21,900</b>
<b>TOTAL ALL TROTTING CLUBS AND ALLIED BODIES</b>			<b>\$732,747</b>
<b>TOTAL ALL CLUBS AND ALLIED BODIES</b>			<b>\$2,837,343</b>

#### 4. BUDGET INFORMATION

### Summary Information

	Estimate 2001/02 \$	Estimate 2000/01 \$	Actual 2000/01 \$	Actual 1999/00 \$
Expenses from Ordinary Activities				
Grant Payments	2,322,743	2,037,677	2,401,046	2,670,375
Other Expenses from Ordinary Activities	101,431	84,318	84,007	81,955
Total Cost of Services	2,424,174	2,121,995	2,485,053	2,752,330
Revenues from Operating Activities				
Operating Income	2,100,000	2,200,000	2,427,181	2,390,662
Interest	100,316	76,120	163,758	169,997
Total Revenues from Ordinary Activities	2,200,316	2,276,120	2,590,939	2,560,659
Net Cost of Services	223,858	(154,125)	(105,886)	191,671
Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners	(223,858)	154,125	105,886	(191,671)

#### GOVERNMENT EXPENDITURE 2000/01 – COMPLIANCE WITH SECTION 175ZE OF THE ELECTORAL ACT 1907

During the reporting year, the Trust did not incur any costs in respect of advertising.

## 5. OUTPUT, OUTCOME PERFORMANCE INFORMATION

During the reporting year, output and outcome measures were established in respect of quantity, quality, timeliness and cost.

### Quantity

Number of applications for grants from clubs and allied bodies assessed

2000/2001 Target	2000/2001 Actual
64	74

### Quality

% of grant applications accepted for consideration by the Trust without further input being required from the support service area

2000/2001 Target	2000/2001 Actual
100%	100%

### Timeliness

% of grant applications received and referred to next scheduled Trust meeting

2000/2001 Target	2000/2001 Actual
100%	100%

### Cost

Average cost per grant application assessed

2000/2001 Target	2000/2001 Actual
\$1,317	\$1,135

## **6. FINANCIAL STATEMENTS**

### **CONTENTS**

1. Financial Statements
2. Notes to and forming part of the Accounts
3. Statement of Certification
4. Opinion of the Auditor General

# Racecourse Development Trust

## Statement of Financial Performance

*for the year ended 31 July 2001*

	Note	2000/01 \$	1999/00 \$
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Grants	1(g), 13(a)	2,401,046	2,670,375
Fees paid to board members	8, 13(a)	6,658	10,152
Superannuation	1(e), 9, 13(a)	533	728
Other expenses from ordinary activities	1(b), 13(a)	76,816	71,075
<b>Total cost of services</b>		<b>2,485,053</b>	<b>2,752,330</b>
<b>Revenues from ordinary activities</b>			
Operating income	1(f), 13(a)	2,427,181	2,390,662
Interest		163,758	169,997
<b>Total revenues from ordinary activities</b>		<b>2,590,939</b>	<b>2,560,659</b>
<b>NET COST OF SERVICES</b>	7(b)	<b>(105,886)</b>	<b>191,671</b>
<b>CHANGE IN NET ASSETS</b>		<b>105,886</b>	<b>(191,671)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>		<b>105,886</b>	<b>(191,671)</b>

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

# Racecourse Development Trust

## Statement of Financial Position

as at 31 July 2001

	Note	2000/01 \$	1999/00 \$
<b>Current Assets</b>			
Cash assets	2, 7(a), 10(a)	2,299,032	3,151,161
Interest receivable	10(a)	18,085	26,380
Loans	3, 10(a)	45,580	39,896
Receivables	1(c), 4, 10(a)	7,807	305
<b>Total Current Assets</b>		<b>2,370,504</b>	<b>3,217,742</b>
<b>Non-Current Assets</b>			
Loans	3, 10(a)	269,895	4,665
<b>Total Non-Current assets</b>		<b>269,895</b>	<b>4,665</b>
<b>Total Assets</b>		<b>2,640,399</b>	<b>3,222,407</b>
<b>Current Liabilities</b>			
Payables	1(c), 5, 10(a)	7,392	10,221
Grants outstanding	10(a), 11	577,258	1,262,323
<b>Total Current Liabilities</b>		<b>584,650</b>	<b>1,272,544</b>
<b>Total Liabilities</b>		<b>584,650</b>	<b>1,272,544</b>
<b>NET ASSETS</b>		<b>2,055,749</b>	<b>1,949,863</b>
<b>Equity</b>	6		
Accumulated surplus		2,055,749	1,949,863
<b>TOTAL EQUITY</b>		<b>2,055,749</b>	<b>1,949,863</b>

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

# Racecourse Development Trust

## Statement of Cash Flows

for the year ended 31 July 2001

	Note	2000/01 \$ Inflows (Outflows)	1999/00 \$ Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Payments - grants approved	11	(3,385,513)	(2,104,131)
Payments to suppliers		(92,265)	(70,174)
Payments to board members		(6,306)	(10,083)
GST paid on purchases		(304,580)	0
		<b>(3,788,664)</b>	<b>(2,184,388)</b>
<b>Receipts</b>			
Unclaimed dividends - Totalisator Agency Board		2,467,544	2,390,662
Interest		172,054	163,436
GST receipts on sales		3,348	0
GST received from taxation authority		293,589	0
<b>Net cash provided by/(used in) operating activities</b>	7(b)	<b>(852,129)</b>	<b>369,710</b>
<b>Net increase/(decrease) in cash held</b>		<b>(852,129)</b>	<b>369,710</b>
Cash assets at the beginning of the financial year		3,151,161	2,781,451
<b>Cash assets at the end of the financial year</b>	2, 7(a)	<b>2,299,032</b>	<b>3,151,161</b>

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



## **1. STATEMENT OF ACCOUNTING POLICIES**

The financial year of the Racecourse Development Trust is 1 August to 31 July, as determined by the Racecourse Development Trust Act 1976.

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the preceding year.

### **(a) General**

- (i) The financial statements are prepared in accordance with the Financial Administration and Audit Act 1985.
- (ii) Subject to the exceptions noted in these accounting policies, the financial statements have been drawn up on the basis of historical cost principles.
- (iii) The accrual basis of accounting is being applied.
- (iv) The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also satisfy greater accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

### **(b) Services performed for the Racecourse Development Trust by the Department of Racing, Gaming and Liquor**

The Department of Racing, Gaming and Liquor provides support to the Racecourse Development Trust to enable the Trust to carry out its objectives. This support comprises most of the amount recorded in the Statement of Financial Performance under 'Other expenses from ordinary activities'. These expenses are in the nature of salaries and administration costs in providing these support services.

Recoups from the Trust to the Department of Racing, Gaming and Liquor are made on a monthly basis under a net appropriation agreement.

**(c) Receivables and Payables**

Receivables are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

Payables, including accruals not yet billed, are recognised when the Trust becomes obliged to make future payments as a result of a purchase of goods or services. Payables are generally settled within 30 days in accordance with Treasurer's Instruction 308.

**(d) Insurance**

Personal accident insurance for board members is arranged through Riskcover by the Department of Racing, Gaming and Liquor.

**(e) Employee entitlements**

**(i) Annual and Long Service Leave**

The Racecourse Development Trust does not employ staff. The Trust utilises the staff and facilities of the Department of Racing, Gaming and Liquor.

The cost of the services provided by the Department of Racing, Gaming and Liquor is recouped from the Trust as a service fee. Accordingly, provisions are not required for annual and long service leave.

**(ii) Superannuation**

The board members of the Racecourse Development Trust are non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The superannuation expense comprises employer contributions in respect of board members which are payable to the West State Superannuation Scheme by the Trust.

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

The note disclosure required by paragraph 51(e) of AAS30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employee Superannuation Board's records are not structured to provide the information for the Trust. Accordingly, deriving the information for the Trust is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

**(f) Operating income**

This represents unclaimed dividends and refunds received from the Totalisator Agency Board pursuant to section 23A (2) (a) of the Totalisator Agency Board Betting Act 1960.

**(g) Grants**

This represents payments made in respect of grants approved by the Trust. A detailed list of grants approved during the year is contained in the body of this Annual Report.

**(h) Net fair values of financial assets and liabilities**

Net fair values of financial instruments are determined on the basis of carrying amounts of current asset and current liabilities as those amounts are considered to approximate net market value.

**(i) Comparative figures**

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

	<b>2000/01</b>	<b>1999/00</b>
	\$	\$
<b>2. CASH ASSETS</b>		
Cash assets are represented by funds held at the Commonwealth Bank of Australia		
	<u>2,299,032</u>	<u>3,151,161</u>
<b>3. LOANS</b>		
Current Asset	45,580	39,896
Non-Current Asset	<u>269,895</u>	<u>4,665</u>
	<u>315,475</u>	<u>44,561</u>

During 2000/01, \$40,363 of the previous year's closing balance was repaid and the balance \$4,198 was converted to a grant.

During the year, a further three interest-free loans were granted to various clubs. The first loan repayments of \$45,580, on the balance to be repaid of \$315,475, fall due in the 2000/01 financial year.

The loans are unsecured.

*Racecourse Development Trust*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

	2000/01	1999/00
	\$	\$
<b>4. RECEIVABLES</b>		
Superannuation overpayment	164	0
GST receivable	7,643	305
	<u>7,807</u>	<u>305</u>
The Trust does not have any significant exposure to any individual customer or counterparty		
<b>5. PAYABLES</b>		
	<u>7,392</u>	<u>10,221</u>
Payables for goods and services received		
<b>6. EQUITY</b>		
Accumulated surplus		
Opening balance	1,949,863	2,141,534
Change in net assets	105,886	(191,671)
Closing balance	<u>2,055,749</u>	<u>1,949,863</u>
<b>7. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(a) Reconciliation of cash		
For the purpose of the Statement of Cash Flows, cash includes cash at bank, restricted cash, net of outstanding bank overdrafts. 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:		
Cash assets	2,299,032	3,151,161
	<u>2,299,032</u>	<u>3,151,161</u>

	<b>2000/01</b>	<b>1999/00</b>
	<b>\$</b>	<b>\$</b>
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	105,886	(191,671)
(Decrease)/increase in grants outstanding	(685,065)	566,244
(Decrease)/increase in payables	(2,829)	2,003
Increase in receivables	(164)	0
Decrease/(increase) in interest receivable	8,295	(6,561)
Increase in loans	(270,914)	0
Change in GST in receivables/payables	(7,338)	(305)
Net cash provided by/(used in) operating activities	<u>(852,129)</u>	<u>369,710</u>

#### **8. REMUNERATION OF ACCOUNTABLE AUTHORITY**

The total fees, salaries and other benefits received or due and receivable for the financial year, by members of the Accountable Authority

<u>6,658</u>	<u>10,152</u>
--------------	---------------

The number of members of the Accountable Authority whose total of fees, salaries and other benefits received or due and receivable for the financial year, fall within the following band:

	<b>No.</b>	<b>No.</b>
\$0 - \$10,000	<u>7</u>	<u>7</u>

#### **9. RETIREMENT BENEFITS**

In respect of members of the Accountable Authority, the following amounts were paid or became payable for the financial year:

	<b>2000/01</b>	<b>1999/00</b>
	<b>\$</b>	<b>\$</b>
Contributions to the West State Superannuation Scheme	<u>533</u>	<u>728</u>

*Racecourse Development Trust*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

**10. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**

**a) Interest rate risk exposure**

The Trust's exposure to interest rate risk and effective interest rates on financial instruments are:

	Weighted average effective interest rate	Floating interest rate	Non-interest bearing	Total 31 July 2001	Total 31 July 2000
		\$	\$	\$	\$
<b>31 July 2001</b>					
<b>i) Financial assets</b>					
Cash assets	5.929%	2,299,032		2,299,032	3,151,161
Interest receivable			18,085	18,085	26,380
Loans			315,475	315,475	44,561
Receivables			7,807	7,807	305
Total financial assets		2,299,032	341,367	2,640,399	3,222,407
<b>ii) Financial liabilities</b>					
Payables			7,392	7,392	10,221
Grants outstanding			577,258	577,258	1,262,323
Total financial liabilities			584,650	584,650	1,272,544

**b) Credit risk exposure**

All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represents the Trust's maximum exposure to credit risk in relation to those assets.

The following is an analysis of amounts owing by other government agencies:

	31 July 2001 \$	31 July 2000 \$
Western Australian Government agencies	164	0

*Racecourse Development Trust*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

	2000/01 \$	1999/00 \$
<b>11. GRANTS/LOANS APPROVED BUT NOT YET ADVANCED AS AT 31 JULY</b>		
Assistance approved but not yet advanced as at 31 July (previous year)	1,262,323	696,079
Add Grants/loans approved	<u>2,832,704</u>	<u>2,682,006</u>
	4,095,027	3,378,085
Less Grants approved but written back	<u>(132,256)</u>	<u>(11,631)</u>
	3,962,771	3,366,454
Less Payments made in respect of grants/loans approved	<u>(3,385,513)</u>	<u>(2,104,131)</u>
Assistance approved but not yet advanced as at 31 July	<u><u>577,258</u></u>	<u><u>1,262,323</u></u>

**12. REMUNERATION OF AUDITOR**

The total of fees paid or due and payable to the auditors of the Trust for the financial year is as follows:

Fees to the Auditor General:  
- for external audit

<u><u>2,800</u></u>	<u><u>2,800</u></u>
---------------------	---------------------

**13. EXPLANATORY STATEMENT**

**(a) Comparison of actual results with those of the preceding year**

Details and reasons for significant variations between actual income and expenditure and the corresponding item for the preceding year are detailed below. Significant variations are considered to be those greater than 5% or \$20,000.

<i>Grants</i>	2,401,046	2,670,375
---------------	-----------	-----------

The decrease of \$269,329 is attributable to less than expected applications for grants during 2000/01.

<i>Fees paid to board members</i>	6,658	10,152
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The decrease in board fees of \$3,494 is due to a decrease in the number of country clubs inspected during the year.

*Racecourse Development Trust*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

	2000/01	1999/00
	\$	\$
<i>Superannuation</i>	533	728
There was a decrease in superannuation of \$195 for 2000/01. This is the result of a decrease in fees paid to board members during the year.		
<i>Other expenses from ordinary activities</i>	76,816	71,075
The increase in expenses from ordinary activities of \$5,741 is mainly attributable to an increase in charges for support services provided by the Department of Racing, Gaming and Liquor.		
<i>Operating income</i>	2,427,181	2,390,662
The favourable variance of \$36,519 is the result of an increase in unclaimed dividends received under section 23A (2) (a) of the Totalisator Agency Board Betting Act 1960.		

**(b) Comparison of estimates and actual results**

Section 42 of the Financial Administration and Audit Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results. Significant variations are considered to be those greater than 5% of budget or \$20,000. Variations which have been explained in part (a) of this note have not been repeated here in the interests of concise reporting.

All variations between estimates and actuals have been explained in part (a) of this note and have not been repeated here in the interests of concise reporting.

**14. OUTPUT INFORMATION**

The only output of the Trust is *Functions Performed for the Racing Industry*. The details disclosed in the Statement of Financial Performance represent all details of expenses and revenues from ordinary activities for this output.



**15. CAPITAL COMMITMENTS**

At 31 July 2001, the Trust did not have any capital commitments.

**16. CONTINGENT LIABILITIES**

To the best of our knowledge, we are not aware of any circumstances which may result in a contingent liability.

**17. EVENTS OCCURRING AFTER REPORTING DATE**

We are not aware of any matters or circumstances that have arisen since the end of the financial year to the date of this report which has significantly affected or may significantly affect the activities of the Trust, the results of those activities or the state of affairs of the Trust in the ensuing or any subsequent financial year.

**18. RELATED BODIES**

The Trust does not provide any assistance to other agencies which would deem them to be regarded as related bodies under the definitions included in Treasurer's Instruction 951.

**19. AFFILIATED BODIES**

The Trust does not provide any assistance to other agencies which would deem them to be regarded as affiliated bodies under the definitions included in Treasurer's Instruction 951.

## 6. FINANCIAL STATEMENTS

# FINANCIAL STATEMENTS

## STATEMENT OF CERTIFICATION

The accompanying financial statements of the Racecourse Development Trust have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ended 31 July 2001 and the financial position as at 31 July 2001.

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.



**CHAIRMAN**  
26 September 2001



**PRINCIPAL ACCOUNTING OFFICER**  
26 September 2001



**MEMBER**  
26 September 2001



## AUDITOR GENERAL

To the Parliament of Western Australia

### **RACECOURSE DEVELOPMENT TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2001**

#### **Scope**

I have audited the accounts and financial statements of the Racecourse Development Trust for the year ended July 31, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Trust is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Trust.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Trust to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Trust's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

#### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Racecourse Development Trust provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Trust at July 31, 2001 and the results of its operations and its cash flows for the year then ended.

K O O'NEIL  
ACTING AUDITOR GENERAL  
November 30, 2001

## **7. PERFORMANCE INDICATORS**

### **CONTENTS**

1. Performance Indicators
2. Statement of Certification
3. Opinion of the Auditor General

## 7. PERFORMANCE INDICATORS

### Outcome

To make loans or grants available to horse racing and trotting clubs, and allied bodies for racecourse development.

### Effectiveness Indicators

The Trust endeavours to assist as many clubs and allied bodies as possible with financial assistance for racecourse development. This may vary significantly in any one year and will be determined by a number of factors that include:

- the level of funding available
- the Trust's established policies on funding priorities
- industry capital development plans
- the number of clubs and allied bodies seeking assistance

#### 1. Number of clubs/allied bodies assisted through grants or loans

2000/2001	1999/2000	1998/1999	1997/1998	1996/1995
31	31	28	33	25

After allowing for administration expenses, the remaining revenue received from unclaimed dividends and refunds, and interest earned on investments is available to assist clubs and allied bodies for racecourse development.

#### 2. % of Trust revenue made available for grants or loans to clubs/allied bodies

2000/2001	1999/2000	1998/1997	1997/1998	1996/1997
96.76%	96.80%	97.31%	96.67%	97.50%

## 7. PERFORMANCE INDICATORS (cont.)

### Output

Functions performed for the racing industry.

#### Output Description

Processing applications for funding and administration of Trust funds in accordance with statutory obligations.

### Efficiency Indicators

Whilst the administration expenses of the Trust increase marginally each year, the cost of determining each application will depend on the number of applications lodged.

#### 1. Average cost per grant application

No. of Grant Applications	2000/2001		1999/2000	1998/1999	1997/1998	1996/1997
	Expenses	Indicator	Indicator	Indicator	Indicator	Indicator
74	\$84,007	\$1,135	\$1,093	\$1,018	\$1,161	\$1,341

#### 2. Expenses as a % of Trust revenue

Expenses	Revenue	Indicator 2000/2001	Indicator 1999/2000	Indicator 1998/1999	Indicator 1997/1998	Indicator 1996/1997
\$84,007	\$2,590,939	3.24%	3.20%	2.69%	3.33%	2.50%

**7. PERFORMANCE INDICATORS (cont.)**

# **PERFORMANCE INDICATORS**

## **STATEMENT OF CERTIFICATION**

I certify that the performance indicators presented here are based on proper records and fairly represent the performance of the Racecourse Development Trust for the financial year ended 31 July 2001.



**CHAIRMAN**

26 September 2001



**MEMBER**

26 September 2001



## AUDITOR GENERAL

To the Parliament of Western Australia

### **RACECOURSE DEVELOPMENT TRUST PERFORMANCE INDICATORS FOR THE YEAR ENDED JULY 31, 2001**

#### **Scope**

I have audited the key effectiveness and efficiency performance indicators of the Racecourse Development Trust for the year ended July 31, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Trust is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Trust's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Racecourse Development Trust are relevant and appropriate for assisting users to assess the Trust's performance and fairly represent the indicated performance for the year ended July 31, 2001.

K O O'NEIL  
ACTING AUDITOR GENERAL  
November 30, 2001



**ACKNOWLEDGMENTS**

<b>Compilation</b>	<b>Doug Smith</b>	<b>Department of Racing, Gaming and Liquor</b>
<b>Financial Statements</b>	<b>Terry Ng</b>	<b>Department of Racing, Gaming and Liquor</b>

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