

**RACECOURSE DEVELOPMENT TRUST
OF WESTERN AUSTRALIA**

ANNUAL REPORT

2001/2002

STATEMENT OF COMPLIANCE

HON NICK GRIFFITHS LLB MLC
MINISTER FOR RACING AND GAMING

RACECOURSE DEVELOPMENT TRUST ANNUAL REPORT - 2001/2002

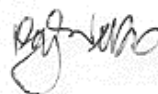
In accordance with section 66 of the *Financial Administration and Audit Act 1985*, we submit for your information and tabling in Parliament, the Annual Report of the Racecourse Development Trust of Western Australia (the Trust) for the year ended 31 July 2002.

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.



Hon Tom McNeil
CHAIRMAN
27 September 2002



Reg Webb
MEMBER
27 September 2002

**STATEMENT OF COMPLIANCE
WITH RELEVANT WRITTEN LAW**

ENABLING LEGISLATION

The Racecourse Development Trust (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.)**

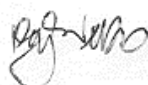
At the date of signing we are not aware of any circumstances which would render the particulars included in this statement, misleading or inaccurate.



Hon Tom McNeil
CHAIRMAN
27 September 2002



Terry Ng
PRINCIPAL ACCOUNTING OFFICER
27 September 2002



Reg Webb
MEMBER
27 September 2002

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1. 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 2002 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; and
- (e) any moneys, being grants, bequests or donations made to the Trust.

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.

1. CORPORATE GOVERNANCE (cont.)

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.

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

1. CORPORATE GOVERNANCE (cont.)

- 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;*
- *Language Services; and*
- *Disability Services,*

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*¹ 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*.

¹ Operational since 1 July 1996

2. TRUST MEMBERSHIP

Members of the Trust as at 31 July 2002 are:

Hon T McNeil	Chairman
Mr R P Webb	nominated by the Minister
Mr B A Sargeant	Director General, Department of Racing, Gaming and Liquor
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

Deputy members of the Trust as at 31 July 2002 are:

Mr J M Nichols	Deputy for Mr B A Sargeant
Mr G R Daws	Deputy for Mr J A Nicolay
Mr K J Leahy	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

The Secretary is Mr D Smith.

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

3. REPORT ON OPERATIONS

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 Priority

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 e.g., 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:

Item	Level of RDT funding
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.

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.

3. REPORT ON OPERATIONS (cont.)

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 \$2,717,606 for the year ended 31 July 2002. This represents an increase of \$118,371 or 4.55 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	\$1,702,484
Trotting	\$916,722
Administration of the Trust	\$98,400
Total Funds	\$2,717,606

APPLICATIONS FOR FUNDING

The Trust met on six occasions during the year and determined 81 applications for funding totalling \$5,690,331. Of these, applications totalling:

- \$1,855,096 were approved for immediate funding;
- \$7,500 were approved as interest free repayable loans;
- \$1,149,000 were approved in principle;
- \$343,706 were deferred; and
- \$2,335,029 were not approved.

The results of applications for funding determined by the Trust for the year ended 31 July 2002 are shown in Schedule 1.

GRANTS/LOANS APPROVED

Grants/loans made by the Trust during the year totalled \$2,156,596. Details of these grants/loans are shown in Schedule 2. By comparison, the total for 2000/01 was \$2,837,343.

3. REPORT ON OPERATIONS (cont.)

SUMMARY OF MAJOR GRANTS/LOANS

During 2001/02 various major projects were either completed or commenced with the assistance of Trust funding.

<u>CLUB</u>	<u>PROJECT</u>	<u>FUNDING</u>
Bunbury Trotting Club	Construct new 960 metre track and associated works	\$884,000
WA Turf Club	Upgrade main public outside bar at Ascot	\$409,504
Bunbury Turf Club	Construct new officials tower and upgrade Heron Bridge Room	\$243,624
WA Turf Club	Upgrade fire services safety at Ascot	\$108,071
WA Trotting Association	Upgrade Casino Area in Stratton Stand at Gloucester Park	\$70,693

COUNTRY RACECOURSE INSPECTIONS

The Trust inspected the facilities at the following country venues during 2001/02:

Broome Turf Club	Bunbury Trotting Club
Bunbury Turf Club	Collie Trotting Club
Dongara-Irwin Race Club	Geraldton Turf Club
Kalgoorlie-Boulder Racing Club	Mingenew Turf Club
Moora Race Club	Norseman Turf Club
Pinjarra Race Club	York Trotting Club

REVIEW OF THE GOVERNANCE OF RACING

In September 2000, the Western Australian Racing Industry Review Committee was established to review the Future Governance of the Western Australian Racing Industry in Western Australia. The Review Committee submitted its report to the Minister for Racing and Gaming in October 2001.

In May 2002, the Hon Nick Griffiths, LLB MLC, Minister for Racing and Gaming, announced that Cabinet had approved the drafting of legislative amendments to, amongst other things –

- establish a single controlling authority of thoroughbred, harness and greyhound racing in Western Australia to be known as *Racing and Wagering Western Australia*;
- transfer responsibility for the conduct of off-course totalisator betting from the Totalisator Agency Board to *Racing and Wagering Western Australia*;

3. REPORT ON OPERATIONS (cont.)

- transfer the principal club functions currently exercised by the Western Australian Turf Club, the Western Australian Trotting Association, and the Western Australian Greyhound Racing Authority with respect to their respective racing industries to *Racing and Wagering Western Australia*; and
- abolish the Racecourse Development Trust and transfer the Trust's assets and obligations to *Racing and Wagering Western Australia*. The balance of funds transferred are to remain quarantined within the thoroughbred racing allocation and harness racing allocation, as is currently the case under the *Racecourse Development Act*, and used for racecourse development purposes.

It is expected that the necessary legislative amendments will be presented to Parliament during 2002/03 with a view to implementing the new governance structure on 1 August 2003.

3. REPORT ON OPERATIONS (cont.)

SCHEDULE 1

APPLICATIONS FOR FUNDING DETERMINED BY THE TRUST DURING THE YEAR 1 AUGUST 2001 TO 31 JULY 2002

RACE CLUBS AND ALLIED BODIES

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Albany Racing Club	Upgrade sand training track, associated reticulation and electrical work, engineering costs for proposed major track upgrade, enlarge dam capacity, install safety fencing to the main track and saddling area, replace the inner rail of the inside grass track.	\$242,280	\$1,500 approved \$10,000 not approved \$230,780 deferred
	Complete outside rail of main track	\$18,902	approved
	Install pin protectors to running rail	\$1,143	approved
Broome Turf Club	Install outside track fencing	\$6,551	approved
	Purchase printer for tote operations	\$1,200	\$900 approved \$300 not approved
Bunbury Turf Club	Construct new Stewards room	\$5,664	not approved
	Install pin protectors to running rail	\$5,387	approved
	Air condition main tote building	\$4,985	approved
	Upgrade bookmakers prices service	\$6,818	approved

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Bunbury Turf Club (cont.)	Upgrade officials facilities and Heron Bridge Room	\$310,000	\$290,000 approved in principle \$20,000 not approved
Dongara-Irwin Race Club	Purchase 450 metres of outside running rail and relocate canteen	\$9,294	approved
Esperance Bay Turf Club	Replace 2,100 metres of the main water line	\$22,000	approved
	Purchase tractor	\$11,250	approved
Geraldton Turf Club	Upgrade bookmakers prices service and purchase printer for tote operations	\$7,718	approved
Kalgoorlie-Boulder Racing Club	Irrigate a section of the sand training track	\$24,108	approved
	Repairs to first aid and female jockeys rooms	\$12,809	approved
	Upgrade bookmakers prices service	\$6,818	approved
	Purchase printer for tote operations	\$900	approved
Kununurra Race Club	Purchase 150 metres of inside running rail	\$3,000	approved
Mingenew Turf Club	Purchase 600 metres of inside running rail	\$6,040	approved
Mt Barker Turf Club	Purchase new starting gates	\$58,480	not approved
	Purchase printer for tote operations	\$450	approved
Mt Magnet Race Club	Construct female jockey room	\$2,500	approved
Norseman Turf Club	Track repairs – flood damage	\$15,000	approved

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Northam Race Club	Construct new swab box and provide electrical services to trainers ablution block	\$9,926	approved
	Upgrade bookmakers prices service	\$6,818	approved
	Purchase printer for tote operations	\$900	approved
	Construct safety fencing for railway crossing	\$3,260	approved
Pinjarra Race Club	Install pin protectors to running rail	\$5,035	approved
	Upgrade bookmakers prices service	\$6,818	approved
Southern Districts Thoroughbred Association	Purchase tractor	\$18,000	approved
WA Turf Club	Oncourse broadcasting for Ascot, Belmont, Pinjarra, Bunbury, Northam and York racecourses	\$2,049,600	not approved
	Purchase two ambulances	\$33,750	approved
	Upgrade bookmakers prices service	\$7,050	approved
	Upgrade main public bar at Ascot	\$409,504	approved
	Purchase tractor	\$39,795	approved
	Purchase truck	\$46,694	approved
	Upgrade fire services safety at Belmont Park	\$30,330	approved
	Purchase mobile barriers for use at Albany and Mt Barker	\$85,000	approved in principle

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
WA Turf Club (cont.)	Upgrade fire services safety at Ascot	\$108,071	approved
	Upgrade toilets – Flame Tree Area at Ascot	\$112,926	deferred
	Upgrade bore water supply at Belmont Park	\$45,806	approved
York-Beverley Turf Club	Service of reticulation bores	\$5,056	not approved

3. REPORT ON OPERATIONS (cont.)

SCHEDULE 1 (cont.)

APPLICATIONS FOR FUNDING DETERMINED BY THE TRUST DURING THE YEAR 1 AUGUST 2001 TO 31 JULY 2002

TROTTING CLUBS AND ALLIED BODIES

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Albany & Districts Trotting Club	Upgrade and install lighting to various areas	\$13,490	not approved
Bridgetown Trotting Club	Install digital photo finish equipment	\$1,380	approved
Bunbury Trotting Club	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$1,324,000	\$550,000 approved \$774,000 approved in principle
	Electrical upgrade for track lighting	\$40,000	approved
	Purchase water truck	\$30,000	\$22,500 approved \$7,500 approved as an interest free repayable loan
	Install accident warning system	\$5,200	approved
	Upgrade track lighting	\$16,440	not approved
Busselton Trotting Club	Replace lamps for track lighting	\$6,880	approved
	Purchase tractor	\$12,375	approved

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
Byford Trotting Training Complex	Stewards, tote facilities etc	\$20,666	\$18,000 approved \$2,666 not approved
Central Wheatbelt Harness Racing Club	Purchase tractor	\$7,500	approved
Collie Trotting Club	Construct new judges tower, swab box and horse urinal	\$39,679	\$5,355 approved \$34,324 not approved
	Geared head for digital photo finish system	\$820	approved
Cunderdin Trotting Club	Install digital photo finish equipment	\$1,345	approved
Geraldton Pacing Club	Install digital photo finish equipment	\$1,167	approved
Harvey District Trotting Club	Install accident warning system	\$5,200	approved
	Erect barrier fence and relocate seating	\$3,810	\$2,671 approved \$1,139 not approved
	Purchase water cartage tank	\$4,457	approved
Northam Trotting Club	Replace lamps for track lighting	\$23,170	not approved
	Install accident warning system	\$5,200	approved
	Replace two Stewards towers	\$15,463	approved
	Upgrade track	\$10,010	approved
South Suburban Trotting Training Centre	Purchase water truck	\$12,000	approved

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT REQUESTED</u>	<u>RESULT</u>
South Suburban Trotting Training Centre (cont.)	Upgrade track	\$3,600	approved
Wagin Trotting Club	Purchase track conditioner and grader	\$34,700	not approved
WA Trotting Association	Purchase water tank to cool horse stalls	\$9,900	approved
	Stewards, tote facilities etc – Wanneroo	\$17,663	approved
	Purchase water truck	\$60,000	not approved
	Bitumen works to various public areas	\$20,490	approved
	Replace wooden walkway above Howard Porter Stand	\$8,990	approved
	Construct additional fire escape/stairway from open seating area of Sir Frank Ledger Stand	\$12,490	approved
	Install waste water filtration system	\$2,121	approved
	Install non slip matting in reinsmens room and to grandstand ramp	\$3,315	approved
	Extend roof of main Stewards tower	\$1,290	approved
	Purchase 16 televisions and 3 videos for use of the Stewards at country venues	\$6,296	approved
	Purchase tractor	\$30,075	approved
	Upgrade Casino area in Stratton Stand	\$70,693	approved
York Trotting Club	Geared head for digital photo finish system	\$820	approved

3. REPORT ON OPERATIONS (cont.)

SCHEDULE 2

GRANTS/LOANS MADE TO CLUBS/ALLIED BODIES DURING YEAR 1 AUGUST 2001 TO 31 JULY 2002

RACE CLUBS AND ALLIED BODIES

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
Albany Racing Club	Engineering costs for proposed major track upgrade	\$1,500	
	Replace inside rail of inner grass track and complete outside rail of main track	\$18,902	
	Install pin protectors to running rail	\$1,143	\$21,545
Broome Turf Club	Install outside track fencing	\$6,551	
	Purchase printer for tote operations	\$900	\$7,451
Bunbury Turf Club	Install pin protectors to running rail	\$5,387	
	Air condition main tote building	\$4,985	
	Upgrade bookmakers prices service	\$6,818	\$17,190
Dongara-Irwin Race Club	Purchase 450 metres of outside running rail and relocate canteen	\$9,294	\$9,294
Esperance Bay Turf Club	Replace 2,100 metres of the main water line	\$22,000	
	Purchase tractor	\$11,250	\$33,250
Geraldton Turf Club	Upgrade bookmakers prices service and purchase printer for tote operations	\$7,718	\$7,718

3. REPORT ON OPERATIONS (cont.)

Kalgoorlie-Boulder Racing Club	Irrigate a section of the sand training track	\$24,108	
	Repairs to first aid and female jockeys rooms	\$12,809	
	Upgrade bookmakers prices service	\$6,818	
	Purchase printer for tote operations	\$900	\$44,635
Kununurra Race Club	Purchase 150 metres of inside running rail	\$3,000	\$3,000
Mingenew Turf Club	Purchase 600 metres of inside running rail	\$6,040	\$6,040
Mt Barker Turf Club	Purchase printer for tote operations	\$450	\$450
Mt Magnet Race Club	Construct female jockey room	\$2,500	\$2,500
Norseman Turf Club	Track repairs – flood damage	\$15,000	\$15,000
Northam Race Club	Construct new swab box and provide electrical services to trainers ablution block	\$9,926	
	Upgrade bookmakers prices service	\$6,818	
	Purchase printer for tote operations	\$900	
	Construct safety fencing for railway crossing	\$3,260	\$20,904
Pinjarra Race Club	Install pin protectors to running rail	\$5,035	
	Upgrade bookmakers prices service	\$6,818	\$11,853

3. REPORT ON OPERATIONS (cont.)

Southern Districts Thoroughbred Association	Purchase tractor	\$18,000	\$18,000
WA Turf Club	Purchase two ambulances	\$33,750	
	Upgrade bookmakers prices service	\$7,050	
	Purchase tractor	\$39,795	
	Purchase truck	\$46,694	
	Upgrade fire services at Belmont Park	\$30,330	
	Upgrade main public bar at Ascot	\$409,504	
	Upgrade fire services at Ascot	\$108,071	
	Upgrade bore water supply at Belmont Park	\$45,806	\$721,000
TOTAL ALL RACE CLUBS AND ALLIED BODIES			\$939,830

3. REPORT ON OPERATIONS (cont.)

SCHEDULE 2 (cont.)

**GRANTS MADE TO CLUBS/ALLIED BODIES
DURING THE YEAR 1 AUGUST 2001 TO 31 JULY 2002**

TROTTING CLUBS AND ALLIED BODIES

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
Bridgetown Trotting Club	Install digital photo finish equipment	\$1,380	\$1,380
Bunbury Trotting Club	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$550,000	
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$94,000	
	Electrical upgrade for track lighting	\$40,000	
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$40,000	
	Purchase water truck	\$22,500 approved \$7,500 approved as an interest free loan	
	Install accident warning system	\$5,200	
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$40,000	

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
Bunbury Trotting Club (cont.)	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$40,000	
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$40,000	
	Construct 960 metre track, upgrade track lighting, relocate horse stalls and associated works	\$40,000	\$919,200
Busselton Trotting Club	Replace lamps for track lighting	\$6,880	
	Purchase tractor	\$12,375	\$19,255
Byford Trotting Training Complex	Stewards, tote facilities etc	\$18,000	\$18,000
Central Wheatbelt Harness Racing Club	Purchase tractor	\$7,500	\$7,500
Collie Trotting Club	Construct swab box and horse urinal	\$5,355	
	Geared head for digital photo finish system	\$820	\$6,175
Cunderdin Trotting Club	Install digital photo finish equipment	\$1,345	\$1,345
Geraldton Pacing Club	Install digital photo finish equipment	\$1,167	\$1,167
Harvey District Trotting Club	Install accident warning system	\$5,200	
	Erect barrier fence and relocate seating	\$2,671	
	Purchase water cartage tank	\$4,457	\$12,328

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
Northam Trotting Club	Install accident warning system	\$5,200	
Northam Trotting Club (cont.)	Replace two Stewards towers	\$15,463	
	Upgrade track	\$10,010	\$30,673
South Suburban Trotting Training Centre	Upgrade track	\$3,600	
	Purchase water truck	\$12,000	\$15,600
WA Trotting Association	Purchase water tank to cool horse stalls	\$9,900	
	Stewards, tote facilities etc – Wanneroo	\$17,663	
	Bitumen works to various public areas	\$20,490	
	Replace wooden walkway above Howard Porter Stand	\$8,990	
	Construct additional fire escape/stairway from open seating area of Sir Frank Ledger Stand	\$12,490	
	Install waste water filtration system	\$2,121	
	Install non slip matting in reinsmens room and to grandstand ramp	\$3,315	
	Extend roof of main Stewards tower	\$1,290	
	Purchase 16 televisions and 3 videos for use of the Stewards at country venues	\$6,296	
	Purchase tractor	\$30,075	
	Upgrade Casino area in Stratton Stand	\$70,693	\$183,323

3. REPORT ON OPERATIONS (cont.)

<u>CLUB/ALLIED BODY</u>	<u>PURPOSE</u>	<u>AMOUNT APPROVED</u>	<u>TOTAL</u>
York Trotting Club	Geared head for digital photo finish system	\$820	\$820
TOTAL ALL TROTTING CLUBS AND ALLIED BODIES			\$1,216,766
TOTAL ALL CLUBS AND ALLIED BODIES			\$2,156,596

4. BUDGET INFORMATION

Summary Information

	Estimate 2002/03 \$	Estimate 2001/02 \$	Actual 2001/02 \$	Actual 2000/01 \$
Expenses from Ordinary Activities				
Grant Payments	2,325,079	2,322,743	2,136,688	2,401,046
Other Expenses from Ordinary Activities	100,260	101,431	96,461	84,007
Total Cost of Services	2,425,339	2,424,174	2,233,149	2,485,053
Revenues from Operating Activities				
Operating Income	2,400,000	2,100,000	2,611,855	2,427,181
Interest	100,953	100,316	110,070	163,758
Total Revenues from Ordinary Activities	2,500,953	2,200,316	2,721,925	2,590,939
Net Cost of Services	(75,614)	223,858	(488,776)	(105,886)
Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners	75,614	(223,858)	488,776	105,886

GOVERNMENT EXPENDITURE 2001/02 – 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

2001/02 Target	2001/02 Actual
75	81

Quality

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

2001/02 Target	2001/02 Actual
100%	100%

Timeliness

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

2001/02 Target	2001/02 Actual
100%	100%

Cost

Average cost per grant application assessed

2001/02 Target	2001/02 Actual
\$1,352	\$1,191

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 2002

	Note	2001/02 \$	2000/01 \$
COST OF SERVICES			
Expenses from ordinary activities			
Grants	1(h), 12(a)	2,136,688	2,401,046
Board members expenses	8, 12(a)	8,434	6,658
Superannuation	1(f), 8, 12(a)	692	533
Other expenses from ordinary activities	1(b), 12(a)	87,335	76,816
Total cost of services		2,233,149	2,485,053
Revenues from ordinary activities			
Revenue from operating activities			
Operating income	1(g), 12(a)	2,611,855	2,427,181
Revenue from non-operating activities			
Interest revenue	12(a)	110,070	163,758
Total revenues from ordinary activities		2,721,925	2,590,939
NET COST OF SERVICES	7(b)	(488,776)	(105,886)
CHANGE IN NET ASSETS			
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		488,776	105,886

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 2002

	Note	2001/02 \$	2000/01 \$
Current Assets			
Cash assets	2, 7(a), 9(a)	3,325,736	2,299,032
Interest receivable	9(a)	22,403	18,085
Loans	3, 9(a)	46,830	45,580
Receivables	1(d), 4, 9(a)	3,414	7,807
Total Current Assets		3,398,383	2,370,504
Non-Current Assets			
Loans	3, 9(a)	230,566	269,895
Total Non-Current assets		230,566	269,895
Total Assets		3,628,949	2,640,399
Current Liabilities			
Payables	1(d), 5, 9(a)	9,503	7,392
Grants outstanding	9(a), 10	1,074,921	577,258
Total Current Liabilities		1,084,424	584,650
Total Liabilities		1,084,424	584,650
NET ASSETS		2,544,525	2,055,749
Equity	6		
Accumulated surplus		2,544,525	2,055,749
TOTAL EQUITY		2,544,525	2,055,749

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 2002

	Note	2001/02 \$ Inflows (Outflows)	2000/01 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments - grants approved	10	(1,646,526)	(3,385,513)
Payments to suppliers		(86,434)	(92,265)
Board members expenses		(7,917)	(6,306)
GST paid on purchases		(155,030)	(304,580)
Receipts			
Unclaimed dividends - Totalisator Agency Board		2,611,854	2,467,544
Interest		105,752	172,054
Repayment of loans		45,580	0
GST receipts on sales		0	3,348
GST received from taxation authority		159,425	293,589
Net cash provided by/(used in) operating activities	7(b)	1,026,704	(852,129)
Net increase/(decrease) in cash held		1,026,704	(852,129)
Cash assets at the beginning of the financial year		2,299,032	3,151,161
Cash assets at the end of the financial year	2, 7(a)	3,325,736	2,299,032

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 previous 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, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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 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, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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 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) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(d) Receivables and Payables

Receivables are recognised at the amounts receivable and they 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 exist 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.

(e) Insurance

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

(f) 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 have not been made 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 liabilities for superannuation charges under the West State Superannuation Scheme are extinguished by payment of employer contributions to the Government Employees Superannuation Board (GESB).

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 GESB'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.

(g) 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.

(h) 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.

(i) Net fair values of financial assets and liabilities

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

(j) Comparative figures

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

	2001/02 \$	2000/01 \$
2. CASH ASSETS		
Cash assets are represented by funds held at the Commonwealth Bank of Australia		
	<u>3,325,736</u>	<u>2,299,032</u>
3. LOANS		
Current	46,830	45,580
Non-current	<u>230,566</u>	<u>269,895</u>
	<u>277,396</u>	<u>315,475</u>

During 2001/02, \$45,580 of the previous year's closing balance was repaid, and a further loan of \$7,500 was granted.

Loan repayments of \$46,830 on the balance to be repaid of \$277,396 fall due in the 2002/03 financial year.

The loans are unsecured. The carrying amount of the loans approximates their net fair values.

	2001/02	2000/01
	\$	\$
4. RECEIVABLES		
Superannuation overpayment	164	164
GST receivable	3,250	7,643
	<u>3,414</u>	<u>7,807</u>
The Trust does not have any significant exposure to any individual customer or counterparty.		
5. PAYABLES		
	<u>9,503</u>	<u>7,392</u>
Payables for goods and services received		
6. EQUITY		
Accumulated surplus		
Opening balance	2,055,749	1,949,863
Change in net assets resulting from operations	488,776	105,886
Closing balance	<u>2,544,525</u>	<u>2,055,749</u>
7. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) 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:		
Cash assets	3,325,736	2,299,032
	<u>3,325,736</u>	<u>2,299,032</u>

	2001/02	2000/01
	\$	\$
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	488,776	105,886
(Increase)/decrease in assets:		
Interest receivable	(4,318)	8,295
Loans	38,080	(270,914)
Receivables	0	(164)
Increase/(decrease) in liabilities:		
Payables	2,111	(2,829)
Grants outstanding	497,663	(685,065)
Net GST receipts/(payments)	4,394	(7,643)
Change in GST in receivables/payables	(2)	305
Net cash provided by/(used in) operating activities	<u>1,026,704</u>	<u>(852,129)</u>

8. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY

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

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

	2001/02	2000/01
	\$	\$
The total remuneration of the members of the Accountable Authority is:	<u>9,126</u>	<u>7,191</u>

The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

9. 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 2002	Total 31 July 2001
		\$	\$	\$	\$
31 July 2002					
i) Financial assets					
Cash assets	4.966%	3,325,736		3,325,736	2,299,032
Interest receivable			22,403	22,403	18,085
Loans			277,396	277,396	315,475
Receivables			3,414	3,414	7,807
Total financial assets		3,325,736	303,213	3,628,949	2,640,399
ii) Financial liabilities					
Payables			9,503	9,503	7,392
Grants outstanding			1,074,921	1,074,921	577,258
Total financial liabilities			1,084,424	1,084,424	584,650

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 2002 \$	31 July 2001 \$
Western Australian Government agencies	164	164

	2001/02 \$	2000/01 \$
10. GRANTS/LOANS APPROVED BUT NOT YET ADVANCED AS AT 31 JULY		
Assistance approved but not yet advanced as at 31 July (previous year)	577,258	1,262,323
Add Grants/loans approved	<u>2,156,594</u>	<u>2,832,704</u>
	2,733,852	4,095,027
Less Grants approved but written back	<u>(12,405)</u>	<u>(132,256)</u>
	2,721,447	3,962,771
Less Payments made in respect of grants/loans approved	<u>(1,646,526)</u>	<u>(3,385,513)</u>
Assistance approved but not yet advanced as at 31 July	<u>1,074,921</u>	<u>577,258</u>

11. 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>3,500</u>	<u>2,800</u>
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12. 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>	2,136,688	2,401,046
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The decrease of \$264,358 was attributable to less than expected applications for grants during 2001/02.

<i>Board members expenses</i>	8,434	6,658
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The increase in board fees of \$1,776 was due to an increase in the number of metropolitan and country clubs inspected during the year.

Racecourse Development Trust
Notes to the Financial Statements
for the year ended 31 July 2002

	2001/02 \$	2000/01 \$
<i>Superannuation</i>	692	533
There was an increase in superannuation of \$159 for 2001/02. This was the result of an increase in fees paid to board members during the year.		
<i>Other expenses from ordinary activities</i>	87,335	76,816
The increase in expenses from ordinary activities of \$10,519 was mainly attributable to an increase in charges for support services provided by the Department of Racing, Gaming and Liquor.		
<i>Operating income</i>	2,611,855	2,427,181
The favourable variance of \$184,674 was the result of an increase in unclaimed dividends received under section 23A (2) (a) of the Totalisator Agency Board Betting Act 1960.		
<i>Interest revenue</i>	110,070	163,758
The decrease of \$53,688 was due to a lower bank balance throughout the year together with lower interest rates.		

(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.

13. 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.

14. CAPITAL COMMITMENTS

At 31 July 2002, the Trust did not have any capital commitments.

15. CONTINGENT LIABILITIES

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

16. 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.

17. 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.

18. 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 (cont.)

FINANCIAL STATEMENTS

STATEMENT OF CERTIFICATION

The accompanying financial statements of the Racecourse Development Trust of Western Australia 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 ending 31 July 2002 and the financial position as at 31 July 2002.

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.



Hon Tom McNeil
CHAIRMAN
27 September 2002



Terry Ng
PRINCIPAL ACCOUNTING OFFICER
27 September 2002



Reg Webb
MEMBER
27 September 2002



AUDITOR GENERAL

To the Parliament of Western Australia

**RACECOURSE DEVELOPMENT TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2002**

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit opinion relates to the financial statements of the Racecourse Development Trust for the year ended July 31, 2002 included on the Department of Racing, Gaming and Liquor's web site. The Department is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the accounts and financial statements of the Racecourse Development Trust for the year ended July 31, 2002 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 and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Trust's financial position, its financial performance and its cash flows.

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

Racecourse Development Trust
Financial statements for the year ended June 30, 2002

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 and 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 and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Trust at July 31, 2002 and its financial performance and its cash flows for the year then ended.



D D R PEARSON
AUDITOR GENERAL
October 30, 2002

7. PERFORMANCE INDICATORS

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

7. PERFORMANCE INDICATORS (cont.)

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

2001/2002	2000/2001	1999/2000	1998/1999	1997/1998
29	31	31	28	33

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

2001/2002	2000/2001	1999/2000	1998/1999	1997/1998
96.46%	96.76%	96.80%	97.31%	96.67%

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	2001/2002		2000/2001	1999/2000	1998/1999	1997/1998
	Expenses	Indicator	Indicator	Indicator	Indicator	Indicator
81	\$96,461	\$1,191	\$1,135	\$1,093	\$1,018	\$1,161

2. Expenses as a % of Trust revenue

Expenses	Revenue	Indicator 2001/2002	Indicator 2000/2001	Indicator 1999/2000	Indicator 1998/1999	Indicator 1997/1998
\$96,461	\$2,721,925	3.54%	3.24%	3.20%	2.69%	3.33%

7. PERFORMANCE INDICATORS (cont.)

PERFORMANCE INDICATORS

STATEMENT OF CERTIFICATION

We certify that the performance indicators presented here are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Racecourse Development Trust of Western Australia, and fairly represent the performance of the Trust for the financial year ended 31 July 2002.



Hon Tom McNeil
CHAIRMAN
27 September 2002



Reg Webb
MEMBER
27 September 2002



AUDITOR GENERAL

To the Parliament of Western Australia

RACECOURSE DEVELOPMENT TRUST PERFORMANCE INDICATORS FOR THE YEAR ENDED JULY 31, 2002

Matters Relating to the Electronic Presentation of the Audited Performance Indicators

This audit opinion relates to the performance indicators of the Racecourse Development Trust for the year ended July 31, 2002 included on the Department of Racing, Gaming and Liquor's web site. The Department is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

Scope

I have audited the key effectiveness and efficiency performance indicators of the Racecourse Development Trust for the year ended July 31, 2002 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, 2002.

D D R PEARSON
AUDITOR GENERAL
October 30, 2002

ACKNOWLEDGMENTS

Compilation	Doug Smith	Department of Racing, Gaming and Liquor
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