



RACING AND WAGERING
WESTERN AUSTRALIA

2021

ANNUAL REPORT

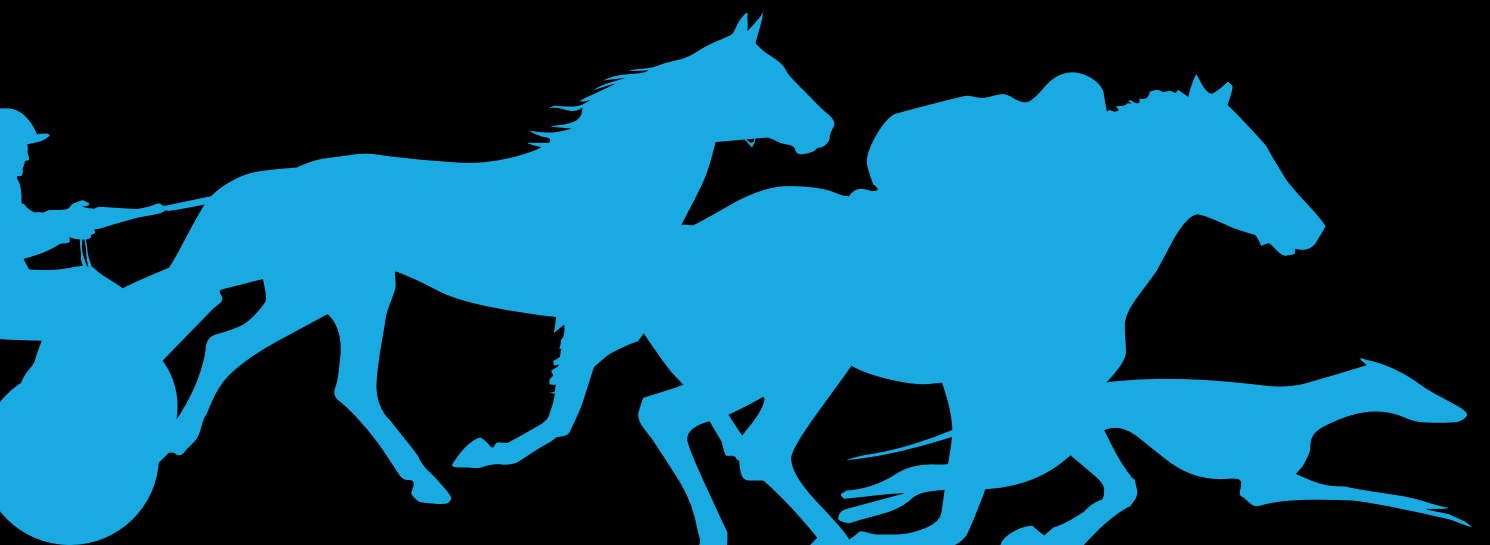


Image: East Pilbara Race Club (Newman)



Statement of Compliance

For the year ended 31 July 2021

The Hon. Reece Whitby, MLA; Minister for Emergency Services; Racing and Gaming; Small Business; Volunteering.

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of Racing and Wagering Western Australia for the financial year ended 31 July 2021.

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



Jeff Owens
Chair RWWA Board
15 October 2021



Anthony Hasluck
Deputy Chair RWWA Board
15 October 2021



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Chapter 1: Overview



About Us

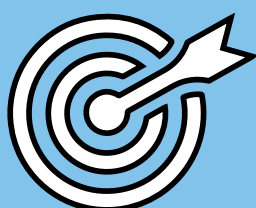
Racing and Wagering Western Australia (RWWA) was established on 1 August 2003. RWWA's Charter under the *Racing and Wagering Western Australia Act 2003* is to foster the development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred, harness and greyhound racing in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

Our Brands



PURPOSE

To provide a sustainable future for the Western Australian racing industry



VISION

To be a national leader in racing and wagering entertainment



VALUES

Enthusiasm and Pride
Achievement
'Real'ationships
Team Play
Honesty



GOALS

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

FOCUS AREAS

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

Customer Experience

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

Employee Experience

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

Ways of Working

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



Image: Greyhounds as Pets WA foster carer Jodie Hamilton

FY2021 Key Performance Highlights

Wagering

- Wagering gross margin grew by 26 per cent on FY2020
- Highest recorded level of active accounts outside of Melbourne Cup week –more than 60,000 in October 2020
- 12 per cent increase in customers using TABtouch app to wager
- Record high levels of fixed odds betting - representing 37.18 per cent growth
- Strong blended fixed odds yield of 14.9 per cent
- 10 per cent of TABtouch customers are now using a responsible wagering tool
- Opened seven new PubTABs within licensed venues

Racing

- \$3.2B in turnover from all national wagering operators on WA racing
- \$175M in funding to WA racing industry
- \$25.7M increase in racefield revenue
- \$16.9M in RWWA grants and club subsidies
- 880 race meetings and 7938 individual races

Integrity

- \$1.3M invested in prohibited substance control
- 8897 individual horse and greyhound swabs collected
- 99.8 per cent of swabs were negative



Welfare

- 335 greyhounds adopted through Greyhounds as Pets
- 24 greyhounds adopted through the Greyhound Injury Full Recovery Scheme
- 70 horses accepted into the Off the Track WA (OTTWA) Retraining Program
- 2180 horses registered for an OTTWA Passport
- 299 horses and 287 riders participated in OTTWA Clinics
- 149 equestrian events sponsored by OTTWA

Corporate Social Responsibility

- More than \$175,000 in funding provided to community groups through Community TAB
- Greater than \$52,000 raised for community groups through Community TAB Race Club Program

People and Culture

- 11 employees currently in RWWA's Emerging Leaders Program
- Permanent employee voluntary turnover 11.8 per cent
- Employee experience engagement score 74 per cent, surpassing KPI target





Chair and CEO Report

Introduction

It is our pleasure to present the 2021 Annual Report for Racing and Wagering Western Australia (RWWA). Since its inception in 2003, RWWA has been the principal racing authority for thoroughbred, harness and greyhound racing in Western Australia together with being the operator of the Western Australian TAB. During this time, RWWA has increased annual funding to the Western Australian racing industry from \$63.3M to \$175M in FY2021.

This year the entire sector has shown its collective resilience when faced with the COVID-19 pandemic. The impact of the pandemic has been wide-ranging, affecting RWWA employees, racing participants across the three codes and local communities for whom racing is such an important activity. The way in which all parties worked collaboratively with RWWA and each other was exemplary and enabled the continuation of racing throughout the whole year with the exception of one five-day lockdown. Race clubs and industry participants should be congratulated on the way in which they worked together, successfully maintaining bio-security protocols in order to keep racing and, once it was appropriate to do so, also welcomed back on-course crowds.

Funding of \$175M was distributed to racing participants in FY2021, an increase of \$12M from the previous year, as well as additional funding towards animal welfare and marketing initiatives to further benefit the industry.

This increase included a significant investment in grants to support the infrastructure needs of the industry, which saw a number of projects critical to the continuation of racing completed and, pleasingly, the commencement of the re-development project for the Bunbury Racecourse towards the end of FY2021.

Additionally, RWWA committed to conduct a mid-year review for race clubs to ascertain the impact of COVID-19 on their operations, which saw a total of \$1.7M in payments to race clubs across the three codes.

Originally planned for the commencement of the new thoroughbred racing season in August 2021, outer provincial and country stakes increases were brought forward to May 2021, to provide a boost in prizemoney from the start of the North West racing season. In an effort to provide support for the clubs who lost entire race seasons due to COVID-19 in FY2020, RWWA was pleased to bring the increase forward in order to deliver greater financial returns to thoroughbred participants at outer regional race tracks.

The Western Australian TAB has performed strongly to remain competitive in the wagering market throughout the pandemic, despite the challenges of repeated retail lockdowns and a market that is shifting towards mobile wagering. Acknowledging the impact this had on TAB agents,

RWWA has supported its agents through those periods of lockdown. Further, an increase of TABtouch mobile customers of 12 per cent to the previous year was recorded, along with an additional 40 per cent of mobile turnover, reflecting the improvements in user experience and delivery of customer value from the digital offering.

Due to the acquisition of the Western Australian TAB fixed odds provider BetEasy by Sportsbet in May 2020, RWWA conducted extensive negotiations with fixed odds service providers to achieve more favourable commercial outcomes for the Western Australian TAB and, in turn, the state's racing industry. A number of options were assessed and RWWA is currently transitioning away from Sportsbet to bring fixed odds racing in-house and to implement a new platform for its sports betting.

The decision for RWWA to transform the management of the fixed odds operations forms part of a wider strategy to create greater financial benefits via long-term growth and increased competitiveness of the Western Australian TAB. Further control over fixed odds product offerings will provide the business with greater flexibility and allow the delivery of a more agile product to our wagering customers.

With the focus on significant investment in the fixed odds product, a gross margin increase of 26 per cent and record high levels of fixed odds betting representing 37 per cent growth for FY2021 indicate a very positive outlook for the Western Australian TAB in the coming years.

Following the State Government announcement in August 2020 to put the sale of the Western Australian TAB on hold due to the COVID-19 pandemic, RWWA has continued to actively manage and drive performance of the Western Australian TAB business in the long-term interest of the Western Australian racing industry.

Although the State Government has not made any further decisions at this time, it is anticipated that options will be examined in relation to the future of the Western Australian TAB in FY2022. The State Government has committed to ensure that the industry will be consulted ahead of any final decision.

Financial Performance

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

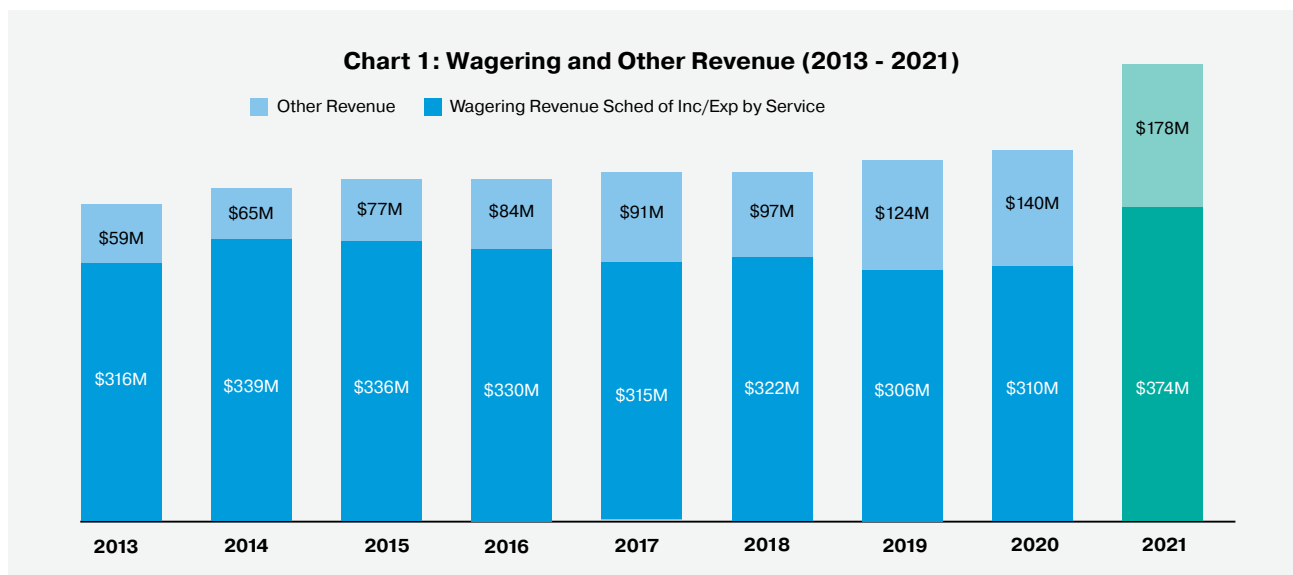
Throughout FY2021, RWWA continued to be faced with challenges with the ongoing COVID-19 pandemic, however the business has remained resilient and maintained a solid financial position.

Chair and CEO Report

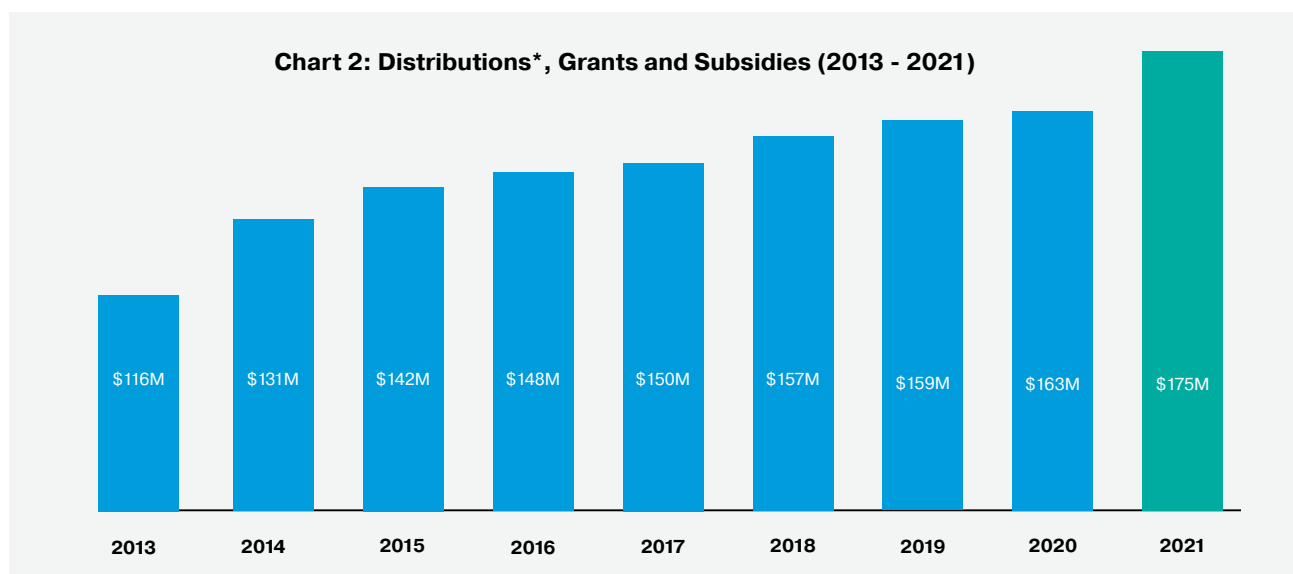
FY2021 delivered a strong performance with overall revenue from all sources up by \$101.5M, resulting in a total of \$551.7M comprised of \$373.7M from TAB wagering, \$118.9M from the Western Australian Racing Bets Levy, \$35M from Point of Consumption Tax (POCT) and \$24M from other items. The significant increase in revenue was driven by growth in income generated by both the wagering revenue and the Western Australian Racing Bets Levy, which was up by 28 per cent or \$25.7M, growing from \$93.2M to \$118.9M in FY2021 (see Note 8.10 in Financial Statements: Grants and Subsidies from State Government).

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

The Western Australian TAB produced a profit in FY2021 of \$135M excluding support costs.



RWWA provided \$175M in funding to the racing industry via distributions, grants and subsidies, representing a \$12M increase from the previous year as shown in Chart 2.



* Payments to Sports Wagering Account are not included in these calculations

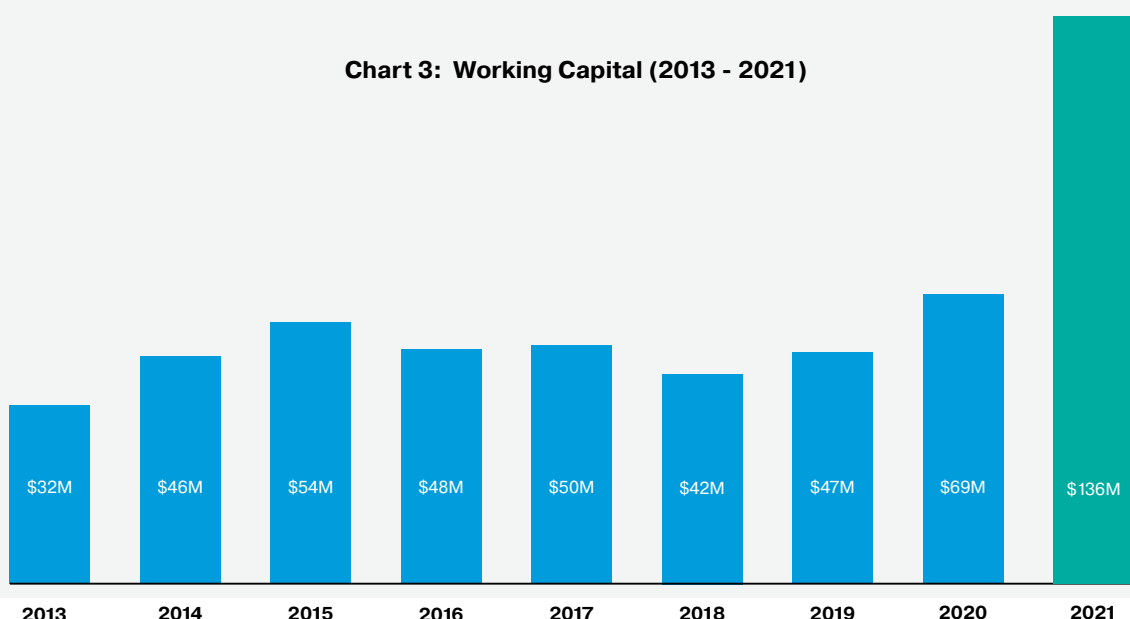
Chair and CEO Report

In terms of racing industry grants, RWWA chose to distribute funds for relevant projects and investment priorities across all three codes totalling \$175M for FY2021, with a commitment made to support the industry's ongoing sustainability of a further \$30M in FY2022.

Working capital increased by \$66.5M over the prior year as

highlighted in Chart 3. While this increase takes the total amount of working capital to \$135.9M, it is important to note that prudent management of the business is required as the economy moves towards a normalised post-COVID-19 environment. RWWA's responsibility to ensure the sustainability of the three racing codes in the long-term will continue to form the basis of investment decisions made in FY2022.

Chart 3: Working Capital (2013 - 2021)



Wagering

Western Australian TAB Sale

On 4 September 2019, the Western Australian Parliament passed the *TAB (Disposal) Act 2019* providing for the establishment of a new wagering licensing regime for a private TAB operator and the corresponding disposal of the wagering business operated by RWWA. Following the passing of the Act, negotiations of the sale were well progressed and a preferred bidder was selected. The State Government and RWWA both engaged productively to fully explore the potential for a mutually beneficial transaction.

The ongoing uncertainty surrounding the impacts of COVID-19 was a major impediment to progressing negotiations. During FY2021, an announcement was made on 7 August 2020 that all parties had agreed to disengage from the process until further notice.

With the sale on hold for all of FY2021, RWWA continued to actively manage and drive performance of the Western Australian TAB business in the long-term interest of the state's racing industry.

Racing

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

Wagering on all three codes was at record levels for FY2021, with strong interest in the Western Australian racing product throughout COVID-19. Overall national wagering on Western Australian racing increased by 17 per cent to \$3.8 billion in FY2021.

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

In order to support the strategic priorities of the thoroughbred code, including industry sustainability and relevance, which have been identified as fundamental to the betterment of the code in Western Australia, RWWA invested in a number of key initiatives in FY2021.

Chair and CEO Report

A total of \$99.6M was delivered in club and participant funding and subsidies to the thoroughbred code, including \$7.9M in Westspeed and EPONA bonuses, which saw the first horses to benefit from the enhancements to the breeding initiatives that were announced in August 2019.

RWWA's strategic focus for the harness code to improve the commercial competitiveness and generate greater revenue streams saw an increase in breeding bonuses paid, totalling \$3.5M, and the further optimisation of race programs.

The greyhound code received an additional \$2M in prizemoney towards provincial and country stakes to increase returns to participants. In addition, \$445,000 was invested in track enhancements and welfare initiatives to ensure the best standards of care are provided to greyhounds, with further investment earmarked for FY2022.

An important part of summarising racing's key achievements for FY2021 is to also recognise the winners of the major Group races throughout the season, who were as follows:

Thoroughbred

- Railway Stakes (Group 1) won by INSPIRATIONAL GIRL; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd (owners).
- Winterbottom Stakes (Group 1) won by ELITE STREET; Daniel Morton (trainer); Brad Rawiller (jockey); and L B Morton, A I Morton and Anita Vale Stud (owners).
- Kingston Town Classic (Group 1) won by TRULY GREAT; Grant and Alana Williams (trainer); Chris Parnham (jockey); and Peters Investments Pty Ltd (owners).
- Perth Cup (Group 2) won by NEUFBOSS; Neville Parnham (trainer); Chris Parnham (jockey); and Seymour Bloodstock, M A Pilkington, Hall Thoroughbred, Extra Special, M B Lee, M K Dawson, S F Emery, R C Pearson, A M Branson, B I Ford, F D Grabowski and R D Hanley (owners).
- Karakatta Plate (Group 2) won by EX SPORT MAN; Steve Wolfe (trainer); Troy Turner (jockey); and S J Wolfe, G T Evans, T Alvin, G Armanasco, L A Benson, T C Guelfi, R C Joy, K Loveridge, D Mcauliffe, N Walton, B W Wolfe and K G Battison (owners).
- WATC Derby (Group 2) won by WESTERN EMPIRE; Grant and Alana Williams (trainer); William Pike (jockey); and Peters Investments Pty Ltd (owners).

Harness

- Fremantle Pacing Cup (Group 1) won by CHICAGO BULL (NZ); Gary Hall Snr (trainer); Gary Hall Jnr (driver); and B V Richardson, G L Moore, D T Roberts, S L Beven, G J Richardson and S E Simmonds (owners).

- WA Pacing Cup (Group 1) won by VULTAN TIN; Phil Costello (trainer); Shannon Suvaljko (driver); and P J Costello and D A Costello (owners).
- WA Derby (Group 1) won by MIGHTY RONALDO; Justin Prentice (trainer/driver); and G A Mortimer, R Fitzgerald, R V Brennan, S Brennan, T Florio, J Florio, J R Brennan, K Brennan, A D Vallis, J K Prentice, B L Jones, Hillbillies Syndicate, G S Thorn and B Thorn (owners).
- WA Oaks (Group 1) won by BENESARI LANE; Ron Huston (trainer); Kim Prentice (driver); and R J Huston and V A Lea (owners).

Greyhound

- Galaxy (Group 1) won by ZACK MONELLI; David Hobby (trainer); and M and M Quinsee (owners).
- Perth Cup (Group 1) won by TIGGERLONG TONK; Corey Grenfell (trainer); and M Finn (owner).
- All Stars (Group 2) won by SUNSET NUCLEAR; David Hobby (trainer); and C Hobby (owner).

Animal Welfare

RWWA's commitment to ensuring the best levels of care are provided to racing animals during all stages of their lives, saw increased investment in greyhound and equine welfare initiatives in FY2021.

The Greyhound Injury Rebate Scheme (GISR) and Greyhound Injury Full Recovery Scheme (GIFRS) continued, with an internal review seeing enhancements made to the schemes.

In 2019, RWWA commissioned the University Technology of Sydney (UTS) to conduct a review of Western Australia's three greyhound race tracks, to assist in elevating existing welfare standards and ensure the highest levels of care are provided to the greyhound athletes of the industry.

RWWA has considered all findings within the review, resulting in a series of current and planned works based on the clear advice on improving the three tracks in line with current design elements and greyhound racing research.

Following the announcement of Western Australian Racehorse Welfare Plan in FY2020, significant investment in retraining and rehoming in the equine codes was realised with the Off the Track WA Estate and Retraining Program, which launched in September 2020. With the initiatives in the Western Australian Racehorse Welfare Plan implemented, an extension of a broader equine welfare strategy has been introduced, which will see an even greater investment in FY2022.

Chair and CEO Report

Strategic Outlook

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

1. Work with industry to increase the effectiveness and utilisation of racing assets.
2. Increase our share of the competitive wagering market through enhanced product and services.
3. Strengthen government relations and demonstrate the economic and social benefits of a positive and sustainable racing industry.
4. Improve the quality of racing product, on course attendance and relevance of Western Australian racing through increasing stakes distribution and industry marketing and planning.
5. Implement strategies to demonstrate best practice in animal welfare, as well as the promotion and delivery of responsible wagering.
6. Strengthen the integrity and welfare standards across Western Australian racing to ensure public confidence and support.

Our People

In FY2021, we were proud to announce the appointment of Ian Edwards as Chief Executive Officer. Previously RWWA's Chief Financial Officer, Ian had worked closely with the Board for several years to implement strategies across our racing and wagering operations, and this successful relationship has continued into Ian's tenure in the new role.

Our people are at the centre of our organisation and their safety and wellbeing has been at the forefront of many of our activities and decisions throughout FY2021. As well as being supported through the pandemic, the Board and

Executive have invested in reinvigorating the culture within the organisation, bolstering the oversight of the existing Remuneration and Nominations Committee to a People and Culture Committee dedicated to leading improvements in this space and with further activity planned for the new financial year.

The challenges posed by the pandemic have not only affected our people but also tested the resilience of those involved in the racing industry and all of our TAB agents and we congratulate them for the way in which they have responded to such a challenging and dynamic situation. Collectively throughout the course of the last year we have again proven that when faced with uncertainty we are able to work together to protect our organisation and the racing industry in Western Australia.

We would like to take this opportunity to thank our people, racing participants, TAB agents, Government and all of our customers for their ongoing commitment and hard work as we have navigated through what has been another challenging year for all.

As we enter the new financial year, RWWA looks forward to FY2022 with great optimism with the primary focus to remain competitive in the wagering market and to deliver on our funding commitments that will ensure the sustainability and integrity of the Western Australian racing industry.



Jeff Ovens
Chair



Ian Edwards
Chief Executive Officer

Operational Structure

Enabling Legislation

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

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

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

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

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

Legislation

The principal legislation governing RWWA is:

- *Racing and Wagering Western Australia Act 2003*
- *Racing Restriction Act 2003*
- *Racing Bets Levy Act 2009*
- *Gaming and Wagering Commission Act 1987*
- *Betting Control Act 1954*
- *Betting Tax Act 2018*
- *Betting Tax Assessment Act 2018*
- *Taxation Administration Act 2003*

Other legislation with which RWWA must comply includes the following:

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

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

Responsible Minister

The Hon. Paul Papalia CSC, MLA (Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests) was appointed the responsible Minister on 17 March 2017. The Hon. Reece Whitby MLA (Minister for Emergency Services; Racing and Gaming; Small Business; Volunteering) was appointed the responsible Minister from 19 March 2021.

Operational Structure

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

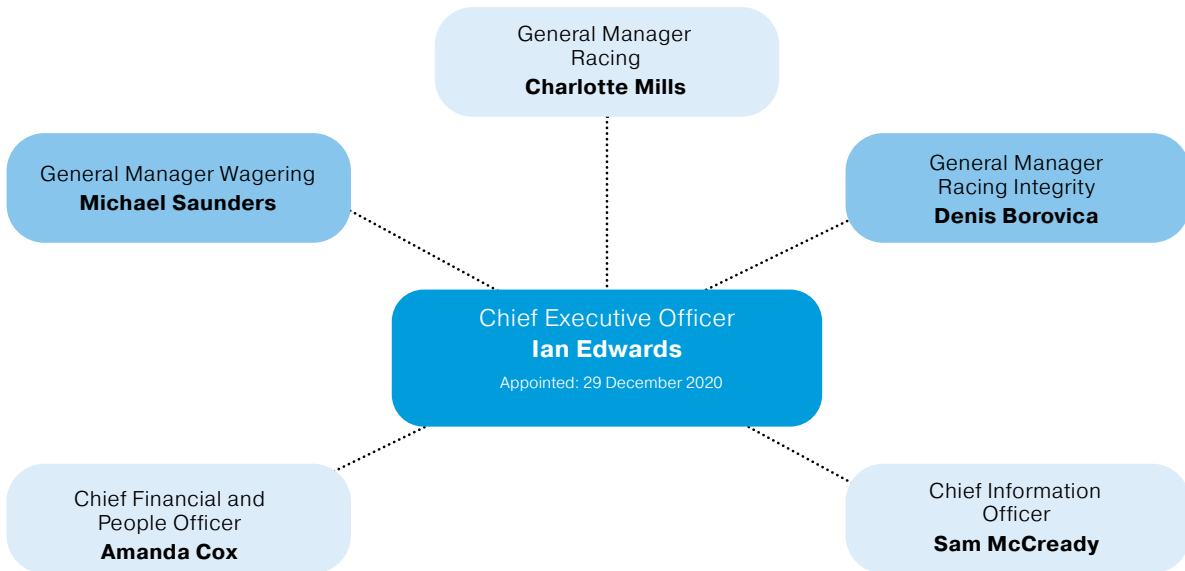


Image: Carnarvon Race Club

Racing and Wagering Western Australia Board



Mr Jeff Owens

**First appointed 21 November 2011
Appointed as Chair 1 February 2012**

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



Dr Lianne Cretney-Barnes

**First appointed 1 February 2011
to 31 January 2021**

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



Mr Robert Bransby

**First appointed 1 August 2018
to 31 July 2021**

Robert Bransby is the thoroughbred racing nominated Board Director. Mr Bransby has more than 35 years' experience in business, financial services and the health sector. He currently holds several director and chair positions.



Mr Stephen Langsford

First appointed 1 February 2018

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



Mr Bob Fowler

First appointed 1 August 2016

Bob Fowler is the harness racing nominated Board Director. Mr Fowler is the Managing Director of Fowler Group of Companies and is also the founder of Allwood Stud Farm. Mr Fowler is a former President of the Western Australian Trotting Association and the WA Standardbred Breeders Association.



Mr Anthony Hasluck

First appointed 1 February 2014

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



Mr Gary Gliddon

**First appointed 21 November 2011
to 31 July 2021**

Gary Gliddon is the greyhound racing nominated Board Director. Mr Gliddon is currently the Managing Director of Braxford Consultancy, a firm specialising in corporate governance, probity and audit-related services.



Ms Catherine Ferrari

First appointed 1 February 2021

Catherine Ferrari has had an extensive career holding a range of senior executive roles as well as non-executive director roles. Most recently, Ms Ferrari was the General Manager Customer and Community at the Water Corporation. Previous roles include CEO of the West Australian Symphony Orchestra and State Director of CPA Australia (Western Australia). She is currently the Deputy Chair of the West Australian Opera, a Trustee of the Legal Contribution Trust and a Director of SmartCrete CRC.



Mrs Kirrilee Warr

First appointed 1 February 2014

Kirrilee Warr is the regional representative on the RWWA Board. Mrs Warr is a director of a broadacre agricultural enterprise, a former board member of the CBH Grower Advisory Council (retired 2020), Vice President of the Shire of Chapman Valley and committee member of Mid West AICD. Mrs Warr was also previously a board member of the Mid West Development Commission.

Board Committees

Integrity Assurance Committee

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

Committee members:

- Dr Lianne Cretney-Barnes (Chair to 31 January 2021)
- D Mossenson (Chair from 1 February 2021) (*)
- S Langsford
- K Warr
- C Ferrari
- J Ovens (ex-officio)

*external independent member

Audit and Risk Committee

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

Committee members:

- A Hasluck (Chair)
- J Ovens
- S Langsford
- C Ferrari
- G Gliddon (until 15 March 2021)
- P O'Farrell (*)

*external independent member

Remuneration and Nomination Committee/People and Culture Committee

In April 2021, the Remuneration and Nomination Committee (RNC) was renamed the People and Culture Committee (PCC) to capture the committee's additional responsibilities in relation to organisational culture. The PCC is responsible for supporting the Board's oversight responsibilities for organisational culture, performance and remuneration of CEO and senior executives, remuneration generally, non-executive director selection and skill requirements, and diversity and inclusion at all levels, in accordance with its Charter.

Committee members:

- J Ovens (Chair)
- C Ferrari
- A Hasluck
- R Bransby

Animal Welfare Committee

The Animal Welfare Committee is responsible for the oversight of RWWA's animal welfare strategies and outcomes. The committee provides oversight and, where required, makes recommendations on matters relating to the welfare of equine and canine animals in the Western Australian racing industry throughout their lives. The committee also provides a communications conduit between the industry and the wider public with respect to responding to public opinion and promoting the proper regulation of racing animal welfare within Western Australia. The welfare committee is an advisory committee to the Executive and Board, with recommendations to be ratified through either body, as required in accordance with its Charter.

Committee members:

- A Hasluck (Chair)
- R Bransby
- B Fowler
- G Gliddon
- J Ovens (ex-officio) (Alternate Chair)

Chapter 2:

Report on Operations







Image: TABtouch Spring Carnival campaign

Wagering

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

The Western Australian TAB operates a network of more than 300 retail TAB agencies and PubTABs, while supporting the wagering infrastructure at race clubs (on-course operations). Sales channels include retail TAB outlets and betting through TABtouch accounts using mobile phones, the internet and RWWA's call centre.

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

During FY2021 the wagering business has made some significant investment in its fixed odds operations to align with future opportunities for customer value. Customer value was delivered with several digital improvements on the mobile app as well as an evolving program to retain customers in an intensely competitive market.



Wagering

Responsible Wagering

RWWA actively supports problem gambling prevention initiatives, community education and helping connect customers to professional support, when they seek assistance.

During FY2021, more than 10 per cent of TABtouch account customers utilised RWWA's account gambling management facilities by setting a single bet limit, setting an account deposit limit or blocking the use of their credit card for account deposits.

RWWA's responsible wagering initiatives include:

- Participation in the Problem Gambling Support Services Committee.
- Self-exclusion program that allows customers to restrict their access to wagering environments for a minimum of 12 months.
- Customers opting to take a break from using their accounts for a short period of time.
- Development of in-app alerts that enable account activity statements to be requested.

These initiatives, along with RWWA's Responsible Wagering Code of Practice and information regarding support services such as Gambling Help WA, are available on the RWWA and TABtouch websites and the TABtouch app.



Image: TABtouch mobile app

Responsible gambling is promoted year-round throughout TAB agencies through responsible gambling advertisements on agency marketing screens and brochures and posters displayed in all facilities.

RWWA also takes an active role in the annual Responsible Gambling Awareness Week, promoting responsible gambling through various platforms, brands, at race clubs and in TAB agencies.

TABtouch Digital

The number of wagering customers using mobile devices grew by 12 per cent in FY2021, driven by improvements in user experience and delivery of value to account customers, including:

- Ongoing improvements in user experience and navigation.
- New racing boosted odds offer and complementary sports specials across popular codes.
- Improved mystery bet algorithm delivering higher success rates for customers.
- Smart form functionality to allow customers to enter their own racing criteria and search for runners.
- Expansion of international product coverage.



Wagering

TAB Retail

The retail wagering strategy for FY2021 focused heavily on the profitability of TAB agencies and the replacement of Amtote betting terminals.

The continued customer migration from traditional agency to online betting required the rationalisation of some low turnover agencies while encouraging customer migration to other nearby agencies. Six full-time TAB agencies were closed during FY2021.

Seven new PubTAB agencies were established in licensed venues in Highgate, Bellevue, Australind, Currambine, Secret Harbour, Innaloo and Moora and upgrades were made to regional full-time agencies in Broome, Port Hedland and South Hedland.

In early 2020, the RWWA Board approved the replacement of all customer facing Amtote wagering terminals with more than 1100 NEO terminals. To date, more than half of these terminals have been installed through a project to upgrade 120 PubTABs to support the operation of the new wagering terminals.



Image: Terminal Replacement Program 1100 NEO terminals



Image: 2021 Magic Millions Perth Yearling Sale

Racing

The racing division is responsible for the strategic direction of the thoroughbred, harness and greyhound racing codes in Western Australia, together with the operational functions to support the running of race meetings. RWWA, as the Principal Racing Authority for the three racing codes in Western Australia, operates under the *Racing and Wagering Western Australia Act 2003* and applies the National Rules of Racing for each code.

Key Racing Statistics

<i>Brackets indicate FY2020</i>	Race Clubs	Meetings	Races	Starters	Unique Animals
Thoroughbred	37	275 (269)	2131 (2089)	20,608 (20,554)	3118 (3186)
Harness	12	251 (258)	2092 (2142)	18,860 (19,991)	1621 (1553)
Greyhound	1	354 (326)	4053 (3707)	30,202 (27,433)	1659 (1545)
TOTAL	50	880 (853)	8276 (7938)	69,670 (67,978)	6398 (6284)

Funding by Code

<i>Brackets indicate FY2020</i>	Prize Money (\$M)	Breeding Bonuses (\$M)	Other Participant Payments (\$M)	Club Funding (\$M)	Club Subsidies (\$M)	RWWA-Funded Grants (\$M)	Total (\$M)
Thoroughbred	69.6 (63.5)	7.9 (6.5)	7.2 (8.3)	14.9 (14.6)	9.0 (8.1)	2.8 (3.8)	111.4 (104.8)
Harness	23.7 (23.1)	3.5 (2.0)	1.5 (2.4)	5.9 (6.0)	2.0 (2.1)	1.1 (0.4)	37.6 (36.0)
Greyhound	14.3 (12.1)	1.4 (1.1)	2.0 (1.8)	6.7 (6.1)	1.1 (1.1)	0.4 (-)	25.9 (22.2)
TOTAL	107.5 (98.7)	12.8 (9.6)	10.7 (12.5)	27.5 (26.7)	12.1 (11.3)	4.3 (4.2)	175.0 (163.0)



Image: Greyhounds WA TABtouch Park Cannington

Racing

COVID-19 Impact

While racing in Western Australian continued to operate during the COVID-19 pandemic, the public health response by the State and Federal Government affected the racing season during FY2021.

On 31 January 2021, racing across all three codes ceased for a five-day lockdown, however RWWA was able to re-program races and meetings to minimise the loss of racing opportunities to participants.

While there were two additional snap lockdowns implemented by the State Government – in April and June respectively – racing, trialling and trackwork were able to continue during these periods under a range of strict bio-security measures to protect both the health and livelihood of the industry's workforce and, as a result, the wellbeing of the state's racing animals. Throughout the FY2021 racing season, RWWA continually monitored and worked with Government to ensure the racing industry was, and in many cases beyond, compliant.

As part of the FY2021 distribution announcement, RWWA committed to conducting a mid-year review for race clubs to ascertain the impact of COVID-19. Following the review one-off COVID-19 payments were provided to all Western Australian race clubs, which acknowledged both the inability for some clubs to race and the on-course revenue losses due to attendance restrictions during the COVID-19-impacted period. In total, \$1.7M was distributed, with all Western Australian race clubs receiving a minimum payment of \$10,000, irrespective of their COVID-19 impact.

Thoroughbred

In FY2021, RWWA's strategic priorities for the thoroughbred code were:

- Reinvigorating Western Australia as an attractive jurisdiction to own and race thoroughbred racehorses.
- Improving the commercial competitiveness of Western Australian thoroughbred racing and growing revenue streams.
- Maintaining its right to exist by proactively meeting community expectations in animal welfare and integrity.
- Facilitating viable race clubs with sound funding models, suitable facilities, sound business models and appropriate governance structures.
- Revitalising the relevance of Western Australian thoroughbred racing through marketing, branding and content.

Distribution

The following outcomes were delivered during FY2021:

- \$108.7M in club and participant funding and subsidies, including:
 - \$14.9M in club funding for 37 thoroughbred clubs (including tenanted arrangements for Coolgardie Race Club at Kalgoorlie).
 - \$69.6M in base and feature stakes.
 - \$7.9M in Westspeed and EPONA bonuses.

Other Thoroughbred Activities

Other major thoroughbred racing activities during FY2021:

- The Magic Millions Yearling Sales recorded a sale aggregate of \$14M (\$13.2M in FY2020) and an average sale price of \$54,744 (\$51,147 in FY2020), with a clearance rate of 91.8 per cent.
- Ascot Racecourse hosted the TABtouch Masters, featuring three consecutive Saturdays of \$1M Group 1 races.
- Completion of the Pinjarra Scarpside, the second home turn at the Pinjarra Race Club, allowing for more race meetings in future seasons.
- RWWA again hosted the Own the Dream Event Series, which provided 204 people the opportunity to meet trainers, breeders and other racing sector participants during five free events. In total, 52 per cent of participants in the series were converted to be racehorse owners.

Industry Training

Industry training highlights for FY2021:

- Eight apprentice jockeys commenced race riding, resulting in 17 apprentice jockeys overall race riding at the end of the season.
- Twelve trainee jockeys commenced during the year, ten of them continued beyond their probation.
- Mauritian apprentice jockey Laqdar Ramoly had an outstanding first year of race riding, winning the metropolitan apprentice premiership after achieving 43 winning rides during the year.

Racing

Racing Grants

The following RWWA grants were provided to thoroughbred race clubs during FY2021:

Venue	Grant
Broome Turf Club	Jockeys' room refurbishment
Albany Racing Club	Practice barriers
Albany Racing Club	Swab box
Albany Racing Club	Water tank
Geraldton Turf Club	Barrier shed
Collie Race Club	Track upgrade
Collie Race Club	Swab box
Northam Race Club	Irrigation replacement
Port Hedland Turf Club	Plastic running rail
Esperance Bay Turf Club	Verti-Drain turf aerator
Esperance Bay Turf Club	Track renovation
Bunbury Turf Club	Track redevelopment
Moora Race Club	Track refurbishment
Pinjarra Race Club	Bore replacement
Pinjarra Race Club	Kangaroo resistant fence
Pinjarra Race Club	Horse ambulance
Mount Barker Turf Club	Reticulation pgrade
WA Turf Club (Perth Racing) Ascot	Pool repairs
WA Turf Club (Perth Racing) Ascot	Tractor for water truck
WA Turf Club (Perth Racing)	Cabling upgrade for on course wagering
WA Turf Club (Perth Racing) Ascot	Pro-Ride review
WA Turf Club (Perth Racing) Ascot	Cool Mist system
WA Turf Club (Perth Racing)	New barriers
WA Turf Club (Perth Racing) Ascot	Training tracks plastic running rail
WA Turf Club (Perth Racing) Belmont	Belmont infrastructure upgrade

Racing

Harness

In FY2021, RWWA's strategic priorities for the harness code were to:

- Improve the commercial competitiveness of Western Australian harness racing by delivering improvements for the wagering customer through the delivery of competitive race fields and value betting opportunities.
- Provide an environment that will sustain the racehorse population.
- Maintain its 'right to exist' by proactively meeting community expectations in animal welfare and integrity.
- Increase the relevance of WA harness racing.

Distribution

The following outcomes were delivered during FY2021:

- \$36.6M in club and participant funding and subsidies, including:
 - \$5.9M in club funding distributed between 12 harness clubs and five harness-training-only venues: Byford, Dunbarton, Jandakot, Golden Mile and Wanneroo.
 - \$23.7M in base and feature stakes.
 - \$3.5M paid in Westbred bonuses, of which:
 - \$856,000 was paid to the connections of 2YO's in bonus payments and a further \$522,000 in First Win Bonus payments.

- \$903,000 was paid to the connections of 3YO's in bonus payments and a further \$422,000 in First Win Bonus payments.
- \$436,000 was paid to the connections of 4YO+ horses achieving their first win.

Other Harness Activities

Other major harness racing activities during FY2021:

- A total of 329 Western Australian trained mares earned \$305,485 in EPONA credits from winning 638 races. Four mares each earned the maximum credit amount of \$5000 and subsidies of \$116,636 were paid to owners of 52 mares.
- The Australian Pacing Gold Yearling Sales recorded a sale aggregate of just under \$2.45M (\$1.99M in FY2020) and average sale price of \$21,000 for fillies and \$24,800 for colts. The median sale price was \$20,000, up from \$15,000 in FY2020. Of the 105 yearlings for sale, 86.7 per cent were sold on sales day in comparison with last year's 80 per cent clearance rate.
- RWWA commenced providing the photo finish/assistant judge service to most regional clubs.
- An increase in the number of races run at Provincial 1 and Metropolitan Midweek race meetings to optimise programs and generate additional turnover and revenue to the code.
- Hosted Owners Only events to recognise and reward harness racing owners.



Image: Gloucester Park Harness Racing Club



Image: Greg and Skye Bond's stable

Industry Training

Industry training highlights for FY2021:

- Six harness drivers commenced race driving while another five were undertaking trials.
- Junior driver Emily Suvaljko represented Western Australia in a race series in Tasmania, recording one winner from six drives.

Racing Grants

The following RWWA grants were provided to harness race clubs during FY2021:

Venue	Grant
Gloucester Park Harness Racing Club	Track lighting repairs
Pinjarra Harness Racing Club	Washed quarry track sand
Busselton Trotting Club	Stewards' room upgrade
Wanneroo Trotting Training Club	Track grader blade
Albany Harness Racing Club	New equipment shed
Pinjarra Harness Racing Club	Re-surface entry road
Northam Harness Racing Club	Track lighting upgrade
Northam Harness Racing Club	Water truck
Pinjarra Harness Racing Club	Multi spreader
Pinjarra Harness Racing Club	Washed quarry sand
Northam Harness Racing Club	Sprint lane
Pinjarra Harness Racing Club	Solar panels
GP, Northam, Pinjarra and Bunbury	Flexi poles

Racing

Greyhound

In FY2021, RWWA's strategic priorities for the greyhound code were to:

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

Distribution

The following outcomes were delivered during FY2021:

- \$25.5M in club and participant funding and subsidies, including:
 - \$6.7M in club funding for Western Australian Greyhound Racing Association (WAGRA), racing at two venues (Cannington and Mandurah).
 - \$14.3M in base and feature stakes.
 - \$2M in trainer subsidies.
 - \$1.4M paid in Westchase bonuses.
- Digital marketing promotions and outdoor media campaign for Perth Cup and Galaxy feature race meetings.

- Train the Trainer videos were launched to provide further information and guidance for trainers or for those considering the first step in joining this exciting industry

Other Greyhound Activities

Further major greyhound racing activities for FY2021:

- The inaugural Chase the Dream series took place, where entrants had the chance to win a 10 per cent share in the greyhound puppy Chase, with 10 two-person partnerships available. Of the 54 eligible entrants, 20 people won shares in Chase and a further 14 purchased shares in another puppy. This resulted in a 63 per cent conversion rate of new greyhound owners

Racing Grants

The following RWWA grants were provided to WAGRA during FY2021:

Venue	Grant
WAGRA Northam	Track refurbishment
WAGRA Cannington	Track survey
WAGRA Mandurah	Isolation kennel
WAGRA Mandurah	Track survey



Image: Withers family greyhound training

Other Racing Highlights

Awards ceremonies were held across the three codes to celebrate the successes of the racing community and to reflect on the outstanding achievements for the season.

WA Thoroughbred Racing Awards	WA Harness Horse of the Year Awards	WA Greyhound of the Year Awards
<ul style="list-style-type: none"> WA Racehorse of the Year: Arcadia Queen 2YO Racehorse of the Year: Ex Sport Man 3YO Racehorse of the Year: Watch Me Dance 4UP Racehorse of the Year: Arcadia Queen Leading Metropolitan Jockey: Chris Parnham Leading Metropolitan Trainer: Adam Durrant Leading Provincial Jockey: Chris Parnham Leading Provincial Trainer: Adam Durrant Leading Apprentice Jockey (Metropolitan and Provincial): Laqdar Ramoly Best All-Round Apprentice: Kristy Bennett Leading Sire: Blackfriars Leading Broodmare: Arcadia/Truly Special Leading Breeder: Peters Investments Pty Ltd Thoroughbred Media Award: Justin Fris –South Western Times 	<ul style="list-style-type: none"> WA Harness Horse of the Year: Chicago Bull NZ 2YO Filly of the Year: Black Jack Baby 3YO Colt or Gelding of the Year: Patronus Star NZ 3YO Filly of the Year: Double Espresso 2YO Colt or Gelding of the Year: Mighty Ronaldo Aged Mare of the Year: Balcatherine NZ State Leading Driver of the Year: Chris Voak Young Achiever Award: Emily Suvaljko State Leading Trainer of the Year: Greg and Skye Bond Trotter of the Year: Princess Mila Service to Industry Award: Peter Trefort Harness Media Award: Steve Butler Australian Harness Horse of the Year, Australian Pacer of the Year, Aged Pacing Horse/ Gelding of the Year, Australian Pacing Gold Circuit Champion: King of Swing NZ 	<ul style="list-style-type: none"> WA Greyhound of the Year: Tommy Shelby Leading Trainer Award: David Hobby Gerry O'Keefe Achievement Award: David and Christine Robertson Kerry Vernon Award for Excellence in Greyhound Welfare: Elliesha James Young Achiever Award: Matthew Frampton Greyhound Media Award: Jay Rooney – The West Australian
Ladies of Racing Awards (Thoroughbred)	Ladies of Pacing Awards (Harness)	Ladies of Chasing Awards (Greyhound)
<ul style="list-style-type: none"> Ladies of Racing Leadership Award: Brittany Taylor Ladies of Racing Dedication to Thoroughbred Racing Award: Ellie Giles Ladies of Racing Welfare Award: Jo-Anne Leeson Ladies of Racing Administration Award: Tania Graves 	<ul style="list-style-type: none"> Ladies of Pacing Leadership Award: Skye Bond Ladies of Pacing Dedication to Harness Racing Award: Denise Trobe Ladies of Pacing Welfare Award: Shari Lindo Ladies of Pacing Administration Award: Jenna Saunders 	<ul style="list-style-type: none"> Ladies of Chasing Leadership Award: Kira Withers Ladies of Chasing Dedication to Greyhound Racing Award: Karen Lennox-Bradley Ladies of Chasing Welfare Award: Christina Morrison Ladies of Chasing Administration Award: Alina Cattana



Welfare

Animal Welfare

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

Animal welfare is an integral component of RWWA's racing and broader strategies, with initiatives continually implemented to further safeguard the welfare of racing animals.

These initiatives are supported by the relevant animal welfare legislation, as well as rules and policies that racing authorities enforce to underpin the successful regulation of welfare within racing.

Animal Welfare Strategy

A comprehensive welfare strategy is in place that guides RWWA in fulfilling its commitment to safeguard the welfare of racing animals.

Vision	Mission	How this is achieved
To set the highest standard in animal welfare for the Western Australian racing industry.	To ensure the current and best standards of care are provided to racing animals during all stages of their lives.	<ul style="list-style-type: none"> With evidence-based decisions. With transparent and dependable data. With impactful and measurable advances in animal welfare.

Equine Welfare

The WA Racehorse Welfare Plan was announced in FY2020, with a specific focus in the areas of traceability, rehoming and responsible end of life management for horses that are not suitable for rehoming.

Pillar	Initiative	Status
Traceability	WA Racehorse Passport	Completed
	Licensing of WA Breeders	Pursuing through national racing representative bodies
	Compliance and Enforcement	Completed
	National Horse Traceability Register	Pursuing through national racing representative bodies
	Industry Education	Completed
Rehoming	Retirement rule	Completed
	Racehorse Welfare Facility	Completed
	Off the Track WA Retraining Program	Completed
	Off the Track WA Program	Completed
Abattoirs and Knackeries	Memorandum of Understanding	Completed

Welfare

As the initiatives from the WA Racehorse Welfare Plan that fall within RWWA's direct remit have now been implemented, an extension of a broader equine welfare strategy has been introduced, under the following pillars.

Pillar	
Traceability	Continue to develop and effectively monitor full lifecycle tracking for all horses bred for racing.
Racing	Enhance existing practices and regulations to support the welfare and safety of all racehorses.
Post-Racing	Continue to support and assist horses in their transition beyond the racing industry.
Industry Culture and Education	Maintain a culture whereby the welfare of the horses is at the forefront of all decisions and educate the public on horse welfare within the industry.

Traceability

RWWA has increased its investment in traceability to support improved industry education and compliance with reporting requirements to maintain the accuracy and reliability of relevant data.

This has resulted in significant improvements in tracking horses as they leave the industry.

The national peak racing bodies, Racing Australia and Harness Racing Australia, as custodians of the data relating to horse status, record that the following post-racing outcomes have been reported by Western Australian thoroughbred and harness racing participants during the period 1 August 2020 to 31 July 2021

	Retired/Rehomed	Deceased (Natural)	Deceased (Euthanised)
Thoroughbred	795	66	142
Standardbred	363	92	114

**Note: the horse status changes reported above include retrospective reporting, which may take place as a result of increased compliance with rules governing traceability reporting in harness and thoroughbred racing. Consequently, this may include horses retired/deceased prior to the reporting period, but where paperwork has been lodged between 1 August 2020 and 31 July 2021.*

To ensure retiring horses that can be rehomed are given the opportunity to transition to a second career outside of racing, RWWA introduced a local Rule of Racing with effect from 1 August 2021, requiring owners to make reasonable efforts to rehome all medically and behaviourally sound horses bred for racing.

Through the Off the Track WA (OTTWA) program, RWWA has introduced the OTTWA Passport, an initiative designed to assist in tracing retired racehorses in Western Australia by connecting with their owners to gain a better understanding of their locations and lives after racing. Launched on 27 August 2020, from that time until 31 July 2021, this initiative has seen the following uptake of horses registered for an OTTWA Passport:

Pillar	Number of horses registered for an OTTWA Passport
Standardbred	375
Thoroughbred	1805
Total	2180

Post-Racing

Significant investment in retraining and rehoming was evidenced with RWWA's implementation of its racehorse welfare facility in North Dandalup as part of its post-racing transition initiatives. The OTTWA Estate has a multi-faceted use that primarily focuses on facilitating the retraining of retired racehorses (standardbred and thoroughbred) for equestrian and pleasure pursuits, as well as providing emergency care services should cases arise.

The OTTWA Estate and Retraining Program were launched in September 2020 and are important elements in facilitating retired racehorses transitioning to new careers in the equestrian community. OTTWA efforts are designed to complement previously established pathways available for retraining and placement of racehorses. The OTTWA Retraining Program targets horses that may be more challenging to rehome, such as those in areas with fewer pathways for retired racehorses, through specific regional drives in these locations.

OTTWA Estate and Retraining Program (as at 31 July 2021)

	Thoroughbred	Standardbred	Total
Number of horses accepted into OTTWA Retraining Program	39	31	70
Accepted via OTTWA Retraining Program regional drives	5	3	8
Rehomed	24	16	40
Deceased/euthanised	3	0	3

RWWA is committed to responsible rehoming of retired racehorses. OTTWA will only euthanise on medical or behavioural grounds following assessment by qualified persons, where such action is necessary due to welfare or public health and safety.

Supporting RWWA's equine welfare initiatives, the OTTWA program also plays a key role in the promotion of thoroughbred and standardbred horses in their second careers, as pleasure and performance horses, and provides a valuable support mechanism and educational resource for equestrians who have purchased off the track horses, either through the OTTWA program or alternate sources.

The program activities include event sponsorship, promotion of recognised retrainers and rehoming services, a dedicated website that hosts a resource repository and a platform to purchase and sell off the track horses, and conducting education clinics specifically for retired racehorses.

RWWA continued its partnership with Equestrian Western Australia for FY2021, presenting a series of events across the State through its OTTWA program. With a few events postponed due to COVID-19 restrictions, the FY2021 series focused on educating owners on retired racehorses with clinics offered to all owners and riders of retired racehorses who held a valid OTTWA Passport. The series saw the participation of 299 individual horses and 287 individual riders at these educational events.

Additionally, the sponsorship of events encouraging the participation of retired thoroughbred and standardbred horses continued to be prioritised in FY2021 with a total of 149 events sponsored by OTTWA.



Image: Off the Track WA coaching clinic

Welfare

Greyhound Welfare

The holistic greyhound welfare strategy has been revised for FY2022 and beyond, with a focus on the following pillars:

Pillar	
Governance	Continue to be forward thinking and leaders in setting the standards that maximise welfare during all stages of a greyhound's life.
Racing	Enhance existing practices and regulations to support the welfare and safety of all greyhounds within the racing industry.
Rehoming	Further support the adoption of retired greyhounds, through advances in rehoming practices.
Industry Culture and Education	Maintain a culture whereby the welfare of greyhounds is at the forefront of all decisions. Educate the general public on greyhound welfare within the industry.

Racing

RWWA is focused on maximising the safety of racing greyhounds.

While most injuries require only rest or minor treatment, RWWA has in place two support schemes to ensure appropriate care is available where the injury requires higher levels of treatment.

Under the Greyhound Injury Surgery Rebate Scheme, if a greyhound sustains an injury on the track and meets the eligibility requirements, RWWA will offer a financial contribution to the trainer and owner for the costs of veterinary treatment.

In August 2019, the Greyhound Injury Full Recovery Scheme was introduced, where a trainer/owner may transfer custody of a greyhound to RWWA in the event of a serious injury and the cost of both veterinary treatment and post-operative care is paid through greyhound racing funding. Once recovered, the greyhound is rehomed through RWWA's Greyhounds as Pets (GAP) program.

The scheme has proven successful in reducing the number of greyhounds euthanised on-course due to injury and covers both official trials and races.

Greyhound Injury Full Recovery Scheme – Greyhound Outcomes FY2021 (as at 31 July 2021)

Rehabilitation	Preparing for Adoption	Adopted	Deceased*	Total
20	5	24	4	53

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

Note: Although 43 greyhounds entered the Greyhound Injury Full Recovery Scheme during FY2021, 53 outcomes are reported above as 10 greyhounds were already in the care of the scheme at the beginning of FY2021.

A further 16 applications were approved for the Greyhound Injury Surgery Rebate in FY2021.

Greyhound Race Injury Report

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

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

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

In the event a greyhound does sustain a serious injury, RWWA's two injury support schemes provide financial assistance to trainers and owners to ensure appropriate veterinary care is available.

The following report has been prepared using the information on greyhound racing injury, fatality and related euthanasia recorded by on-track veterinarians and stewards at race meetings held in Western Australia, which is maintained by RWWA in the OzChase system.

All greyhound starters with an on-track, post-race or post-qualifying-trial veterinary-reported injury incident have been included in this report. This report covers the period from 1 August 2020 to 31 July 2021.

(Brackets indicate FY2020)

Races and Trials	
Races	4065 (3731)
Qualifying trials	243 (262)
Total number of races and trials	4308 (3993)
Race starters	30,286 (27,614)
Trial starters	819 (859)
Total number of greyhound starters	31,105 (28,473)

Note: it is important to note the increase in the number of races and trials as well as starters for the FY2021 season compared to the previous year, when comparing injury data.

Injury Severity Classification

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

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

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



Welfare

Racing Injury Incidents

During the FY2021 season:

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

The below table details the number of injury incidents reported, where a greyhound with at least one injury was identified by an on-track veterinarian after participation in a race or qualifying trial in Western Australia. It is important to take into consideration the increase in the number of starters and races/trials when comparing injury data from the previous year.

(Brackets indicate FY2020)

Stand Down Period	Total Numbers of Incidents	Incident Rate (Incidents per 1000 Starters)	Incident Rate as % of Total Starters
0 – 14 days	652 (605)	21 (21.2)	2.1% (2.1%)
15 – 59 days	159 (194)	5.1 (6.8)	0.5% (0.7%)
60 – 90 days*	78 (56)	2.5 (2)	0.25% (0.2%)

*Note: includes any greyhound euthanised or deceased on track.

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

Stand Down Period	Total numbers of incidents	Incident Rate (Incidents per 1000 Starters)	Incident Rate as % of Total Starters
Euthanised or Deceased on Track	10 (8)	0.3 (0.3)	0.03% (0.03%)



Image: Edwin Jagger and his adopted greyhound Jack

Welfare

Greyhounds as Pets

Greyhounds as Pets WA (GAP) is a RWWA program to promote, encourage and facilitate greyhound pet ownership to the wider community by providing homes to healthy and behaviourally sound greyhounds throughout Western Australia. The table below outlines the total number of greyhounds that entered the GAP program in FY2021 as well as the number of pre-assessments conducted at the facility during this time.

	FY2017	FY2018	FY2019	FY2020	FY2021	Variance from FY2020-FY2021
Adoptions*	245	272	204	304	335	10.2%
Greyhounds in Foster	112	82	94	186	202	8.6%
Pre-Assessments	432	367	343	368	314	-14.7%
Euthanasia at Kennels	18	14	15	11	-	-100%
Euthanasia as % of Total Adoptions	7%	5%	7%	3%	-	-100%

*Unique greyhounds adopted.

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

RWWA is committed to responsible rehoming of racing greyhounds. GAP will only euthanise animals on medical or behavioural grounds as determined following assessment by qualified persons, where such action is necessary in the interests of welfare or public health and safety. The refinements in programs and other initiatives have served to considerably decrease rates of euthanasia as reflected above.

During FY2021, GAP continued to enhance existing partnerships and volunteer programs including the introduction of a partnership with Applied Vocational Training (AVT) for the delivery of a short-term intensive course in animal care and welfare.

Greyhound Retirement Data

For the period 1 August 2020 to 31 July 2021, the following numbers of greyhounds were reported to RWWA by the latest registered owners or persons responsible for them at the relevant time under requirements of the greyhound Rule of Racing Local Rule 106.

Overall, the level of greyhounds successfully retiring from the industry has increased, evidencing continued high rates of adoption in keeping with RWWA's strategic objectives.

	FY2020	FY2021	Variance from FY2020 - FY2021
Retired to Greyhounds as Pets	350	355	1%
Retired to other greyhound rehoming organisations	184	217	18%
Retired to a third party (non-owner / trainer)	74	75	1%
Retired to an owner / trainer as a pet	12	16	33%
Retired for breeding	45	56	24%
Total number of greyhounds retired	665	719	8%
Deceased or euthanised due to accidental death, natural causes, illness or age	65	78	20%
Deceased or euthanised due to injury	19	26	37%
Euthanised not suitable for rehoming	17	0	-100%
Euthanised not suitable for racing	0	0	0%
Total number of greyhounds deceased	101	104	3%
Total number of greyhounds retired or deceased	766	823	7%

Note: the data for FY2021 is correct as of 20 September 2021. While the data for FY2020 was reported in the 2020 Annual Report (correct as of 18 September 2020), minor variances in some data can occur over time as LR106 forms are received and processed on a continuous basis, and the status of individual greyhounds may be updated from time to time with new information received.

Welfare

Participant Welfare

RWWA offers an Employee Assistance Program to ensure the emotional, mental and psychological wellbeing of employees, TAB agencies and licensed racing participants is supported. This is provided in three tailored programs, all providing similar support.

Racing Assist

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

When facing integrity inquiries, trainers and others are offered additional support by a counsellor with a good knowledge of racing.

Jockey Assist

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

All jockey injuries are overseen by a sports medical specialist while a career transition program is also available to assist

jockeys as they begin to consider retirement and the options available.

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

TAB Agent Assist

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

Maternity Assistance Program

RWWA provides a Maternity Assistance Program to provide financial support to full-time licensed jockeys and A Grade or B Grade licensed harness drivers. Under the Rules of Racing, jockeys and drivers are required to cease riding and driving in races after three months of pregnancy. RWWA's Maternity Assistance Program bridges the gap between when a jockey or driver is required to cease riding or driving until they are eligible for the Federal Government's Parental Leave provisions, which is available once their child is born. In the past year, two riders have been supported by this program.



Image: Brittany Taylor and thoroughbred Surveillance

Racing Integrity

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

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

The current state of the Western Australian racing industry is reflected in the following data relating to prohibited substances, serious inquiries and Racing Penalties Appeal Tribunal (RPAT) statistics, which evidence:

- High rates of human and animal drug control (screening) with low rates of detection of potentially performance enhancing substances.
- High rates of inquiry and investigation to confirm adherence to rules and regulations.
- No internal corruption matters arising.
- No evidence of significant integrity breaches (e.g. race fixing, systematic doping regimes and live-baiting).
- Strong record of inquiry and appeal proceedings with strong penalty precedents compared to other Australian jurisdictions.

Following a review of RWWA's integrity unit operations and structures in 2020, potential synergies were identified through amalgamating the thoroughbred and harness stewards panels within a single governance structure while retaining core code specialisation.

The revised structure achieves higher levels of multi-skilling and flexibility in response to the increasing challenges to recruitment in this specialised field of racing regulation. It has elevated levels of experience and seniority across both codes through additional recruitment in addition to providing further career pathways for stewards, which assists in attracting and retaining these specialised staff.

An audit to review and assess the key control design and operative effectiveness for sample testing of racing animals and participants across all codes was completed during the year to identify opportunities to strengthen the current control framework.

The audit confirmed that existing processes surrounding these activities were mature and consistently understood across the organisation. Additionally, most of the key controls were adequately designed, implemented and operating effectively. The audit found only areas of incremental improvement to further strengthen the consistency, security and effectiveness of racing integrity processes. All adopted recommendations have been implemented.

In response to COVID-19 restrictions, the racing industry implemented the necessary strict bio-security measures in accordance with state requirements. Integrity staff and other officials ensured compliance with all measures.

Prohibited Substance Control

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

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

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

Racing Integrity

The table below indicates total swabbing levels for FY2021.

Thoroughbred	Samples	Positives
Post Race	1968	6
TCO2	1484	-
OOCT	154	-
Human	209	7
Harness	Samples	Positives
Post Race	1658	9
TCO2	2246	-
OOCT	105	1
Human	105	-
Greyhound	Samples	Positives
Post Race	1204	1
OOCT	78	-
Total	Samples	Positives
Post Race	4830	16
TCO2	3730	-
OOCT	337	1
Human	314	7

Note: Figures are correct as at 11 August 2021 but subject to variation upon subsequent reporting from the ChemCentre

Classification of Detected Substances

The following table distinguishes between the types of substances detected in the total number of positive swabs.

A therapeutic substance is generally one that is commonly used in the training of racing animals to manage injuries or illnesses. While these substances have a legitimate use in training, they are prohibited in a racing animal and must be withdrawn from administration at suitable times to ensure the drug has cleared prior to racing.

Code	Therapeutic	Stimulant	TCO2	Other	Total
Thoroughbred	3	1	-	2	6
Harness	3	5	-	2	10
Greyhound	1	-	N/A	-	1

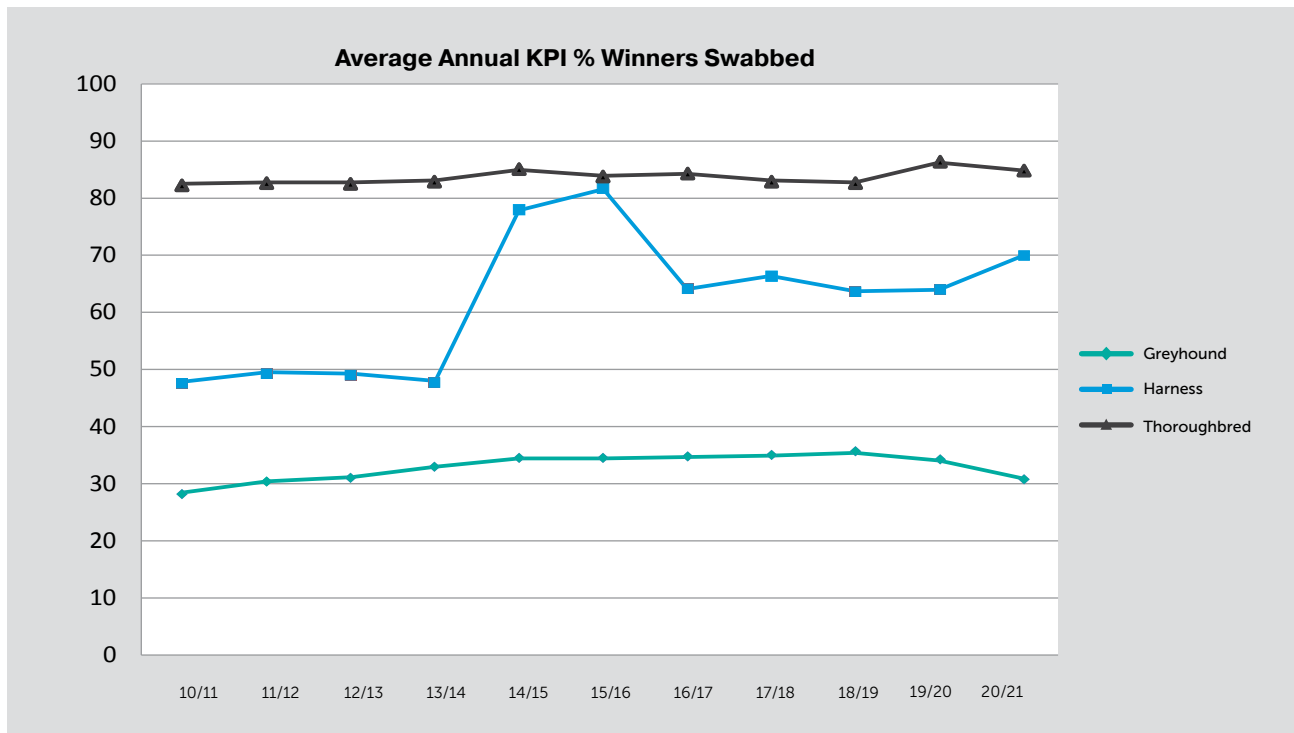
Note: "other" is related to the detection of arsenic arising predominantly from the ingestion of CCA-treated timbers

From a total of 8897 horse and greyhound swabs, 17 positive swabs were recorded for FY2021, with the following outcomes:

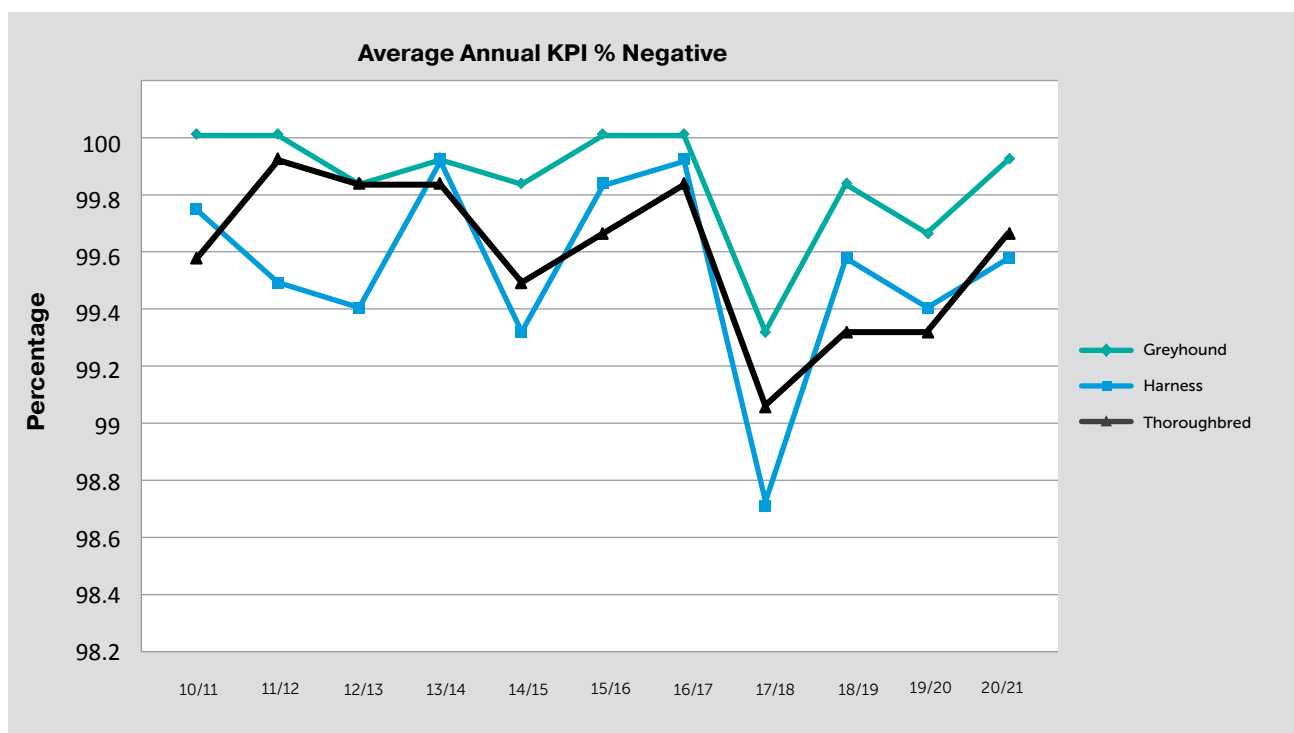
- Seven related to therapeutic substances (e.g. anti-inflammatory drugs).
- Four related to the detection of cobalt beyond the prescribed threshold.
- Two related to the detection of testosterone beyond the prescribed threshold.
- Four were established on inquiry to involve the ingestion of arsenic by horses chewing Chromated Copper Arsenate (CCA) treated timbers, commonly used in the construction of fencing and paddocks. Although these positives were the result of environmental factors and not the result of deliberate treatments, fines were nevertheless issued in these cases.

Racing Integrity

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



The graph below provides historical rates of negative swabs. Following introduction of expanded screening in FY2017, rates of negative results have increased, which is reflective of higher levels of caution in the racing community with respect to use of routine therapeutic substances.



Racing Integrity

Inquiries

The following refers to matters determined by the Primary Inquiries Panel, which is comprised of the senior integrity officers across the racing codes who are empanelled to inquire into and determine matters of a serious nature in accordance with the Rules of Racing.

Code	Total Inquiries	Appeals	Disqualifications	Suspensions	Fines	Reprimands
Thoroughbred	13	-	5	2	6	-
Harness	11	4	5	-	6	-
Greyhound	3	1	1	1	1	-
Total	27	5	11	3	13	-

Racing Appeals

The RPAT was created to maintain industry confidence in the enforcement of the various racing rules by providing the industry with an impartial judicial forum for the hearing of appeals against RWWA determinations.

The RPAT is responsible for hearing and determining appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of thoroughbred, harness and greyhound racing. The following data is courtesy of RPAT.

During the year, one appeal was carried over from FY2020 and seven new appeals were lodged with the tribunal. As at 30 June 2021, the tribunal had determined six appeals, including one from the previous year, with only two appeals being carried over to FY2022. These appeals, together with appeals from the previous year, are summarised by racing code.

Racing Code	Appeals Carried Over from FY2020	Appeals Lodged	Appeals Determined	Appeals Carried Over to FY2022
Thoroughbred	-	2	2	-
Harness	1	5	4	2
Greyhound	-	-	-	-
TOTAL	1	7	6	2

The results of the determinations in respect of the racing codes for FY2021 are summarised below.

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



Racing Integrity

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

Stays of Proceedings

In FY2021, there were three applications for stays of proceedings. The Chairperson or the presiding member made the determinations as follows.

Stays of Proceedings FY2021	Thoroughbred	Harness	Greyhound
Stays Granted	1	-	-
Stays Refused	-	1	-
Withdrawn	1	-	-
Total	2	1	-



Image: Ascot Racecourse

Corporate Social Responsibility

Corporations should consider not just the economic effects of their activities but also the social and environmental ones. RWWA aims to be a good corporate citizen by conducting business ethically and operating in ways that enhance society and the environment.

Effective Corporate Social Responsibility (CSR) guides and contributes to the sustainability of RWWA. CSR activities can benefit both society and the business itself by forging stronger bonds between employees, boosting morale and improving connections with the wider world.

The four pillars of RWWA's CSR activities are:

- **Philanthropic:** Contribute resources to the community and improve quality of life.
- **Ethical:** Do what is right, just and fair. Avoid harm.
- **Legal:** Obey the law. Play by the rules
- **Economic:** Be profitable – everything rests on this foundation. We must have something, so we have something to give.

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

Community Partners and Initiatives

- **HorsePower Australia:** \$80,000 for a seventh year to support the program and subsidise costs for participants in regional areas. The funding included \$30,000 for horse welfare, \$15,000 for participant scholarships, \$18,000 for organisational and centre support and \$17,000 for events.
- **Lifeline WA:** \$4000 to support the Lights for Lifeline campaign and the training of new crisis support volunteers.
- **Equestrian WA Bushfire Relief Fund:** \$10,000 donated to the bushfire relief efforts in 2021.
- **Returned and Services League WA:** TAB agency donations, and Community TAB matching contributions to the ANZAC and Remembrance Day appeals, coming to a total of \$3081.
- **WA Fashions on the Field:** \$1700 for winners vouchers and charity donations.

Community Sport

- **Community TAB Sports Grants:** \$17,500 allocated to 12 metropolitan and regional sporting clubs.
- **SportWest Awards:** \$4500 for the Sponsor and the Official of the Year awards.



Image: Community TAB and HorsePower Australia

Corporate Social Responsibility



Image: Retired standardbred Rusty Rocket and HorsePower Australia

Racing Industry Support

- **Race Club Community Program:** each year Community TAB partners with race clubs to fundraise for local not-for-profit organisations at nominated race meetings. Community TAB matches funds raised on the day. In FY2021, Community TAB partnered with 21 race clubs, providing \$43,279 for local community groups.
- **Jockey Celebration Day:** \$2000 to the National Jockey's Trust.
- **Team Teal:** more than \$7000 raised by seven female Western Australian harness drivers, with Community TAB donating \$6000. Community TAB donated \$200 to the Women's Cancer Foundation every time one of the drivers won a race over a six-week period. The total number of wins came to 30.
- **Breast Cancer Research Centre WA:** with support from the harness racing community, Kiara Davies led a fundraising campaign and raised \$5585 through auctions, raffles and donations at the Ladies of Pacing event. Community TAB matched the sum, which brought the total to \$11,170.

- **Bushfire Volunteers WA:** when greyhound Tommy Shelby won the Group 1 TAB Australian Cup at The Meadows, \$15,500 of the prize money was donated to WA bushfire volunteers. Community TAB added \$4500, bringing the total to \$20,000.

Internal Engagement

- **Internal initiatives:** staff member Tom Buchanan rode 260km in the Run DIPG to raise funds and awareness for Diffuse Intrinsic Pontine Glioma. Community TAB provided \$1000 to support his ride.
- **Purple Bra Day:** \$1000 for Breast Cancer Care WA.
- **Dry July:** \$1000 raised for people affected by cancer.
- **RWWA Not-For-Profit Recognition Program:** \$6000 in donations was provided to charities nominated by RWWA employees.



People and Culture

During FY2021, RWWA continued to respond to the challenges presented by COVID-19. The situation has provided an opportunity to reframe the working arrangements for the organisation with a number of employees continuing to work from home during part of the week. RWWA also welcomed its first fully remote employees, who are based interstate.

Employee Experience

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

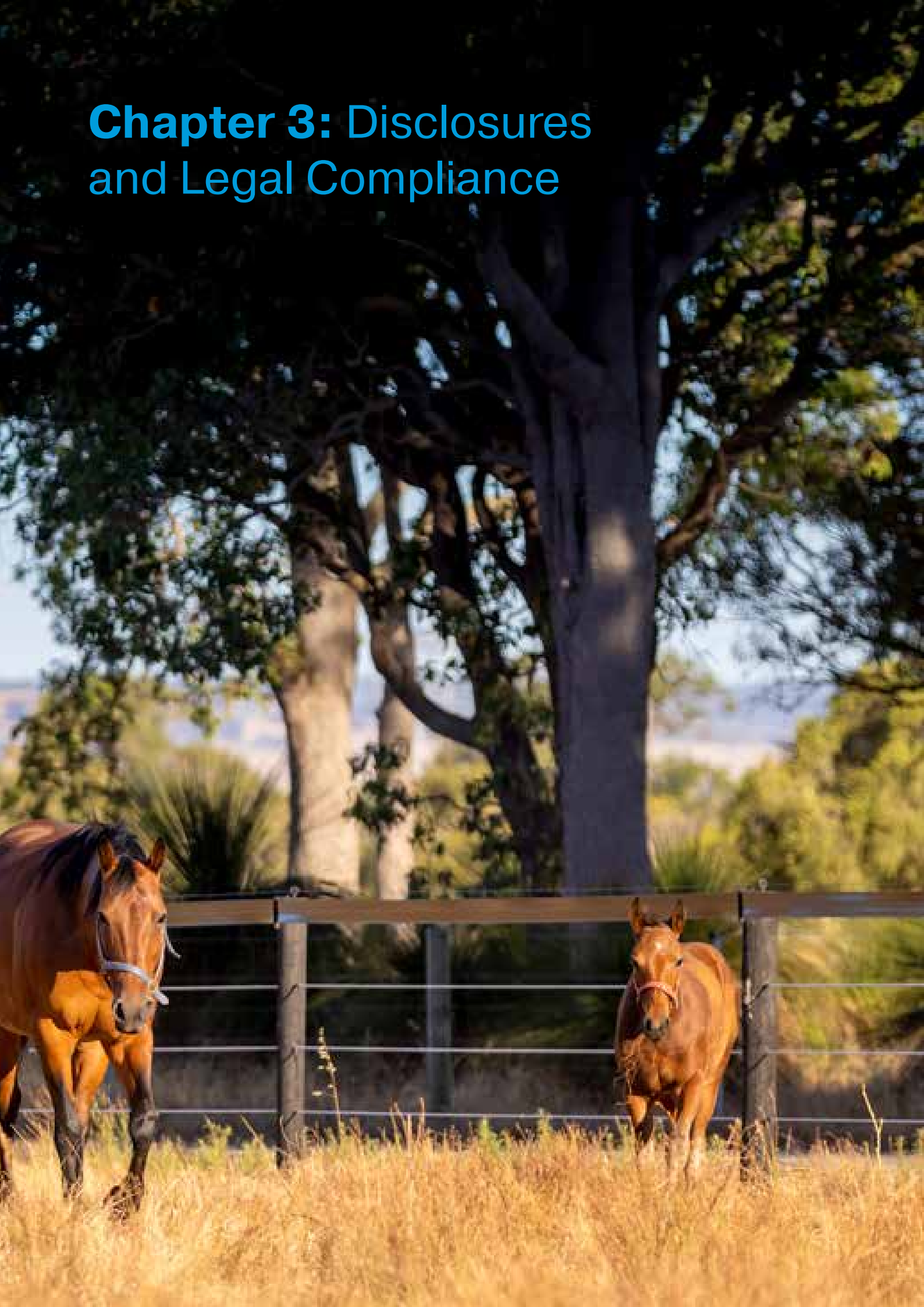
all employees needs or preferences were considered, which to date has been highly successful.

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



Image: RWWA Christmas party at Optus Stadium

Chapter 3: Disclosures and Legal Compliance



Opinion of the Auditor General



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Racing and Wagering Western Australia

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Racing and Wagering Western Australia which comprise:

- the Statement of Financial Position at 31 July 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Schedule of Income and Expenses by Service for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Racing and Wagering Western Australia for the year ended 31 July 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of Racing and Wagering Western Australia in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Opinion of the Auditor General

Responsibilities of the Board for the financial statements

The Board is responsible for:

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

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of Racing and Wagering Western Australia.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Basis for Qualified Opinion – Procurement

Controls over procurement were inadequate to ensure, in all instances, that sufficient quotes were obtained prior to the purchase of goods and services and that purchase orders were prepared and approved before goods and services were received. Furthermore, there were a number of instances where the requirements of Treasurer's Instruction (TI) 323 Timely Payment of Accounts were not complied with and where a review of a supplier's performance was not undertaken and documented prior to the extension of a contract. Although there have and continue to be improvements in the overall control framework over procurement during the year and since these matters were identified, weaknesses continue to exist and could result in the biased selection of contractors and unauthorised or inappropriate procurement occurring. Additionally, Racing and Wagering Western Australia is not, in all instances, complying with the requirements of its own purchasing and procurement policies.

Opinion of the Auditor General

Qualified Opinion

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

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

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the controls exercised by Racing and Wagering Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 July 2021.

The Board's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Opinion of the Auditor General

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Racing and Wagering Western Australia for the year ended 31 July 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Racing and Wagering Western Australia are relevant and appropriate to assist users to assess Racing and Wagering Western Australia's performance and fairly represent indicated performance for the year ended 31 July 2021.

The Board's responsibilities for the key performance indicators

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

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

Opinion of the Auditor General

My independence and quality control relating to the reports on controls and key performance indicators

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

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 31 July 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of Racing and Wagering Western Australia for the year ended 31 July 2021 included on Racing and Wagering Western Australia's website. Racing and Wagering Western Australia's management is responsible for the integrity of Racing and Wagering Western Australia's website. This audit does not provide assurance on the integrity of Racing and Wagering Western Australia's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



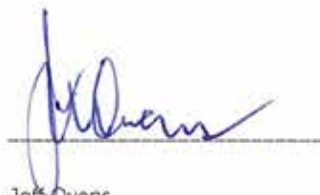
Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
19 October 2021

Certification of Financial Statements

For the year ended 31 July 2021

The accompanying financial statements of Racing and Wagering Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 July 2021 and the financial position as at 31 July 2021.

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



Jeff Ovens
Chair RWWA Board
15 October 2021



Anthony Hasluck
Deputy Chair RWWA Board
15 October 2021



Amanda Cox
Chief Financial and People Officer
15 October 2021

Statement of Comprehensive Income

For the year ended 31 July 2021

Income	Notes	2021 \$000	2020 \$000
Revenue			
WATAB Margin	2.1	373,734	310,233
Other revenue	2.4	22,800	20,794
Interest revenue		1,178	1,410
Total Revenue		397,712	332,437
Gains			
Gains on disposal of non-current assets	6.5	1,231	198
Total Gains		1,231	198
Total Income		398,943	332,635
Expenses			
Expenses			
Cost of sales	4.1	104,207	91,459
Wagering tax	4.2	52,452	41,880
Racing services	4.3	29,048	28,007
Wagering services	4.3	90,990	77,456
Support services	4.3	28,819	28,213
Grants and subsidies to racing	3.2	16,855	15,936
Distributions to racing and sports	3.1	159,016	147,989
Total Expenses		481,387	430,940
Loss before income from State Government		(82,444)	(98,305)
WA Racefields income	2.2	118,924	93,176
Betting tax income	2.3	35,040	24,609
Other Income from State Government	2.2	-	2
Profit for the period		71,520	19,482
Other Comprehensive Income/(Losses)			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	251	(923)
Changes in fair value of financial assets	8.8	6	(129)
Total other comprehensive income/(Losses)		257	(1,052)
Total Comprehensive Income for the period		71,777	18,430

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

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

Statement of Financial Position

As at 31 July 2021

Assets	Notes	2021 \$000	2020 \$000
Current Assets			
Cash and cash equivalents	7.3	170,068	96,993
Other financial assets	7.2	19,655	20,000
Inventories	6.9	662	787
Receivables	6.10	8,087	6,485
Other current assets	6.11	5,876	4,913
Non-current assets classified as held for sale	6.4	-	770
Total Current Assets		204,348	129,948
Non-Current Assets			
Other financial assets	7.2	1,642	1,636
Other non-current assets	6.11	452	12
Property, plant and equipment	6.1	35,456	39,345
Right-of-use assets	6.2	15,535	11,058
Capital works in progress	6.7	16,058	2,969
Intangible assets	6.6	13,521	16,608
Total Non-Current Assets		82,664	71,628
Total Assets		287,012	201,576
Liabilities			
Current Liabilities			
Payables	6.12	55,841	48,274
Lease liabilities	6.13	4,462	3,964
Provisions	5.1	8,420	8,275
Total Current Liabilities		68,723	60,513
Non-Current Liabilities			
Payables	6.12	1,120	1,120
Lease liabilities	6.13	10,849	7,324
Provisions	5.1	3,182	1,258
Total Non-Current Liabilities		15,151	9,702
Total Liabilities		83,874	70,215
Net Assets		203,138	131,361
Equity			
Contributed equity	8.8	69,193	69,193
Reserves	8.8	133,945	62,168
Total Equity		203,138	131,361

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

Statement of Changes in Equity

For the year ended 31 July 2021

	Note	Contributed Equity \$'000	General Reserves \$'000	Asset Revaluation Reserves \$'000	Financial Asset Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 August 2019		69,193	25,783	16,915	1,040	-	112,931
Surplus	8.8	-	-	-	-	19,482	19,482
Other comprehensive losses	8.8	-	-	(923)	(129)	-	(1,052)
Total comprehensive income/(loss) for the year		-	-	(923)	(129)	19,482	18,430
Transactions with owners in their capacity as owners:							
Other contributions by owners	8.8	-	19,482	-	-	-	-
Transfers between reserves		-	19,482	-	-	(19,482)	-
Total		-	19,482	-	-	(19,482)	-
Balance at 31 July 2020		69,193	45,265	15,992	911	-	131,361
Balance at 1 August 2020		69,193	45,265	15,992	911	-	131,361
Surplus	8.8	-	-	-	-	71,520	71,520
Other comprehensive income/(loss)	8.8	-	-	251	6	-	257
Total comprehensive income/(loss) for the year		-	-	251	6	71,520	71,777
Transactions with owners in their capacity as owners:							
Other contributions by owners	8.8	-	-	-	-	-	-
Transfers between reserves		-	71,520	-	-	(71,520)	-
Total		-	71,520	-	-	(71,520)	-
Balance at 31 July 2021		69,193	116,785	16,243	917	-	203,138

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

Statement of Cash Flows

For the year ended 31 July 2021

Cash Flows from Operating Activities	Notes	2021 \$000	2020 \$000
Receipts			
Receipts from customers		2,314,118	1,898,473
GST receipts on sales		45,596	38,786
Other receipts		15,568	12,796
Interest received		1,178	1,410
Payments			
Customers		(1,926,475)	(1,581,976)
Creditors		(237,993)	(197,805)
Employee benefits		(39,458)	(39,488)
Distributions, grants and subsidies		(175,870)	(163,926)
Interest paid		(0)	(5)
GST payments on purchases		(21,438)	(17,963)
GST payments to taxation authority		(25,074)	(20,160)
Other payments		(12,436)	(5,931)
Net cash used in operating activities	7.3	(62,284)	(75,789)
Cash Flows from Investing Activities			
Receipts			
Proceeds from sales of non-current assets		2,410	3,495
Payments			
Purchase of non-current physical assets		(16,465)	(7,088)
Payments for investments in unit trusts			(10,000)
Net cash used in investing activities		(14,055)	(13,593)
Cash Flows from Financing Activities			
Payments			
Principal elements of lease payments		(4,550)	(4,140)
Net cash used in investing activities		(4,550)	(4,140)
Cash Flows from State Government			
WA Racefields income		118,924	93,176
Betting tax income		35,040	24,609
Other Income from State Government		-	(0)
Stamp duty recoupment		-	-
Net cash provided by State Government		153,964	117,785
Net increase/(decrease) in cash and cash equivalents		73,075	24,263
Cash and cash equivalents at the beginning of period		96,993	72,730
Cash and cash equivalents at the end of period	7.3	170,068	96,993

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

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Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

1 About this report

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

1.1 Basis of preparation

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

These annual financial statements were authorised for issue by the Board of RWWA on 15th October 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

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

Basis of preparation

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

1.2 Significant accounting policies

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

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

Goods and Services Tax (GST)

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

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

1.2 Significant accounting policies continued

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

Comparative Figures

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

1.3 Critical estimates and judgements

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

	Section
Long service leave	5.1
Property, plant and equipment	6.1
Impairment	6.8

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

1.4 Future impact of Australian Accounting Standards not yet operative

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

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

Title	Operative for reporting periods beginning on/after
<p><i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments</i></p> <p>This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.</p> <p>There is no financial impact.</p>	1-Jan-22
<p><i>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i></p> <p>This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.</p> <p>There is no financial impact.</p>	1-Jan-22
<p><i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>There is no financial impact.</p>	1-Jan-23
<p><i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>There is no financial impact.</p>	1-Jan-23

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

1.5 Initial application of Accounting Standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements for Grantor applies to annual reporting periods on or after 1 January 2020. The Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. The timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

An arrangement within the scope of this Standard typically involves an operator constructing the assets used to provide the public service or upgrading the assets (for example, by increasing their capacity) and operating and maintaining the assets for a specified period. Such arrangements are often described as build-operate-transfer or rehabilitate-operate-transfer service concession arrangements or public-private partnerships (PPPs). A service concession arrangement can also involve an existing asset of the grantor or the operator which the operator has the right of access to provide public services on behalf of the grantor. AASB 1059 applies to concession arrangements where the operator:

- a) provides public services related to a service concession asset on behalf of a grantor, and
- b) manages at least some of those services under its own discretion, rather than at the direction of the grantor the grantor.

For applicable arrangements, the Standard requires the grantor to recognise a service concession asset (e.g., infrastructure, previously unrecognised intangible asset) and, in most cases, a service concession liability. Examples of service concession assets include roads, bridges, tunnels, prisons, hospitals, airports, seaports, and water distribution facilities.

The following arrangements are explicitly excluded from the scope of the standard:

- a) arrangements that do not deliver a public service (e.g. assets used for commercial purposes),
- b) arrangements where the operator does not provide and manage at least some of the public services under its own discretion, and
- c) arrangements that involve service and management components where the asset is not controlled by the grantor.

RWWA does not have any service concession arrangements that is within the scope of the standard.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

1.5 Initial application of Accounting Standards continued

(a) AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

The amendments to AASB 101 and AASB 108 provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to RWWA.

(b) AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the AASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of RWWA.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

2 How RWWA is funded

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

2.1 WATAB Margin

Margin on Turnover inclusive of GST
Goods and Services Tax

2021	2020
\$000	\$000
405,199	335,321
(31,465)	(25,088)
373,734	310,233

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

Accounting policy

Margin revenue recognition

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

Revenue is recognised at the transaction price when RWWA transfers control of the services to customers.

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

2.2 Income from State Government

WA Racefields income ^(a)

Other income from State Government ^(b)

2021 \$000	2020 \$000
118,924	93,176
-	2
118,924	93,178

(a) Income from State Government include \$118.9M (2020: \$93.2M) in revenue received from the Gaming and Wagering Commission WA, from national and international wagering operators betting on Western Australian racing product. Generated from RWWA's commercial activity, this revenue would otherwise be paid directly to RWWA by the wagering operators for distribution to WA race clubs, however, it is treated as income from government to be consistent with Section 110B.(5) of the Gaming and Wagering Commission Act 1987, and Section 107A of the Racing and Wagering Western Australia Act 2003.

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

Accounting policy

Income from State Government

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

2.3 Betting tax income

Betting tax income

2021 \$000	2020 \$000
35,040	24,609
35,040	24,609

Accounting policy

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

2.4 Other Revenue

Other revenue ^(a)

Unclaimed dividends (Racing) ^(b)

2021 \$000	2020 \$000
17,185	14,240
5,615	6,554
22,800	20,794

Accounting policy

(a) Other revenue

Other revenue is recognised at the transaction price when RWWA transfers control of the services to customers.

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

(b) Unclaimed dividends (Racing)

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

3 Industry funding

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

	2021 \$000	2020 \$000
3.1 Distributions to Racing and Sports		
Thoroughbreds	99,641	92,830
Harness	34,594	33,574
Greyhounds ^(a)	24,387	21,076
Sports ^(b)	394	510
	159,016	147,989

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

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

	2021 \$000	2020 \$000
3.2 Grants and Subsidies to racing		
Grants ^(a)	4,333	4,194
Other subsidies ^(a)	12,522	11,634
Royalties for Regions	-	108
	16,855	15,936

(a) Included in Grants and Other Subsidies is a total amount of \$796,829 (2020: \$687,794) paid to the Western Australian Greyhound Racing Association, a related party of RWWA.

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

Notes to and Forming Part of the Financial Statements

For the year ending 31 July 2021

4 Expenditure

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

	2021 \$000	2020 \$000
4.1 Cost of Sales		
Cost of Sales mainly include pooling fees, product fees and rebates on wagering activities.	104,207	91,459
	104,207	91,459

	2021 \$000	2020 \$000
4.2 Wagering Tax		
Betting Tax Point of Consumption (POC) Tax - WA ^(a)	51,497	41,205
Point of Consumption (POC) Tax - Other	955	675
	52,452	41,880

(a) Betting Tax (WA) is payable at the rate of 15% of taxable betting revenue under the Betting Tax Act 2018.

	2021 \$000	2020 \$000
4.3 Racing, Wagering and Support Services		
Employee Benefit Expense ^(a)	39,861	40,490
Depreciation and Amortisation Expense	14,991	16,912
Finance Costs	588	306
Supplies and Services	40,464	31,535
Advertising and Promotions	34,694	28,210
Communications	3,838	4,571
Accommodation	2,302	2,123
Unrealised Loss on Investments	345	-
Other Expenses ^(b)	11,775	9,529
	148,858	133,676

(a) An amount of \$4,866,703 (2020: \$3,067,340) was paid to Government Employees Superannuation Board, a related party of RWWA.

(b) An amount of \$2,873,532 (2020: \$2,753,431) was paid to Insurance Commission and Riskcover Fund, a related party of RWWA.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

5 Employee benefits & Other Provisions

This section provides information on employee benefits, entitlements and other provisions.

	2021 \$000	2020 \$000
5.1 Provisions		
Current		
Employee benefits provision		
Annual Leave ^(a)	3,768	3,433
Long Service Leave ^(b)	3,840	4,346
	7,608	7,779
Other provisions		
Employment on-costs ^(c)	479	495
Make good provision	333	-
	812	495
	8,420	8,275
Non-Current		
Employee benefits provision		
Long Service Leave ^(b)	1,741	1,183
	1,741	1,183
Other provisions		
Employment on-costs ^(c)	109	75
Make good provision	1,332	-
	1,441	75
	3,182	1,258

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

Within 12 months of the end of the reporting period	2,917	2,656
More than 12 months after the end of the reporting period	851	777
	3,768	3,433

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

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

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

Within 12 months of the end of the reporting period	1,194	1,183
More than 12 months after the end of the reporting period	4,387	4,346
	5,581	5,529

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

5.1 Provisions continued

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

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

	2021 \$000	2020 \$000
Employment on-cost provision		
Carrying amount at start of period	570	478
Additional provisions recognised	2,576	2,702
Payments/other sacrifices of economic benefits	(2,559)	(2,610)
Carrying amount at end of period	587	570
Make good provision		
Carrying amount at start of period	-	-
Additional provisions recognised	1,727	-
Payments/other sacrifices of economic benefits	(62)	-
Carrying amount at end of period	1,665	-

Accounting policy

Provisions - Employee Benefits

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

Annual Leave

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

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

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

Long Service Leave

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

5.1 Provisions continued

Employment on-costs

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

Critical accounting estimates and judgements: Long service leave

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

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

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

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

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

Make Good

The provision represents the present value of the estimated costs to make good the premises leased by RWWA at the end of the respective lease terms. These costs are capitalised as part of right-of-use assets and are amortised over the lease term. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

5.2 Compensation of Key Management Personnel

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

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

Compensation of members of the accountable authority		2021	2020
Compensation Band (\$)			
20,001 - 30,000	(a)	1	-
30,001 - 40,000		1	-
50,001 - 60,000		1	7
60,001 - 70,000		5	-
100,001 - 110,000		-	1
110,001 - 120,000		1	-
		\$000	\$000
Short term employee benefits		510	464
Post employment benefits		44	43
Other long term benefits		-	-
Termination benefits		-	-
Total compensation of members of the accountable authority		554	507
Compensation of senior officers		2021	2020
Compensation Band (\$)			
40,001 - 50,000	(a)	1	-
230,001 - 240,000		1	-
280,001 - 290,000		-	1
290,001 - 300,000		-	1
300,001 - 310,000		-	1
310,001 - 320,000		-	1
320,001 - 330,000		-	1
330,001 - 340,000		3	-
440,001 - 450,000		2	1
530,001 - 540,000		1	-
750,001 - 760,000		-	1
		\$000	\$000
Short term employee benefits		2,301	2,238
Post employment benefits		197	224
Other long term benefits		215	248
Termination benefits		-	-
Total compensation of senior officers		2,713	2,710

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6 Operating assets and liabilities

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

	2021 \$000	2020 \$000
6.1 Property, plant & equipment		
<u>Freehold Land</u>		
At fair value	18,993	18,904
Accumulated impairment losses	-	-
	18,993	18,904
<u>Buildings</u>		
At fair value	11,092	11,357
Accumulated depreciation	(7)	(4)
	11,085	11,353
<u>Leasehold Improvements</u>		
At cost	6,714	6,714
Accumulated depreciation	(6,462)	(6,317)
	252	396
<u>Infrastructure</u>		
At cost	5,321	5,321
Accumulated depreciation	(4,967)	(4,887)
	354	433
<u>Machinery, Plant & Equipment</u>		
At cost	5,318	5,318
Accumulated depreciation	(5,053)	(4,888)
	265	430
<u>Computer Equipment</u>		
At cost	45,439	44,564
Accumulated depreciation	(41,277)	(37,774)
	4,162	6,790
<u>Furniture and Fittings</u>		
At cost	3,518	3,518
Accumulated depreciation	(3,276)	(3,140)
	242	378
<u>Motor Vehicles</u>		
At cost	692	1,990
Accumulated depreciation	(589)	(1,329)
	103	661
	35,456	39,345

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.1 Property, plant & equipment continued

Freehold land and buildings were revalued as at 1 July 2020 by the Western Australian Land Information Authority. The valuations were performed during the year ended 31 July 2021 and recognised at 31 July 2021. The fair value of all land and buildings has been determined by reference to recent market transactions. In undertaking the revaluation, fair value was determined by reference to market values for land: \$15,618,000 (2020: \$15,529,000); current use of land \$3,375,000 (2020: \$3,375,000); market value of buildings \$5,108,000 (2020: \$5,211,000); current use of buildings \$5,977,355 (2020: \$6,142,000).

Information on fair value measurement is provided in Note 6.3.

Accounting policy

Capitalisation/expensing of assets

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

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.1 Property, plant & equipment continued

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

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

Derecognition

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

Asset Revaluation Reserve

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

Depreciation

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

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

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

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

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

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

Land is not depreciated.

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

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

	Freehold Land \$000	Buildings \$000	Leasehold Improvements \$000	Infrastructure \$000	Machinery, Plant and Equipment \$000	Computer Equipment \$000	Furniture and Fittings \$000	Motor Vehicles \$000	Intangible Assets \$000	Capital WIP \$000	Total \$000
2021											
Carrying amount at start of period	18,904	11,353	395	434	430	6,790	378	661	16,608	2,969	58,923
Additions	-	-	-	-	-	-	-	-	-	16,465	16,465
Transfer to/(from) work in progress	-	-	-	-	-	876	-	-	2,498	(3,374)	0
Disposals	-	-	-	-	-	-	-	(410)	-	-	(410)
Classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/ (decrements)	89	162	-	-	-	-	-	-	-	-	251
Depreciation	-	(431)	(144)	(80)	(164)	(3,504)	(135)	(148)	(5,586)	-	(10,191)
Carrying amount at end of period	18,993	11,085	252	354	265	4,162	242	103	13,520	16,060	65,038
2020											
Carrying amount at start of period	19,422	11,012	450	417	539	11,648	538	951	19,321	2,026	66,324
Additions	-	-	-	-	-	-	-	-	-	7,088	7,088
Transfer ^(a) to/(from) work in progress	-	-	-	-	-	-	-	-	-	-	-
Disposals	961	1,070	100	105	218	716	-	62	2,913	(6,145)	-
Classified as held for sale	-	11	-	-	-	-	-	(10)	-	-	1
Impairment	(650)	(120)	-	-	-	-	-	-	-	-	(770)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	(252)	-	(252)
Depreciation	(829)	(95)	(155)	(88)	(327)	(5,574)	(160)	(342)	(5,374)	-	(924)
Carrying amount at end of period	18,904	11,353	395	434	430	6,790	378	661	16,608	2,969	58,923

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.2 Right-of-Use assets

	Buildings \$000	Motor Vehicles \$000	Total \$000
At 1 August 2019			
Gross carrying amount	12,017	-	12,017
Accumulated depreciation	-	-	-
Accumulated impairment loss	-	-	-
Carrying amount at start of period	12,017	-	12,017
Additions	3,409	-	3,409
Reassessments	-	-	-
Correction of prior year error	-	-	-
Depreciation	(4,368)	-	(4,368)
Carrying amount at 31 July 2020	11,058	-	11,058
Gross carrying amount	15,426	-	15,426
Accumulated depreciation	(4,368)	-	(4,368)
Accumulated impairment loss	-	-	-
At 1 August 2020			
Gross carrying amount	15,426	-	15,426
Accumulated depreciation	(4,368)	-	(4,368)
Accumulated impairment loss	-	-	-
Carrying amount at start of period	11,058	-	11,058
Additions	2,088	748	2,836
Reassessments	6,440	-	6,440
Depreciation	(4,682)	(117)	(4,799)
Carrying amount at 31 July 2021	14,904	631	15,535
Gross carrying amount	23,739	748	24,487
Accumulated depreciation	(8,835)	(117)	(8,952)
Accumulated impairment loss	-	-	-

Initial recognition

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

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

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

Subsequent measurement

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

Depreciation and impairment of right-of-use assets

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.2 Right-of-Use assets continued

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

	2021 \$000	2020 \$000
Depreciation expense of right-of-use assets	4,799	4,368
Lease interest expense	518	301
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	66	-
Low-value leases	5	-
Gains or losses arising from sale and leaseback transactions	39	-
Total amount recognised in the Statement of Comprehensive Income	5,427	4,669

The total cash outflow for leases in 2021 was \$4,550,478 (2020:\$4,140,000).

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

RWWA has leases for retail accommodations and motor vehicles.

RWWA recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.3 Fair Value Measurements

Assets measured at fair value:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
2021				
Non-Current assets classified as held for sale (Note 6.4)	-	-	-	-
Land (Note 6.1)	-	15,618	3,375	18,993
Buildings (Note 6.1)	-	5,108	5,977	11,085
	-	20,726	9,352	30,078
2020				
Non-Current assets classified as held for sale (Note 6.4)	-	770	-	770
Land (Note 6.1)	-	15,529	3,375	18,904
Buildings (Note 6.1)	-	5,211	6,142	11,353
	-	21,510	9,517	31,027

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

Valuation techniques to derive Level 2 fair values

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

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

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$000	Buildings \$000
2021		
Fair value at start of period	3,375	6,142
Additions	-	-
Revaluation increments recognised in Other Comprehensive Income	-	106
Depreciation Expense	-	(271)
Fair value at end of period	3,375	5,977
2020		
Fair value at start of period	3,545	6,482
Revaluation decrements recognised in Other Comprehensive Income	(170)	(61)
Depreciation Expense	-	(279)
Fair value at end of period	3,375	6,142

There were no changes in valuation techniques during the period.

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.3 Fair Value Measurements continued

Valuation Processes

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

Land (Level 3 fair values)

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

Buildings (Level 3 fair values)

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

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

Basis of Valuation

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

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

Consumed economic benefit/obsolescence of asset

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

Selection of land with restricted utility

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.3 Fair Value Measurements continued

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

Description and fair value as at 31 July 2021	Description and fair value as at 31 July 2020	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Land \$3,375,000	Land \$3,375,000	Current Replacement Cost Method	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings \$5,977,355	Buildings \$6,142,000	Current Replacement Cost Method	Consumed economic benefit/obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.4 Non-current assets classified as held for sale

Opening balance

Freehold land
Buildings

2021 \$000	2020 \$000
650	2,737
120	560
770	3,297

Assets reclassified as held for sale

Freehold land
Buildings

-	650
-	120
-	770

Revaluation decrement

Freehold land
Buildings

-	-
-	-
-	-

Total assets classified as held for sale

Freehold land
Buildings

650	3,387
120	680
770	4,067

Less assets sold

Freehold land
Buildings

650	2,737
120	560
770	3,297

Closing balance

Freehold land
Buildings

-	650
-	120
-	770

Accounting policy

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

6.5 Net gain on disposal of non-current assets

Proceeds from disposal
Carrying amount of disposal
Net gain

2021 \$000	2020 \$000
2,410	3,495
(1,179)	(3,297)
1,231	198

Accounting policy

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.6 Intangible Assets

Computer Software

At cost

Accumulated amortisation

2021	2020
\$000	\$000
73,832	71,334
(60,311)	(54,726)
13,521	16,608

Domain Names

At cost

Accumulated amortisation

25	25
(25)	(25)
-	-
13,521	16,608

Accounting policy

Capitalisation/expensing of assets

Acquisitions and internally generated intangible assets costing over \$20,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life.

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

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

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

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

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

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

Computer Software

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

Web Site Costs

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

Domain Names

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.7 Capital Works In Progress

TAB Terminals and Racewall Upgrade
Software Upgrades
Computer Equipment
Other

2021 \$000	2020 \$000
7,522	112
6,618	2,376
-	160
1,918	321
16,058	2,969

6.8 Impairment of Assets

As at 31 July 2021 RWWA had no impairment of intangible assets (2020 : \$252,000). All intangible assets impaired in 2020 relate to inhouse developed software deemed no longer to be in use.

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

Accounting policy

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

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

6.9 Inventories

Current

Inventories not held for resale:

At Cost

Tickets

Agency Spares and Consumables

2021	2020
\$000	\$000
522	610
140	177
662	787

Accounting policy

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

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

6.10 Receivables

Current

Trade Receivables

Accrued Revenue

Other Debtors

Allowance for impairment of receivables

2021	2020
\$000	\$000
1,227	1,033
113	49
6,816	5,463
(69)	(60)
8,087	6,485

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period

Doubtful debts expense

Expected credit losses expense

Amounts written off during the period

Balance at end of period

60	63
-	-
9	4
(1)	(8)
69	60

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

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

Accounting policy

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

	2021 \$000	2020 \$000
6.11 Other Assets		
Current		
Prepayments	5,876	4,913
	5,876	4,913
Non-Current		
Prepayments	452	12
	452	12

Accounting policy

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

	2021 \$000	2020 \$000
6.12 Payables		
Current		
Trade Payables	1,934	1,454
Unclaimed Dividends and Refunds	4,228	3,217
TAB Payables and Account Betting Deposits	28,487	21,203
Other Payables	7,269	8,321
GST Payable	1,781	2,696
Accrued Expenses	12,142	11,383
	55,841	48,274
Non-Current		
Agents deposits and property bonds	1,120	1,120
	1,120	1,120

Accounting policy

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

	2021 \$000	2020 \$000
6.13 Lease liabilities		
Current	4,462	3,964
Non-Current	10,849	7,324
Total lease liabilities	15,311	11,288

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

Lease payments included by RWWA as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;

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

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

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Agency in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with Note 6.2

Subsequent Measurement

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7 Capital and financial risk management

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

7.1 Financial Instruments

(a) Financial Risk Management objectives and policies

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

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

Credit Risk

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

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

Liquidity Risk

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

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and unit trust prices will affect RWWA's income or the value of its holdings of financial instruments.

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.1 Financial Instruments continued

(b) Categories of Financial Instruments

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

	2021 \$000	2020 \$000
Financial Assets		
Cash and cash equivalents	170,068	96,993
Financial Assets at fair value through Profit or loss	19,655	20,000
Financial assets at amortised cost ^(a)	8,087	6,485
Financial asset at fair value through OCI	1,642	1,636
	199,452	125,114
Financial Liabilities		
Financial liabilities at amortised cost ^(a)	70,491	57,985
	70,491	57,985

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

(c) Credit risk exposure

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

	Total \$000	Days past due			
		Current \$000	31-60 days \$000	61-90 days \$000	>91 days \$000
2021					
Expected credit loss rate		0%	0%	0%	21%
Estimated total gross carrying amount at default	1,227	550	211	137	329
Expected credit losses	(69)	-	-	-	(69)
2020					
Expected credit loss rate		0%	0%	0%	21%
Estimated total gross carrying amount at default	1,033	550	149	47	287
Expected credit losses	(60)	-	-	-	(60)

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.1 Financial Instruments continued

(d) Liquidity Risk and Interest Rate Exposure

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

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

	Weighted Average Effective Interest Rate %	Interest Rate Exposure				Nominal Amount \$000	Maturity Dates					
		Fixed Interest Rate \$000	Variable Interest Rate \$000	Non Interest Bearing \$000	Up to 1 month \$000		1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000		
											Carrying Amount \$000	
2021												
Financial Assets												
Cash and cash equivalents	0.29%	170,068	-	168,984	1,083	170,068	145,038	25,030	-	-	-	-
Other financial assets		21,297	-	-	21,297	21,297	19,655	-	-	-	-	1,642
Receivables (a)		8,087	-	-	8,087	8,087	8,087	-	-	-	-	-
		199,452	-	168,984	30,468	199,452	172,780	25,030	-	-	-	1,642
Financial Liabilities												
Payables (a)		54,060	-	-	54,060	54,060	53,919	142	-	-	-	-
Lease Liabilities		15,311	15,311	-	-	15,311	-	-	686	8,529	6,096	-
Agent Deposits and property bonds	0.07%	1,120	-	1,120	-	1,120	-	-	-	-	-	1,120
		70,491	15,311	1,120	54,060	70,491	53,919	142	686	8,529	7,216	-
2020												
Financial Assets												
Cash and cash equivalents	0.68%	96,993	70,756	25,000	1,237	96,993	66,993	25,000	5,000	-	-	-
Other financial assets		21,636	-	-	21,636	21,636	20,000	-	-	-	-	1,636
Receivables (a)		6,485	-	-	6,485	6,485	6,485	-	-	-	-	-
		125,114	70,756	25,000	29,358	125,114	93,478	25,000	5,000	-	-	1,636
Financial Liabilities												
Payables (a)		45,578	-	-	45,578	45,578	45,502	70	6	-	-	-
Lease Liabilities		11,288	11,288	-	-	11,288	12	16	336	10,740	184	-
Agent Deposits and property bonds	0.20%	1,120	-	1,120	-	1,120	-	-	-	-	-	1,120
		57,985	11,288	1,120	45,578	57,985	45,514	86	342	10,740	1,304	-

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.1 Financial Instruments continued

Interest rate sensitivity analysis

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

		-100 basis points		+100 basis points	
	Carrying amount \$000	Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2021					
Financial Assets					
Cash and cash equivalents ^(a)	168,984	(1,690)	(1,690)	1,690	1,690
Financial Liabilities					
Agent Deposits and property bonds	1,120	(11)	(11)	11	11
Total Increase/(Decrease)		(1,701)	(1,701)	1,701	1,701
2020					
Financial Assets					
Cash and cash equivalents ^(a)	25,000	(250)	(250)	250	250
Financial Liabilities					
Agent Deposits and property bonds	1,120	(11)	(11)	11	11
Total Increase/(Decrease)		(261)	(261)	261	261

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

Price Sensitivity Analysis

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

	Carrying amount \$000	+5% change \$000	-5% change \$000
2021			
Financial Assets			
Investment in unit trusts	19,655	983	(983)
2020			
Financial Assets			
Investment in unit trusts	20,000	1,000	(1,000)

Fair Values

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.2 Other Financial Assets

Current

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

2021 \$000	2020 \$000
19,655	20,000
19,655	20,000

Non-Current

Unlisted shares at fair value through other comprehensive income

1,642	1,636
1,642	1,636

Valuation of Investments

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

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

Fixed interest unit trust

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

Unlisted shares

Unlisted shares are priced based on share in net assets.

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

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

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

Recurring fair value measurements

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2021				
Fixed interest unit trusts	-	19,655	-	19,655
Unlisted shares			1,642	1,642
2020				
Fixed interest unit trusts	-	20,000	-	20,000
Unlisted shares			1,636	1,636

There were no significant transfers between Level 1, 2 or 3 during 2021.

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.3 Notes to the Statement of Cash Flows

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

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

Reconciliation of cash

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

	2021 \$000	2020 \$000
Cash and cash equivalents		
Cash at bank	144,979	66,909
Cash on hand	59	54
Short-term deposits	25,030	30,030
	170,068	96,993
Reconciliation of profit to net cash flows provided by/(used in) operating activities		
Profit/(Loss) for the period	71,520	19,482
Non cash items:		
Depreciation, amortisation and lease expense	15,541	12,544
Net gain on sale of property, plant and equipment	(1,231)	(198)
Impairment	413	252
Unrealised Loss on Investments	345	-
Income from State Government	(118,924)	(93,178)
Betting tax income	(35,040)	(24,609)
(Increase)/decrease in assets:		
Receivables / Accrued Income	(1,601)	(1,307)
Current inventories	126	54
Prepayments	(1,403)	68
(Increase)/decrease in liabilities:		
Trade creditors ^(a)	6,712	5,938
Other creditors	1,770	3,499
Annual leave and long service leave provisions	386	909
Other current provisions	17	93
Change in GST Receivables/Payables ^(b)	(916)	664
Net cash used in operating activities	(62,284)	(75,789)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable payment in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This reverses out the GST in receivables and payables.

Accounting policy

Cash and cash equivalents

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

7.4 Commitments

Commitments are inclusive of GST

Capital Commitments

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

	2021 \$000	2020 \$000
Within one year	1,664	377
	1,664	377
The capital commitments include amounts for:		
Racing Infrastructure	261	6
Motor Vehicles	-	79
Racewalls rollout	961	36
IT systems	442	256
	1,664	377

Other Expenditure Commitments

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

	2021 \$000	2020 \$000
Within one year	15,592	11,159
Later than one year but not later than five years	-	-
	15,592	11,159

7.5 Contingent liabilities/(assets)

	2021 \$000	2020 \$000
Contract performance guarantees exist over future rental payments on TAB Agencies	30	30
Approximate amount payable to (receivable from) Riskcover in future years for performance adjustment in prior years Workers Compensation insurance premiums	448	544

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

8 Other disclosures

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

8.1 Remuneration of Auditor

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

	2021 \$000	2020 \$000
Auditing the accounts, financial statements and Key Performance Indicators	151	152
	151	152

8.2 Related Party Transactions

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

Related parties of RWWA include:

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

Significant transactions with government related entities:

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

Material transactions with other related parties

- Superannuation payments to GESB (Note 4.3)

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

8.3 Related Bodies

At year end RWWA did not have any related bodies.

8.4 Affiliated Bodies

Western Australian Greyhound Racing Association (WAGRA) is a government affiliated body that received distributions of \$24,387,147 (2020 \$21,076,126) and grants and subsidies of \$796,829 (2020 \$687,794) from RWWA. WAGRA is not subject to operational control by RWWA.

8.5 Supplementary Financial Information Write-offs

(a) Write-offs

During the financial year, \$808 (2020 \$8,000) was written off RWWA's Receivables under the authority of:

The accountable authority

2021 \$000	2020 \$000
(1)	(8)
(1)	(8)

(b) Losses through theft, defaults and other causes

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

-	-
-	-
-	-

(c) Gifts of public property

Gifts of public property provided by the Agency

-	-
-	-

8.6 Events occurring after the end of the reporting period

On 12th October 2021, the Minister for Racing and Gaming announced the recommencement of the sale of the WA TAB under a new market process, with an invitation for Expressions of Interest. Since the process was first initiated, changes in market conditions have necessitated the need to re-evaluate the most effective model to ensure the Western Australian racing industry's ongoing revenue streams.

8.7 Special purpose accounts

Monies held on trust for apprentice jockeys

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

	2021 \$000	2020 \$000
Balance at start of period	238	461
Receipts	642	395
Payments	(140)	(618)
Balance at end of period	740	238

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

8.8 Equity

Contributed Equity:

Balance at the start of the period
Contributions
Distributions
Balance at the end of the period

2021 \$000	2020 \$000
69,193	69,193
-	-
-	-
69,193	69,193

Reserves

General reserve:

Balance at the start of the period
Transfer from Retained Earnings
Balance at the end of the period

45,265	25,783
71,520	19,482
116,785	45,265

Asset revaluation reserve:

Balance at the start of the period
Net revaluation increments/(decrements):
Land
Buildings
Balance at the end of the period

15,992	16,915
89	(828)
162	(95)
16,243	15,992

Financial assets revaluation reserve:

Balance at the start of the period
Net revaluation increments/(decrements):
Financial Assets
Balance at the end of the period

911	1,040
6	(129)
917	911

Balance of reserves at end of the period

133,945	62,168
----------------	---------------

Retained earnings:

Balance at the start of the period
Result for the period
Transfer to General Reserve
Balance at the end of the period

-	-
71,520	19,482
(71,520)	(19,482)
-	-

General reserve

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

Accounting policy

Contributed Equity

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

8.9 Schedule of Income and Expense by Service

	Racing			Wagering			Unallocated			Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME											
Revenue											
Margin	-	-	373,734	310,233	-	-	-	-	373,734	310,233	
Other revenue	13,324	11,046	9,476	9,707	0	41	1,178	1,410	22,800	20,794	
Interest revenue	-	-	-	-	-	-	-	-	-	-	
Gain on disposal of non-current assets	-	-	-	-	-	-	1,231	198	1,231	1,410	
Total Income	13,324	11,046	383,210	319,940	2,409	1,649	398,943	332,635			
EXPENSES											
Costs of sales	-	-	104,207	91,459	-	-	-	-	104,207	91,459	
Wagering Tax	-	-	52,452	41,880	-	-	-	-	52,452	41,880	
Racing Services	29,048	28,007	-	-	-	-	-	-	29,048	28,007	
Wagering Services	-	-	90,990	77,456	-	-	-	-	90,990	77,456	
Support Services	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies	16,855	15,936	-	-	-	-	-	-	16,855	15,936	
Distribution to racing and sports industries	158,622	147,479	394	510	-	-	-	-	159,016	147,989	
Total Expenses	204,525	191,422	248,043	211,305	28,819	28,213	481,387	430,940			
Profit/(Loss) before income from State Government	(191,201)	(180,376)	135,167	108,635	(26,410)	(26,564)	(82,444)	(98,305)			
WA Racefields income	118,924	93,176	-	-	-	-	-	-	118,924	93,176	
Betting Tax income	35,040	24,609	-	-	-	-	-	-	35,040	24,609	
Other income from State Government	-	-	-	2	-	-	-	-	-	2	
Profit/(Loss) for the period	(37,237)	(62,591)	135,167	108,637	(26,410)	(26,564)	71,520	19,482			

Notes to and Forming Part of the Financial Statements

For the year ended 31 July 2021

8.10 Explanatory Statement

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

Therefore, as prescribed under TI 945P, RWWA provides details of any significant variations between the actual results for 2020 and 2021.

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

Significant variances between actual results for 2020 and 2021

	Comment	2021 Actual \$000	2020 Actual \$000	Variance \$000
Revenue				
Margin	(1)	373,734	310,233	63,501
Other Revenue		22,800	20,794	2,006
Interest Revenue		1,178	1,410	(233)
Gains				
Gain on disposal of non-current assets		1,231	198	1,033
Expenses				
Cost of sales	(1)	104,207	91,459	12,748
Wagering Tax	(1)	52,452	41,880	10,572
Racing Services		29,048	28,007	1,041
Wagering Services	(2)	90,990	77,456	13,535
Support Services		28,819	28,213	606
Grants and subsidies to racing		16,855	15,936	918
Distribution to racing and sports	(3)	159,016	147,989	11,027
WA Racefields income	(4)	118,924	93,176	25,748
Betting Tax income	(5)	35,040	24,609	10,431
Other income from State Government		-	2	(2)

Comment

- (1) The increase in margin, cost of sales and wagering taxes paid is a result of higher turnover from wagering activity primarily due to COVID 19 and an increase in marketing. Large retail shutdowns impacted 2020 turnover.
- (2) Increases in marketing and direct costs of wagering including commissions have contributed to the higher wagering services expenses.
- (3) Funding to the racing industry has increased primarily through base stakes and breeding programs.
- (4) WA Racefield income which is derived from all wagering operators when betting on Western Australian racing has increased due to the COVID 19 impact on increased national wagering activity.
- (5) Betting Tax income which is derived from all wagering operators accepting bets from Western Australian customers has increased due to the COVID 19 impact on increased wagering activity within Western Australia.



Certification of Key Performance Indicators

For the year ended 31 July 2021

We hereby certify that the key performance indicators for Racing and Wagering Western Australia (RWWA) are based on proper records, are relevant and appropriate for assisting users to assess the performance of RWWA and fairly represent the performance of RWWA for the financial year ended 31 July 2021.



Jeff Ovens
Chair RWWA Board

15 October 2021



Anthony Hasluck
Deputy Chair RWWA Board

15 October 2021

Performance Management Framework

For the year ended 31 July 2021

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

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

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

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

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

Key Performance Indicators

For the year ended 31 July 2021

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

Effectiveness Indicators		Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
Primary Betting System availability		The availability of the betting system is paramount to the TAB's ability to generate revenue. The high availability target reflects the importance RWWA places on this. A service that is reliable is necessary for the TAB to attract and retain customers.	99.98	99.96	100.00	99.71	99.98	The availability of the betting system during the year is above RWWA's target and comparable with prior year ratios.
Staff (FTE)	No.	With staff employee benefits expense being one of the largest cost categories at RWWA, managing the FTE levels is an important part of ensuring an efficient competitive business.	396	398	367	368	374	The number of FTE at the end of 2020/21 was in line with target but higher than 2019/20 reflecting the FTE required to achieve it's targets.
Number of Bets Processed	000's	The number of bets processed is an indicator of the TAB's competitiveness in the wagering and gambling marketplace.	261,453	217,127	213,017	214,714	214,790	The number of bets for 2021 shows a substantial increase of 20% above target and 23% with prior year, explained largely due to the impact of COVID-19.

Key Performance Indicators

For the year ended 31 July 2021

Efficiency Indicators	Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
* Margin per employee	Margin per employee is a measure of the competitiveness of the business.	\$000	944	845	830	860	Margin per employee is up on prior year. The increase in margin is due to increased Turnover offset by an increase in FTE.
* Profit per employee	Profit per employee, like margin per employee, is a measure of the efficiency of the business in delivering wagering revenue and also providing racing and integrity services to the industry.	\$000	579	456	386	367	Profit per employee is up on prior years due to a combination of the increase in margin, and growth in Western Australian Racing Bets Levy and betting tax income.
Return on assets (Operating profit as a percentage of total assets)	Return on assets (ROA) is a widely accepted indicator of the efficiency in the use of assets.	%	79.9	95.7	86.1	81.0	ROA is down against target due to the impact of COVID-19 on increasing revenues throughout 2020/21 resulting in increased Cash balances. Operating Profit excludes the profit/loss from sale of assets and distribution to codes.

* Targets have not been disclosed due to commercial sensitivity.

Key Performance Indicators

For the year ended 31 July 2021

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

Effectiveness Indicators	Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
Distribution to Industry	RWWA's primary purpose is to provide a sustainable future for the West Australian racing industry, achieved by maintaining the optimum level of funding for the racing industry.	159,016	158,515	147,989	145,203	146,541	The results are consistent with RWWA 2021 distribution policy and target.
	% Change on prior year	7.5	7.1	1.9	(0.9)	5.5	
Grants to Industry (RWWA Funded)	Grants to industry are essential to provide the safest possible racing environment and ensure the integrity of the racing product.	4,332	2,000	4,194	4,254	4,547	Grants to industry were above target due to \$1.7m in additional unbudgeted COVID-19 Club grants paid during the year.
Grants to Industry (WA Government Funded)		-	-	108	717	1,270	There were no WA Funded Grants to Industry budgeted in the 2020/21 Financial Year.

Efficiency Indicators	Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
* Margin	Margin is an important indicator of the capacity of RWWA to fund the racing industry and sports.	373,734		310,233	305,581	321,514	Margin grew in 2021 primarily due to the increase in Turnover with the Margin rate being largely consistent to 2020.
* Operating Profit excluding the profit/loss from sale of assets before distribution to codes.	Operating Profit excluding the profit/loss from sale of assets before distribution to codes highlights the amount of revenue that has been generated for distribution to the racing clubs.	229,305		167,274	141,916	137,410	Operating profit is higher than last year due to the increase in Margin combined with increases in both racefields and betting tax income.

* Targets have not been disclosed due to commercial sensitivity.

Key Performance Indicators

For the year ended 31 July 2021

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

Effectiveness Indicators	Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
* % of Winners Swabbed / Returned Negative	A key component in maintaining the integrity of the racing industry is an efficient and effective drug testing regime and the "% of winners swabbed / returned negative" is a key indicator of the drug testing regime impact on the industry.	100.0		100.0	99.3	99.2	
	Thoroughbreds %						
	Harness %	99.6		99.7	99.4	99.0	The results are consistent with previous years.
	Greyhounds %	99.7		99.9	99.8	99.4	
* Average number of starters in WA Races (excluding non-TAB Meetings)	The average number of starters in WA races is an indicator of a healthy population of animals available for racing in WA.	9.8		10.0	9.8	9.7	
	Thoroughbreds %						
	Harness %	9.0		9.3	9.6	9.8	The results are consistent with previous years.
	Greyhounds %	7.5		7.4	7.4	7.3	
* Annual Growth in TAB Turnover on WA racing	The TAB accepts bets on racing and sports product from WA, the Eastern States, and International Jurisdictions. The growth in TAB turnover on WA Racing is an indicator that the WA product is seen as an attractive proposition, demonstrating a quality product, with high levels of integrity.	18.06		1.10	(8.60)	(0.9)	The results show a favourable growth against the previous year and reflects the growth across the wagering business in 2021.
	%						

* Targets have not been disclosed due to commercial sensitivity.

Efficiency Indicators	Description	2021 Actual	2021 Target	2020 Actual	2019 Actual	2018 Actual	Result
Racing and Steward expenses per WA race meeting	The racing and stewarding functions performed by RWWA are paramount to both the development and integrity of the racing industry. In delivering these functions, RWWA ensures that the cost of delivery is kept under control, and the cost per meeting is an important indicator of how well RWWA is at controlling the cost of delivery.	35.58	31.82	32.80	29.60	28.20	The results show a slight increase on last year through a combination of raceday and non raceday costs. The target included the change in meets for the year but not the associated expenses.
	\$000						
	% Change on prior year	8.48	(2.98)	10.81	4.83	26.99	

Other Financial Disclosures

Ministerial Directives

No Ministerial Directives were received during the financial year.

Pricing Policies

RWWA has discretion over pricing for goods and services rendered.

Capital Works

Capital works in progress during FY2021 are outlined below.

Project Name	Expected Year of Completion	Expected Cost to Complete \$000	Expected Total Cost of Project \$000
Racing Infrastructure	FY2022	109	904
Wagering Infrastructure	FY2022	1796	9821
Support Infrastructure	FY2022	621	1813



Image: Pinjarra trials

Other Financial Disclosures

Employment and Industrial Relations

Employee Profile

At the end of the reporting period, the number of people employed at RWWA was 549. This figure includes all permanent and maximum term contract staff, including apprentice jockeys.

Employee Profile	Full Time Equivalent (FTE)	
	FY2020	FY2021
Full Time	239	267
Part Time	36	36
Casuals	45	51
Maximum-Term Contracts	45	42
Total	365	396

Racing Industry Safety, Health and Injury Management

Throughout FY2021, RWWA continued to support Western Australian racing with safety advice, publications, training and inspections.

It is anticipated that FY2022 will see WorkSafe WA implement changes to the *Occupational Safety and Health Act 1984*. RWWA will ensure its legal obligations are met and the organisation retains a proactive approach to safety within the racing industry.

Contracts with Senior Officers

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

Industrial Relations

Within the reporting period, the RWWA TABradio Agreement 2015 and the RWWA General Staff Agreement 2019 were in operation. Negotiations commenced in May 2021 for the TABradio agreement and July 2021 for the general staff agreement to formulate replacement agreements with both groups of employees.



Image: Carnarvon Race Club



Governance Disclosures

RWWA's Corporate Governance Principles

RWWA's Board strongly supports the principles of corporate governance and is committed to maintaining the highest governance standards within the organisation. This is particularly important given that RWWA must balance commercial decisions with maintaining the welfare of racing animals and the integrity of racing within a heavily regulated environment to ensure the ongoing sustainability of racing in Western Australia.

Board Powers, Structure, Composition and Membership

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

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

The Board comprises:

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

Boardroom Conduct and Relationships

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

- Strategy: Set goals and objectives for the organisation and the racing industry and provide strategic direction and planning.
- Policies and procedures: Determine the organisation's and industry's policies and priorities.
- Leadership and selection: Appoint the Chief Executive Officer.

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

Regulatory Disclosure and Stakeholder Communications

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

- Disclose this interest to the Board.
- Not vote on the matter.
- Must not be present while the matter or resolution is being considered at the meeting.

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

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

RWWA maintains regular communications with its stakeholders through:

- Racing industry consultative groups.
- TAB Agents Advisory Council.
- Meetings with the Minister responsible for RWWA.
- Communications with employees.

Governance Disclosures

Risk Management and Compliance

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

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

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

Integrity

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

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

By virtue of the relevant Rules of Racing, the stewards are granted wide-ranging powers to properly control and regulate their respective racing codes. It is the stewards' task to ensure that the Rules of Racing are adhered to and to investigate, determine and where necessary penalise any breaches of the

rules. The stewards are responsible for the conduct of race meetings throughout the State in addition to the conduct of all persons registered in varying capacities in the various racing codes.

Ethical Decision Making

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

Strategy, Planning and Monitoring

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

Encouraged Enhanced Performance

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

Sustainability

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

Key initiatives include:

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

RWWA is committed to improving its sustainability practices and principles.

Insurance Premiums Paid to Indemnify Members of The Board

An insurance policy is held to indemnify members of the Board against any liability incurred under sections 13 or 14 of the *Statutory Corporations (Liabilities of Directors) Act 1996*. The insurance premium paid for FY2021 was \$18,679.

Other Legal Requirements

Other Wagering Costs

In compliance with section 175ZE of the *Electorate Act 1907*, RWWA reports that it incurred the following expenditure in relation to account management, market research, content, direct communications and advertising. Total expenditure for FY2021 was \$10.8M and was incurred as follows:

Supplier	\$000	Supplier	\$000
Advertising Agencies		Social and Content	
Brand Agency Production / Operations	2181	Hamilton Content Creators	140
Brand Agency Media Expenditure	6244	Kelvin Ha	54
Signifi Digital Media	459	Ken Casellas	20
Direct Booked Media		Michael Heaton	48
Sports Entertainment Network (SEN)	234	Facebook	182
Southern Cross	122	Twitter	2
The West Australian	6	Direct Mail	
Western Sports Media (Sport FM)	33	Mobivate Blackbook	112
Macquarie Media	31	Mobivate SMS	200
Nova Entertainment	20	Telstra Blackbook	14
Market Research		Optimove	370
Painted Dog	307		
Total			10,779

Unauthorised Use of Credit Cards

Officers of RWWA hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations under RWWA's credit card policy, 16 employees inadvertently utilised their corporate credit card for personal use. None of these matters were referred for disciplinary action as the Chief Finance and People Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	FY2021 \$
Aggregate amount of personal use expenditure for the reporting period	1252
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	574
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	200
Aggregate amount of personal use expenditure outstanding at balance date	478

Record Keeping

We are obliged to report on our conduct in compliance with the requirements of the State Records Act 2000 and communicate this in the Annual Report.

The RWWA Record Keeping Plan (RKP) is a statutory requirement under the Act. It identifies the strategy, processes and tools that ensure business critical information is identified, secured, and retained in compliance with legislation.

The RKP was affirmed by the State Records Commission (SRC) in March 2017 and is periodically reviewed. The RKP will be reviewed and submitted to the SRC for reassessment next year.

Our records management processes are monitored and developed to meet the needs of the business.



Government Policy Requirements

Occupational Safety and Health

RWWA maintains its focus on a proactive and pre-emptive approach to safety within the organisation through measurable key performance indicators and continuous improvement of infrastructure, procedures and training within its workplaces.

RWWA provides race clubs with safety advice and support to assist them with maintaining a safe workplace and as part of this they have helped the clubs implement an online safety program in 2021. This program, Locatrix, enables clubs to manage site inductions, policies and procedures related to safety and emergency evacuation maps and processes.

Insurance and Lost Time Injury Table

Measure	Results FY2019(1) Base year	Results FY2020 Prior year	Results FY2021(1) Current reporting year	Targets	Comments towards targets
Number of fatalities	0	0	0	0	Target Achieved
Lost time injury and/or disease incidence rate	1.09	0.55	0.27	0 or 10% reduction in incidence rate	Target Achieved
Lost time injury and/or disease severity rate	37.5	0	0	0 or 10% reduction in severity rate	Target Achieved
Percentage of injured workers returned to work (i) within 13 weeks	50%	100%	100%	Greater than or equal to 80%	Target Achieved
Percentage of injured workers returned to work (ii) within 26 weeks	37.5%	Not Applicable	Not Applicable	Greater than or equal to 80%	Target Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	61.76%	48.57%	15%	Greater than or equal to 80%	Target Achieved

Note (1) The performance reporting examines a three year trend and as such the comparison base year is to be two years prior to the current reporting year (i.e. current year is FY2021 and comparison year is FY2019).

Image: Broome Turf Club





