



# **Racing Penalties Appeal Tribunal 2016-17 Annual Report**

## Table of Contents

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Contacts.....	2
Statement of Compliance.....	3
Overview of Tribunal.....	4
Executive Summary.....	4
Operational Structure .....	5
Performance Management Framework.....	10
Report on Operations.....	11
Examples of Appeals before the Tribunal .....	15
Significant Issues and Trends Impacting the Tribunal .....	20
Disclosures and Legal Compliance.....	21
Financial Statements.....	21
Key Performance Indicator Information .....	41
Governance Disclosures.....	48
Other Legal and Government Policy Requirements.....	48

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### Availability in other formats

This publication can be made available in alternative formats. The report is available in PDF format at [www.rpat.wa.gov.au](http://www.rpat.wa.gov.au).

People who have a hearing or speech impairment may call the National Relay Service on 133 677 and quote telephone number (08) 6551 4888.

## Statement of Compliance

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Hon. Paul Papalia CSC, MLA  
**Minister for Housing; Racing and Gaming**

In accordance with section 61 of the *Financial Management Act 2006*, I submit, for your information and presentation to Parliament, the Annual Report of the Racing Penalties Appeal Tribunal of Western Australia for the financial year ended 30 June 2017.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Dan Mossenson  
**Chairperson**

1 September 2017

# Overview of Tribunal

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## Executive Summary

It is with pleasure that I present the Annual Report of the Racing Penalties Appeal Tribunal for the year ended 30 June 2017.

The report details the significant issues that the Tribunal faced in determining appeals throughout the reporting period, and is designed to satisfy the Tribunal's statutory reporting requirements.

During the financial year, two appeals were carried over from the previous reporting period, and nine new appeals were lodged with the Tribunal. Of these, seven were determined and four were carried over into the next financial year.

All appeal determinations can be viewed at [www.rpat.wa.gov.au](http://www.rpat.wa.gov.au)

I acknowledge and thank the members of the Tribunal for their contributions during the year. I also thank the Department of Racing, Gaming and Liquor for its ongoing provision of executive services, and the Supreme Court of Western Australia for permitting the Tribunal to use its facilities. It would not be possible for the Tribunal to conduct its activities in an effective, efficient manner without this invaluable support.



Dan Mossenson  
**Chairperson**

## Operational Structure

### Enabling Legislation

The Racing Penalties Appeal Tribunal is established under the *Racing Penalties (Appeals) Act 1990*. The Tribunal was established to confer jurisdiction in respect to appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of thoroughbred racing, harness racing and greyhound racing, and for related purposes.

### Purpose of the Tribunal

The aim of the *Racing Penalties (Appeals) Act 1990* is to create and maintain industry confidence in the enforcement of the various racing rules by providing an impartial judicial forum for the hearing of appeals.

Executive support for the Tribunal is provided by the Department of Racing, Gaming and Liquor. The Department recoups the cost of providing these services from the Tribunal. The Tribunal is funded from the profits of Racing and Wagering Western Australia (RWVA).

### Responsible Minister

As at 30 June 2017, the Minister responsible for the Racing and Gaming Portfolio was the Honourable Paul Papalia CSC, MLA, Minister for Racing and Gaming.

### Appeals Which may be Heard by the Tribunal

A person who is aggrieved by a determination of RWVA, a steward or a committee of a racing club may appeal to the Tribunal within 14 days of the determination date. The Tribunal can hear the following matters:

- The imposition of any suspension or disqualification, whether of a runner or of a person;
- The imposition of a fine; or
- The giving of a notice of the kind commonly referred to as a “warning-off”.

Additionally, the Tribunal may grant leave to appeal in relation to a limited range of other matters.

## Appeals which are outside the Jurisdiction of the Tribunal

The jurisdiction of the Tribunal does not extend to a determination of a steward, a racing club, or a committee in matters regarding:

- Any protest or objection against a placed runner arising out of any incident occurring during the running of a race;
- The eligibility of a runner to take part in, or the conditions under which a runner takes part in, any race; or
- Any question or dispute as to a bet.

These matters are dealt with by RWWA.

## Determination of Appeals

The Tribunal is required to hear and determine an appeal based on the evidence of the original hearing, but may allow new evidence to be given or experts to be called to assist in its deliberations.

When determining an appeal, the Tribunal may make the following orders:

- Refund or repayment of any stakes paid in respect of a race to which the appeal relates;
- Refer the matter to RWWA, the stewards or the committee of the appropriate racing club for rehearing;
- Confirm, vary, or set aside the determination or finding appealed against or any order or penalty imposed to which it relates;
- Recommend or require that RWWA, the stewards or the committee of the appropriate racing club, take further action in relation to any person; and
- Such other orders as the member presiding may think proper.

Decisions of the Tribunal are final and binding.

## Administered Legislation

The Tribunal is responsible for administering the *Racing Penalties (Appeals) Act 1990*.

## Other Key Legislation Impacting on the Tribunal's Activities

The Tribunal complied with the following relevant written laws in the performance of its functions:

- *Auditor General Act 2006;*
- *Corruption and Crime Commission Act 2003;*
- *Disability Services Act 1993;*
- *Electoral Act 1907;*
- *Equal Opportunity Act 1984;*
- *Electronic Transactions Act 2003;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Public Interest Disclosure Act 2003;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000; and*
- *State Supply Commission Act 1991.*

## **Administrative Structure**

Sections 5 and 6 of the *Racing Penalties (Appeals) Act 1990* provide that the Tribunal shall consist of a Chairperson and a panel of members, each appointed by the Minister. The Schedule to the Act specifies terms of appointment shall not exceed three years, with eligibility for reappointment. The Tribunal, constituted by the Chairperson (or the Acting Chairperson or member presiding), and two members sitting together hear appeals. An appeal may be heard by the Chairperson, Acting Chairperson or member presiding sitting alone where the Regulations so provide.

### **Mr Dan Mossenson - Inaugural Chairperson**

Mr Dan Mossenson was admitted to practise law in 1970 and specialises in liquor licensing, hospitality and tourism law. Mr Mossenson became a partner of Lavan and Walsh in 1973, subsequently a founding partner of Phillips Fox and Lavan Legal, and currently is the emeritus partner of Lavan.

Mr Mossenson chaired both the WA State Government Gaming Inquiry in 1984 and the Land Valuation Tribunal of Western Australia from 1985 to 1997, was founding Vice-Chairman of the National Association for Gambling Studies, board member of the Australian Institute of Gambling Studies, the Indian Ocean Tourism Organisation and the Tourism Council Western Australia Limited and its predecessor body for 14 years. Mr Mossenson is a Past President of the Perth Hebrew Congregation Inc and past vice-president of Carmel School Inc. Mr Mossenson is currently a board member of Yirra Yaakin Aboriginal Corporation and founder and inaugural secretary of the Small Bar Association of W.A. Inc.

### **Mr Patrick Hogan - Inaugural Member**

Mr Patrick Hogan is a barrister admitted to the Supreme Court of Western Australia and the High Court of Australia in June 1982. Mr Hogan worked as a barrister and solicitor with the Legal Aid Commission of Western Australia, practising in civil and criminal law, then in private practice as a barrister with Howard Chambers. Mr Hogan was appointed as a part-time Magistrate of the Children's Court of Western Australia in September 1999 and President of the Gender Reassignment Board of Western Australia in 2007.

### **Mr John Prior - Member**

Mr John Prior is a barrister practising with Francis Burt Chambers Perth, specialising in criminal and civil litigation in the areas of sports law and liquor licensing.

Mr Prior has served on many committees including President of the Criminal Lawyers' Association of Western Australia, Convenor of the Law Society of Western Australia Criminal Law Committee, Magistrates' Courts Liaison Committee, Ministry of Justice Advisory Council, Reduction of Delay in Criminal Jurisdiction of the District Court, Unrepresented Litigants Scheme Committee Supreme Court and chaired the Ministerial Taskforce on Drug Law Reform. Mr Prior is also a Commissioner of the Legal Aid Commission of Western Australia.

**Mr Robert Nash - Member**

Mr Robert Nash is a barrister admitted as a Practitioner of the Supreme Court of WA and the High Court of Australia, and also is a General Public Notary.

Mr Nash has during the course of his career served in a non-executive capacity on several councils, committees, and charitable and non-charitable boards, including Chairman and Director of Bauxite Resources Ltd, Director of North West Property Holdings Pty Ltd, Director of The Mandalay Projects Limited, Chairman of the WA Soccer Disciplinary Tribunal, Council Member of the Law Society of WA, Convenor Education Committee of Law Society, Counsel Assisting the Royal Commission into the City of Wanneroo, Member of the Professional Conduct Committee and Ethics Committee of the Law Society, Head of the WA Legal Panel of the Royal Australian Navy, resident tutor in law at St George's College, Council Member of WA Bar Association Council, and Director WA Bar Chambers Ltd.

**Mr Andrew Monisse - Member**

Mr Andrew Monisse was admitted as a barrister and solicitor of the Supreme Court of Western Australia in December 1990 after completing articles at Mallesons Stephen Jaques. His employment experience has included working as a solicitor assisting counsel at the *WA Inc* Royal Commission in 1991 and as a prosecutor for the Commonwealth Director of Public Prosecutions in the Perth office from 1992 to 1998.

Since July 2000 Mr Monisse has worked as a barrister, and since October 2000 has been a member of the WA Bar Association. He practises predominantly in criminal law at Quarry Chambers. Mr Monisse is also a member of the Perth Legal Panel of the RAAF Specialist Reserve with the rank of Squadron Leader.

**Ms Karen Farley SC - Member**

Ms Karen Farley is a senior appeal consultant at Legal Aid WA and has served on several boards and committees including Criminal Lawyers Association, Childcare Services Board and Boards of Visitors to Heathcote and Alma St Centre. In December 2013, Ms Farley was appointed Senior Counsel in and for the State of Western Australia. She is also a member of the Criminal Law Committee of the Law Society and Legal Practice Board as well as being a Councillor of Peppermint Grove Shire.

**Mr William Chesnutt - Member**

Mr William Chesnutt is a barrister engaged in conducting general litigation matters with exposure to a wide variety of commercial and criminal matters. Mr Chesnutt has tutored in company law and legal framework of business subjects.

## Performance Management Framework

### Agency Level Government Desired Outcome

Broad Government goals are supported by the Tribunal via specific outcomes. The Tribunal delivers services to achieve these outcomes. The following table illustrates the relationship between the Tribunal's services and desired outcomes, and the Government goal the Tribunal contributes to.

Government Goal	Desired Outcome of the Tribunal	Services Delivered by the Tribunal
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	To provide an appeal tribunal in relation to determinations made by racing industry stewards and controlling authorities.	Processing appeals and applications in accordance with statutory obligations.

### Changes to Outcome Based Management Framework

The Tribunal's Outcome Based Management Framework did not change during 2016-17.

### Shared Responsibilities with Other Agencies

The Tribunal did not share any responsibilities with other agencies in 2016-17.

## Report on Operations

### Actual Results versus Budget Targets

Financial Targets	Target (\$)	Actual (\$)	Variation (\$)
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	255,975	234,337	(21,638)
Net cost of services (sourced from Statement of Comprehensive Income)	6,603	(10,646)	(17,249)
Total equity (sourced from Statement of Financial Position)	425,953	456,699	30,746
Net increase/(decrease) in cash held (sourced from Statement of Cash)	(6,603)	17,105	23,708
Approved salary expense level*	0	0	0

\* Executive support for the Tribunal is provided by the Department of Racing, Gaming and Liquor.

The table below provides a summary of key performance indicators for 2016-17. A detailed explanation is provided later in the report.

Summary of Key Performance Indicators	Target	Actual	Variation
Total number of stay applications received	6	3	(3)
Number of stay applications determined as per KPI	6	3	(3)
Average cost of processing an appeal	\$21,331	\$26,037	\$4,706

## Performance Summary for 2016-17

During the year, two appeals were carried over from 2015-16 and nine new appeals were lodged with the Tribunal. As at 30 June 2017, the Tribunal had determined seven appeals, including two from the previous year, with four appeals being carried over to 2017-18. These appeals, together with appeals from the previous year, are summarised by racing code:

Racing Code	Appeals carried over to 2016-17	Appeals Lodged	Appeals Determined	Appeals carried over to 2017-18
Thoroughbred	0	0	0	0
Harness	2	5	5	2
Greyhound	0	4	2	2
<b>TOTAL</b>	<b>2</b>	<b>9</b>	<b>7</b>	<b>4</b>

The results of the determinations in respect of the racing codes for the year 2016-17 are summarised below.

Results	2016-17		
	Thoroughbred	Harness	Greyhound
Allowed in Full	0	1	0
Allowed in Part (Penalty Reduced)	0	1	0
Referred Back to Stewards (RWVA)	0	0	0
Dismissed	0	2	2
Withdrawn	0	0	0
Leave to Appeal Refused	0	1	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>2</b>

<b>Appeals Carried Over to 2017-18</b>	<b>Thoroughbred</b>	<b>Harness</b>	<b>Greyhound</b>
Reserved Decision	0	2	2
Reserved Decision on penalty only	0	0	0
Reasons to be published	0	0	0
Yet to be heard	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>

## Stays of Proceedings

In 2016-17, there were three applications for stays of proceedings. The Chairperson made the determinations as follows:

<b>Stays of Proceedings 2016-17</b>			
<b>Results</b>	<b>Thoroughbred</b>	<b>Harness</b>	<b>Greyhound</b>
Stays Granted	0	0	0
Stays Refused	0	2	1
Withdrawn	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>1</b>

The following table provides a summary of the number, nature and outcome of matters before the Tribunal during 2016-17. Full determinations are available on the Tribunal's website at [www.rpat.wa.gov.au](http://www.rpat.wa.gov.au)

<b>Applications Lodged, Heard and Determined in 2016-17</b>					
<b>Case No.</b>	<b>Name</b>	<b>Nature of Appeal</b>	<b>Hearing Date</b>	<b>Determination Date</b>	<b>Outcome</b>
791	Michael Young	Appeal against disqualification for two terms of 3 years and 4 years and a fine of \$500 for breaches of Australian Harness Rules of Racing, Rules 44(1), 208, 243	8 December 2016; 9 February 2017	13 April 2017	Appeal upheld
793	Terry and Susan Dymock, Karen Howlett, Cheryl Northcott and Robert Wolfden	Appeal against determination by Committee of Albany Harness Racing Club to disqualify the appellants as members of the Club	4 November 2016	14 November 2016	Leave to Appeal refused
794	Brian Jacobson	Appeal against disqualification for 3 months for breach of Rule 86(o) of the Rules of Greyhound Racing	5 January 2017	5 January 2017	Appeal refused
796	Christopher Halse	Appeal against suspension of 28 days for breach of Rule 69 of the Rules of Greyhound Racing	2 February 2017	2 February 2017	Appeal refused
799	Aiden Decampo	Appeal against suspension of 31 days for breach of Harness Rules of Racing 163(1)(a)(iii)	18 April 2017	19 April 2017	Appeal upheld

## Examples of Appeals before the Tribunal

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The Tribunal heard a number of appeals throughout the course of the reporting period. Below are some typical examples of the types of matters which come before the Tribunal.

### **ROSS CHARLES MILLER**

Mr Ross Miller, the holder of both harness and thoroughbred trainers' licences, was charged under rule 190(1) and (2) of the Racing and Wagering Western Australia Rules of Harness Racing, for failing to present a horse free of prohibited substances. Mr Miller pleaded not guilty to the charge, and on the 13 April 2016 the Stewards imposed a disqualification penalty of 12 months. Mr Miller was also charged with failing to maintain a log book to which he pleaded guilty and received a \$300 fine.

The presentation charge in question concerned race day urine samples taken from horse DREAM TO BELIEVE, which were found to contain a level of cobalt at a concentration in excess of the prescribed threshold specified in RWWA Harness Racing Rule 188(f)(2)(k). Mr Miller was the trainer of the horse. The threshold level specified in the rules is 200 micrograms per litre ( $\mu\text{g/L}$ ) in urine and the concentration detected in the sample taken from DREAM TO BELIEVE was 270  $\mu\text{g/L}$ .

The Stewards in their reasons refused to accept Mr Miller's explanations for the elevated reading, and agreed with the evidence presented by veterinarian Dr Medd that the substance was potentially performance enhancing. They pointed out that Cobalt is a permanently banned substance, even out of competition. This, combined with the fact that it was detected on race day, placed this offence at a higher level compared to other prohibited substance offences.

By reference to penalties imposed in other Australian jurisdictions, the Stewards determined the appropriate penalty starting point for presentation of a horse with cobalt was a 2-year disqualification. After adjustment for all mitigating circumstances in this case, the Stewards determined a 12-month disqualification would be appropriate.

On appeal to the Racing Penalties Appeals Tribunal, Mr Miller argued that the disqualification penalty was too severe for the following reasons:

- he had never been convicted of an offence in racing during his 44 year involvement in the industry;
- the concentration of cobalt detected was at the lowest end of readings for positive swabs;
- only vitamins, not cobalt, had been administered to DREAM TO BELIEVE;
- the Stewards had wrongly refused to allow him to carry out additional tests to prove his innocence;
- he gained nothing from the race, and
- he was merely a hobby trainer, with only one or two horses under his care.

This appeal was the first time that a case involving the detection of cobalt had come before the Tribunal. It was submitted by the Stewards that across Australia a “no nonsense” approach had been universally adopted for cases involving cobalt and tough punitive measures have been imposed across all jurisdictions. The Stewards went on to cite multiple cases from various States. The Tribunal agreed with the stewards, agreeing that a period of 12 months disqualification was open to the Stewards on the evidence before them, and that it was not excessive in light of the circumstances of the applicant.

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## **MICHAEL YOUNG**

Mr Young was charged with three offences under rules 44(1), 208 and 243 of the Racing and Wagering Western Australia Rules of Harness Racing following a nine-month investigation conducted by the RWWA Stewards of Harness Racing. The details of each offence were as follows:

1. Changing race tactics without advising the Stewards, in breach of Rule 44, the allegation being that horse BABY HOUSEMAN NZ (driven by Mr Young) led in its previous starts and gave up the lead in the early stages of the race in question;
2. Improperly divulging information in breach of Rule 208, which related to having privately provided part owner of BABY HOUSEMAN NZ, Mr Edwards, information that BABY HOUSEMAN NZ “... would most likely hand up and take a sit on TELEGRAPH LOVE ... for the purpose of giving Mr Edwards a better advantage in the race on TELEGRAPH LOVE a horse tipped to him by you”, and
3. Behaviour detrimental to the industry in breach of Rule 243, being particularised with allegations that:
  - 3.1 The decision to intentionally hand up the lead whilst driving the favourite was calculated to advantage the chances of another horse, namely TELEGRAPH LOVE, of winning the race;
  - 3.2 Mr Young did not drive his horse out until roughly the 100 meter mark; and
  - 3.3 The conduct was done to aid Mr Edwards who had heavily supported TELEGRAPH LOVE.

A further charge was later added alleging Mr Young had failed to comply with the terms of his suspension. Mr Young pleaded not guilty to all charges. The Stewards found Mr Young guilty of all charges, and imposed the following penalties:

1. For changing tactics without notifying the Stewards - \$500;
2. For having divulged information improperly – 3 years disqualification;
3. For behaviour detrimental to the industry – 4 years disqualification; and
4. For failing to comply with the suspension, 6 months disqualification.

The Stewards ordered the penalties to be served concurrently and to be backdated to the date of Mr Young’s suspension.

The conduct giving rise to the charges was as follows. On Saturday 16 January 2016, the appellant was the driver of BABY HOUSEMAN NZ at Albany Racecourse. Horse TELEGRAPH LOVE was also running in the race, and placed first, with BABY HOUSEMAN NZ placing second. In the days before the race, Mr Edwards, a professional gambler and part owner of BABY HOUSEMAN NZ, had spoken to the appellant, who told Mr Edwards that he would most likely “hand up and take a sit on TELEGRAPH LOVE” therefore giving Mr Edwards a betting advantage. Mr Young did not advise the Stewards of a change in tactics for BABY HOUSEMAN NZ.

Mr Young lodged a notice of appeal against the first three convictions as well as an appeal against penalty, along with an application for a stay of proceedings (which was subsequently refused). Mr Young’s grounds for appeal were as follows:

1. The Stewards erred in finding that the horse BABY HOUSEMAN NZ had an established “racing pattern” within the means (sic) of the rules;
2. The Stewards erred in finding that the Appellant had adopted tactics contrary to the horse’s usual “racing pattern”;
3. The Stewards erred in finding that there was an obligation on the Appellant to advise the Stewards as to the intended manner of driving the horse on the night in question;
4. The Stewards erred in finding that any information conveyed by the Appellant to the owner Chris Edwards in relation to the horse’s prospects in the race in question was conveyed improperly;
5. The Stewards erred in their construction of rule 208 by conflating and confusing the concepts of information and opinion;
6. The Stewards erred in finding that the Appellant on the night in question engaged in behaviour detrimental to the industry for the purposes of rule 243;
7. The Stewards erred in finding as a fact that:
  - 7.1 The appellant knew or should have known that Edwards had or was likely to wager heavily on TELEGRAPH LOVE;
  - 7.2 that the appellant drove the horse so as to facilitate Edwards wagering on TELEGRAPH LOVE; and
8. The Penalty imposed by the Stewards was manifestly excessive having regards to all the circumstances of the case.

### **Charge 1**

At the hearing of this matter counsel for the appellant submitted that the Stewards had erred in finding that BABY HOUSEMAN NZ had an established racing pattern. BABY HOUSEMAN had only raced in Australia 2 times prior to the race in question, and it was submitted that these two races couldn’t be considered to establish a “usual racing pattern”, and therefore Mr Young was not obliged to advise the Stewards of a change in tactics. The majority of the Tribunal (Mr D Mossenson dissenting) agreed and upheld the appeal against conviction under Rule 44.

## Charge 2

The appellant submitted that the Stewards had erred in their interpretation of rule 208 as the statements made by Mr Young did not amount to “divulging information” under the Act. The majority of the Tribunal (D Mossenson dissenting) agreed that Mr Young’s statements about how he intended to ride in the race did not constitute “information” and that the appeal against conviction under rule 208 should be upheld.

## Charge 3

At the Inquiry, the Stewards found that the combination of

1. The appellant advising Mr Edwards:
  - 1.1. Of his “most likely” race tactic (and not disclosing that tactic to the Stewards);
  - 1.2. Not to bet on BABY HOUSEMAN NZ;
  - 1.3. That TELEGRAPH LOVE was the main other contender in the race;
2. The actual driving behaviour of the Appellant during the race in question; and
3. The fact that Mr Edwards bet heavily on TELEGRAPH LOVE, the eventual winner consequent upon his discussions with the Appellant,

satisfied them that the behaviour of the Appellant was such as to cause prejudice or detriment to the industry. The Tribunal unanimously agreed, and in their reasons stated that:

“... any perception that a race was not run on its merits and that a horse was driven so as not to give it the best chance of winning, in circumstances where its connections have heavily backed the eventual winner, is detrimental to the industry where the betting public and racegoers are entitled to believe that races will be run appropriately and without manipulation.”

## Penalty

By a majority decision (Mr D Mossenson dissenting) the Tribunal upheld the appeal against penalty, amending the penalty for charge 3 from 4 years disqualification to 3 years disqualification. In their reasons the Tribunal accepted the submission of the Appellant that the disqualification would greatly impact his personal circumstances. This consideration, combined with the fact that there was no evidence presented to suggest the appellant personally profited from his actions, led the Tribunal to the conclusion that a reduction to the term of the penalty was appropriate in this instance.

## BRIAN JACOBSEN

On the 20<sup>th</sup> August 2016 during public trials at Greyhounds WA, Northam, the appellant Mr Brian Jacobsen was seen using excessive force against greyhound CHANNING, by yanking CHANNING back towards the outside fence of the track, and then dragging CHANNING over the outside fence. Mr Jacobsen was subsequently charged under Rule 86(o) with conduct which in the opinion of the Stewards was improper, and a three-month disqualification was imposed.

The Stewards in their reasons emphasised the seriousness of the offence, especially at a time where the entire industry was facing unprecedented scrutiny of the welfare and wellbeing of greyhounds. In coming to their decision they highlighted the lack of remorse shown by Mr Jacobsen, the fact that the act was committed in full view of patrons, and the importance of communicating a clear message to the public that actions such as these will not be tolerated in the greyhound industry.

On appeal, the Appellant argued:

1. that there was an apprehension of bias by one of the panel members (Mr Mark Kemp), as Mr Kemp had previously been a complainant and witness in an inquiry in which allegations were made against the Appellant;
2. there was a reasonable apprehension of bias in that a member of the inquiry panel, Mr Carlos Martins, had at some stage prior to the inquiry, personally received a complaint about this matter from the RSPCA and was thereby a witness;
3. the appellant was denied procedural fairness in that the nature of the original complaint made to the Stewards, and the identity of the person who made the complaint was never disclosed to the appellant;
4. the appellant was denied procedural fairness in that at some stage prior to the enquiry, a member of the inquiry panel, Mr Carlos Martins, was the recipient of a complaint about this matter from the RSPCA, the details of which were never disclosed to the Appellant,
5. the inquiry panel erred in concluding that the appellant had contravened Rule 86(o) of the Rules of Greyhound Racing;
6. alternatively, the penalty imposed was too excessive.

The Tribunal was not persuaded by the arguments of the Appellant, and the Chairperson in his reasons commented that the outcome sought by the appellant would have the potential to lead to a situation where the Stewards would in a practical sense, be prevented from performing their duties. The Chairperson was satisfied that the receipt and non-disclosure of a complaint did not influence the outcome of the inquiry, nor could it be used as a basis to exonerate Mr Jacobsen's misconduct.

The Tribunal was satisfied that the findings of the Stewards were open to them based on the evidence presented, and that the penalty in question was not manifestly excessive. Accordingly, the appeal was dismissed.

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## Significant Issues and Trends Impacting the Tribunal

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### Changes to Acts

There were no amendments to the *Racing Penalties (Appeals) Act 1990* for the year under review.

### Likely Developments and Forecast Results of Operations

It is expected that the workload of the Racing Penalties Appeal Tribunal for 2016-17 will remain steady. Indications are that the Tribunal is adequately resourced to efficiently carry out its functions.

## Disclosures and Legal Compliance

### Financial Statements

This part of the annual report provides the means by which Parliament and other interested parties can be informed, not only of what the Racing Penalties Appeal Tribunal has achieved during the financial year, but also of the reasons behind those achievements.

#### Certification of Financial Statements for the Year Ended 30 June 2017

The accompanying financial statements of the Racing Penalties Appeal Tribunal of 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 ending 30 June 2017 and the financial position as at 30 June 2017.

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.



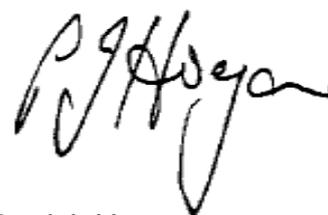
Terry Ng  
**Chief Finance Officer**

31 August 2017



Dan Mossenson  
**Chairperson**  
Racing Penalties  
Appeal Tribunal

31 August 2017



Patrick Hogan  
**Member**  
Racing Penalties  
Appeal Tribunal

31 August 2017

**Racing Penalties Appeal Tribunal**  
**Statement of Comprehensive Income**  
for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Tribunal members' expenses	4	38,669	41,891
Superannuation	4	3,674	3,865
Supplies and services		191,994	196,667
<b>Total cost of services</b>		<b>234,337</b>	<b>242,423</b>
<b>Income</b>			
<i>Revenue</i>			
Operating income	6	234,130	234,848
Interest revenue	7	10,853	12,040
<b>Total Revenue</b>		<b>244,983</b>	<b>246,888</b>
<b>NET COST OF SERVICES</b>	12	<b>(10,646)</b>	<b>(4,465)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>10,646</b>	<b>4,465</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>10,646</b>	<b>4,465</b>

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

## Racing Penalties Appeal Tribunal

### Statement of Financial Position

as at 30 June 2017

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	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8, 12	464,183	447,078
Receivables	9	<u>2,393</u>	<u>2,795</u>
<b>Total Current Assets</b>		<b><u>466,576</u></b>	<b><u>449,873</u></b>
<b>TOTAL ASSETS</b>		<b><u>466,576</u></b>	<b><u>449,873</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	<u>9,877</u>	<u>3,820</u>
<b>Total Current Liabilities</b>		<b><u>9,877</u></b>	<b><u>3,820</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>9,877</u></b>	<b><u>3,820</u></b>
<b>NET ASSETS</b>		<b><u>456,699</u></b>	<b><u>446,053</u></b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)	11	<u>456,699</u>	<u>446,053</u>
<b>TOTAL EQUITY</b>		<b><u>456,699</u></b>	<b><u>446,053</u></b>

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

## Racing Penalties Appeal Tribunal

### Statement of Changes in Equity

for the year ended 30 June 2017

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/ (deficit) \$	Total equity \$
<b>Balance at July 2015</b>	11	0	0	441,588	441,588
Changes in accounting policy or correction of prior period errors		0	0	0	0
<b>Restated balance at 1 July 2015</b>		<u>0</u>	<u>0</u>	<u>441,588</u>	<u>441,588</u>
Surplus/(deficit)		0	0	4,465	4,465
Other comprehensive income		0	0	0	0
Total comprehensive income for the period		<u>0</u>	<u>0</u>	<u>4,465</u>	<u>4,465</u>
Transactions with owners in their capacity as owners:					
Other contributions by owners		0	0	0	0
Distributions to owners		0	0	0	0
Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance at 30 June 2016</b>		<u><b>0</b></u>	<u><b>0</b></u>	<u><b>446,053</b></u>	<u><b>446,053</b></u>
<b>Balance at 1 July 2016</b>		<u>0</u>	<u>0</u>	<u>446,053</u>	<u>446,053</u>
Surplus/(deficit)		0	0	10,646	10,646
Other comprehensive income		0	0	0	0
Total comprehensive income for the period		<u>0</u>	<u>0</u>	<u>10,646</u>	<u>10,646</u>
Transactions with owners in their capacity as owners:					
Other contributions by owners		0	0	0	0
Distributions to owners		0	0	0	0
Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance at 30 June 2017</b>		<u><b>0</b></u>	<u><b>0</b></u>	<u><b>456,699</b></u>	<u><b>456,699</b></u>

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

## Racing Penalties Appeal Tribunal

### Statement of Cash Flows

#### for the year ended 30 June 2017

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	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Tribunal members' expenses		(33,242)	(39,810)
Superannuation		(3,044)	(3,668)
Supplies and services		(191,994)	(196,667)
GST paid on purchases		(1,169)	(1,991)
GST payments to taxation authority		(23,225)	(23,225)
<b>Receipts</b>			
Receipts from customers		234,130	234,848
Interest received		11,255	11,997
GST receipts on sales		23,225	23,225
GST receipts from taxation authority		1,169	2,009
<b>Net cash provided by/(used in) operating activities</b>	12	<u><b>17,105</b></u>	<u><b>6,718</b></u>
Net increase/(decrease) in cash and cash equivalents		17,105	6,718
Cash and cash equivalents at the beginning of the period		447,078	440,360
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	12	<u><b>464,183</b></u>	<u><b>447,078</b></u>

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

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

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**Note 1. Australian Accounting Standards**

**General**

The Racing Penalties Appeal Tribunal's (the "Tribunal") financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Tribunal has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

**Early adoption of standards**

The Tribunal cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Tribunal for the annual reporting period ended 30 June 2017.

**Note 2. Summary of significant accounting policies**

**(a) General statement**

The Tribunal is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

**(b) Basis of preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

**(c) Reporting entity**

The reporting entity comprises the Tribunal only.

**(d) 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.

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

---

**(e) Income**

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Operating income mainly comprises funding from the Racing and Wagering Western Australia, appeal fees and transcription fees. This income is received pursuant to the Racing Penalties (Appeals) Act 1990.

Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

*Provision of services*

Revenue is recognised by reference to the stage of completion of the transaction.

*Interest*

Revenue is recognised as the interest accrues.

*Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Tribunal obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

**(f) Services Performed for the Racing Penalties Appeal Tribunal by the Department of Racing, Gaming and Liquor**

The Department of Racing, Gaming and Liquor provides support to the Racing Penalties Appeal Tribunal to enable the Tribunal to carry out its objectives. This support comprises most of the amount recorded in the Statement of Comprehensive Income under 'Supplies and services'. These expenses are in the nature of salaries and administration costs in providing these support services.

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

**(g) Financial instruments**

In addition to cash, the Tribunal has two categories of financial instrument:

- \* Receivables; and
- \* Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- \* Financial Assets
  - Cash and cash equivalents
  - Receivables
- \* Financial Liabilities
  - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(h) Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand.

**(i) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Tribunal will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

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**(j) Payables**

Payables are recognised at the amounts payable when the Tribunal 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.

**(k) Employee Benefits**

Annual and Long Service Leave

The Tribunal does not employ staff. The Tribunal utilises the staff and facilities of the Department of Racing, Gaming and Liquor. The cost of the services provided by the Department of Racing, Gaming and Liquor is recouped from the Tribunal as a service fee. Accordingly, provisions have not been made for annual and long service leave.

Superannuation

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Tribunal to GESB extinguishes the agency's obligations to the related superannuation liability.

The Tribunal has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Tribunal to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

**(l) Superannuation expense**

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

**(m) Comparative figures**

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

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

**Note 3. Disclosure of changes in accounting policy and estimates  
Initial application of an Australian Accounting Standard**

The Tribunal has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Tribunal.

AASB 1057	<i>Application of Australian Accounting Standards</i>	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2015-1	<i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i>	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Tribunal has determined that the application of the Standard has no financial impact.
AASB 2015-2	<i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i>	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
AASB 2015-6	<i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i>	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

**Future impact of Australian Accounting Standards not yet operative**

The Tribunal cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the Tribunal plans to apply the following Australian Accounting Standards from their application date.

		<b>Operative for reporting periods beginning on/after</b>
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.	
	The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Tribunal has not yet determined the application or the potential impact of the Standard.	
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	This Standard establishes the principles that the Tribunal shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.	
	The Tribunal has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Tribunal has discharged its performance obligations.	

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

		<b>Operative for reporting periods beginning on/after</b>
AASB 16	<i>Leases</i>  This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.  Whilst the impact of AASB 16 has not yet been quantified, the Tribunal currently has no operating lease commitments.	1 Jan 2019
AASB 1058	<i>Income of Not-for-Profit Entities</i>  This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Tribunal has not yet determined the application or the potential impact of the Standard.	1 Jan 2019
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i>  This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.  The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Tribunal has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>  Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Tribunal to determine the application or potential impact of the Standard.	1 Jan 2018
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>  This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Tribunal has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>  This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Tribunal has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>  This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Tribunal has not yet determined the application or the potential impact of AASB 15.	1 Jan 2019

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

		<b>Operative for reporting periods beginning on/after</b>
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Tribunal has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-4	<p><i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Tribunal has not yet determined the application or the potential impact.</p>	1 Jan 2017
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

**Note 4. Compensation of Key Management Personnel**

The Tribunal has determined that key management personnel include Ministers and Tribunal members. However, the Tribunal 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 Tribunal members for the reporting period are presented within the following bands:

**Compensation of Tribunal members**

	2017	2016
<b>Compensation Band (\$)</b>		
0 - 10,000	6	6
10,001 - 20,000	1	1
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	38,669	41,891
Post-employment benefits	3,674	3,865
Other long-term benefits	0	0
Termination benefits	0	0
<b>Total compensation of key management personnel</b>	<b><u>42,343</u></b>	<b><u>45,756</u></b>

**Note 5. Related Party Transactions**

The Tribunal is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Tribunal 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 State.

Related parties of the Tribunal 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; and
- \* the Government Employees Superannuation Board (GESB).

**Significant transactions with government related entities**

Significant transactions include:

- \* annual services fees payments to the Department of Racing, Gaming and Liquor for services received [Note 2(f)];
- \* contribution received from Racing and Wagering Western Australia [Note 6]; and
- \* audit fee payments to the Office of the Auditor General [Note 14].

**Material transactions with related parties**

- \* superannuation payments to GESB [Note 4].

The Tribunal had no material related party transaction with Ministers/Tribunal members or their close family members or their controlled (or jointly controlled) entities for disclosure.

Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017

**Note 6. Operating income**

	2017	2016
	\$	\$
Fees and charges	1,880	2,598
Funding from Racing and Wagering Western Australia	232,250	232,250
	<u>234,130</u>	<u>234,848</u>

**Note 7. Interest revenue**

	2017	2016
	\$	\$
Interest revenue		
Commonwealth Bank of Australia	10,853	12,040
	<u>10,853</u>	<u>12,040</u>

**Note 8. Cash and cash equivalents**

	2017	2016
	\$	\$
Cash and cash equivalents are represented by funds held at the Commonwealth Bank of Australia	464,183	447,078
	<u>464,183</u>	<u>447,078</u>

**Note 9. Receivables**

	2017	2016
	\$	\$
<u>Current</u>		
Interest receivable	2,391	2,793
Other receivable	0	0
GST receivable	2	2
<b>Total current</b>	<u>2,393</u>	<u>2,795</u>

The Tribunal does not hold any collateral or other credit enhancements as security for receivables.

**Note 10. Payables**

	2017	2016
	\$	\$
<u>Current</u>		
Accrued expenses	0	0
Other payable	9,877	3,820
<b>Total current</b>	<u>9,877</u>	<u>3,820</u>

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

**Note 11. Equity**

The Western Australian Government holds the equity interest in the Tribunal on behalf of the community. Equity represents the residual interest in the net assets of the Tribunal.

<b>Contributed equity</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at start of period	0	0
<u>Contributions by owners</u>		
Transfer of net assets from other agencies	0	0
<b>Total contributions by owners</b>	<b>0</b>	<b>0</b>
<u>Distributions to owners</u>		
Transfer of net assets to other agencies	0	0
<b>Total distributions to owners</b>	<b>0</b>	<b>0</b>
<b>Balance at end of period</b>	<b>0</b>	<b>0</b>
<b>Accumulated surplus/(deficit)</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at start of period	446,053	441,588
Result for the period	10,646	4,465
Income and expense recognised directly in equity	0	0
<b>Balance at end of period</b>	<b>456,699</b>	<b>446,053</b>
<b>Total equity at end of period</b>	<b>456,699</b>	<b>446,053</b>

**Note 12. Notes to the Statement of Cash Flows**

<b>Reconciliation of cash</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	464,183	447,078
	<u>464,183</u>	<u>447,078</u>
<b>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Net cost of services	10,646	4,465
<u>(Increase)/decrease in assets</u>		
Receivables <sup>(a)</sup>	402	(43)
<u>Increase/(decrease) in liabilities</u>		
Payables <sup>(a)</sup>	6,057	2,278
Net GST receipts/(payments) <sup>(b)</sup>	0	18
Change in GST in receivables/payables <sup>(c)</sup>	0	0
<b>Net cash provided by/(used in) operating activities</b>	<b>17,105</b>	<b>6,718</b>

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

(b) This is the net GST paid/received, i.e. cash transactions.

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

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

**Note 13. Financial instruments**

**(a) Financial risk management objectives and policies**

Financial instruments held by the Tribunal are cash and cash equivalents, receivables, and payables. The Tribunal has limited exposure to financial risks. The Tribunal's overall risk management program focuses on managing the risks identified below.

*Credit risk*

Credit risk arises when there is the possibility of the Tribunal's receivables defaulting on their contractual obligations resulting in financial loss to the Tribunal.

The maximum exposure to credit risk at 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 allowance for impairment as shown in the table at Note 13(c) 'Financial instruments disclosures' and Note 9 'Receivables'.

Credit risk associated with the Tribunal's financial assets is minimal because the Tribunal trades only with recognised, creditworthy third parties. The Tribunal has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Tribunal's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

*Liquidity risk*

Liquidity risk arises when the Tribunal is unable to meet its financial obligations as they fall due.

The Tribunal is exposed to liquidity risk through its trading in the normal course of business.

The Tribunal 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 and interest rates will affect the Tribunal's income or the value of its holdings of financial instruments. The Tribunal does not trade in foreign currency and is not materially exposed to other price risks. Other than as detailed in the interest rate sensitivity analysis table at Note 13(c), the Tribunal has no borrowings and its exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents which are interest bearing.

**(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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<u>Financial Assets</u>		
Cash and cash equivalents	464,183	447,078
Receivables <sup>(a)</sup>	2,391	2,793
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	9,877	3,820

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

**Racing Penalties Appeal Tribunal**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2017**

**Note 13. (c) Financial instrument disclosures**

*Credit risk*

The following table discloses the Tribunal's maximum exposure to credit risk and the ageing analysis of financial assets. The Tribunal's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Tribunal.

The Tribunal does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

**Ageing analysis of financial assets**

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2017</b>								
Cash and cash equivalents	464,183	464,183						
Receivables <sup>(a)</sup>	2,391		2,391					
	<b>466,574</b>	<b>464,183</b>	<b>2,391</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2016</b>								
Cash and cash equivalents	447,078	447,078						
Receivables <sup>(a)</sup>	2,793		2,793					
	<b>449,871</b>	<b>447,078</b>	<b>2,793</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>(a)</sup> The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017

**Note 13. (c) Financial instrument disclosures (contd)**

*Liquidity risk and interest rate exposure*

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

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

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates				
			Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
<b>2017</b>											
<u>Financial Assets</u>											
Cash and cash equivalents	1.98	464,183		464,183		464,183	464,183				
Receivables <sup>(a)</sup>		2,391			2,391	2,391	2,391				
		<b>466,574</b>	<b>0</b>	<b>464,183</b>	<b>2,391</b>	<b>466,574</b>	<b>466,574</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Financial Liabilities</u>											
Payables		9,877			9,877	9,877	9,877				
		<b>9,877</b>	<b>0</b>	<b>0</b>	<b>9,877</b>	<b>9,877</b>	<b>9,877</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>(a)</sup> The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017

Note 13. (c) Financial instrument disclosures (contd)

Liquidity risk and interest rate exposure

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

	Weighted Average Effective Interest Rate %	Interest rate exposure				Nominal Amount \$	Maturity dates				
		Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
<b>2016</b>											
<u>Financial Assets</u>											
Cash and cash equivalents	2.26	447,078		447,078		447,078	447,078				
Receivables <sup>(a)</sup>		2,793			2,793	2,793	2,793				
		<b>449,871</b>	<b>0</b>	<b>447,078</b>	<b>2,793</b>	<b>449,871</b>	<b>449,871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Financial Liabilities</u>											
Payables		3,820			3,820	3,820	3,820				
		<b>3,820</b>	<b>0</b>	<b>0</b>	<b>3,820</b>	<b>3,820</b>	<b>3,820</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>(a)</sup> The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017

**Note 13. (c) Financial instrument disclosures (contd)**

*Interest rate sensitivity analysis*

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

	-100 basis points			+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2017	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalents	464,183	(4,642)	(4,642)	4,642	4,642
<u>Financial Liabilities</u>					
<b>Total Increase/(Decrease)</b>		<b>(4,642)</b>	<b>(4,642)</b>	<b>4,642</b>	<b>4,642</b>
	-100 basis points			+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2016	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalents	447,078	(4,471)	(4,471)	4,471	4,471
<u>Financial Liabilities</u>					
<b>Total Increase/(Decrease)</b>		<b>(4,471)</b>	<b>(4,471)</b>	<b>4,471</b>	<b>4,471</b>

*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.

**Racing Penalties Appeal Tribunal  
Notes to the Financial Statements  
for the year ended 30 June 2017**

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**Note 14. Remuneration of auditor**

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

	2017	2016
	\$	\$
Auditing the accounts, financial statements, controls, and, key performance indicators	<u>11,100</u>	<u>11,000</u>

**Note 15. Commitments**

As at 30 June 2017 the Tribunal did not have any other material capital or expenditure commitments.

**Note 16. Contingent liabilities and contingent assets**

The Tribunal is not aware of any contingent liabilities and contingent assets as at the end of the reporting period.

**Note 17. Events occurring after the end of the reporting period**

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

## Key Performance Indicator Information

Key Performance Indicators (KPIs) are required by section 62 of the *Financial Management Act 2006* and are provided to assist interested parties such as Government, Parliament and community groups in assessing an agency's desired outcomes. KPIs measure the efficiency and effectiveness of an agency.

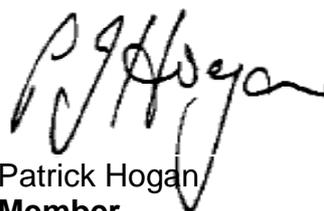
### Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Racing Penalties Appeal Tribunal, and fairly represent the performance of the Racing Penalties Appeal Tribunal for the financial year ended 30 June 2017.



Dan Mossenson  
**Chairperson**  
Racing Penalties Appeal Tribunal

31 August 2017



Patrick Hogan  
**Member**  
Racing Penalties Appeal Tribunal

1 September 2017

## Detailed Information in Support of Key Performance Indicators

**Desired Outcome:** To provide an appeal tribunal in relation to determinations made by racing industry stewards and controlling authorities.

**Strategy:** To ensure that a timely and effective appeal forum is provided at minimum cost to the racing industry.<sup>1</sup>

Under the *Racing Penalties (Appeals) Act 1990* (the Act), an appellant may apply for a suspension of the operation of a penalty at the time of lodging the appeal (a stay). It is essential to the racing codes, trainers, owners and the general public that these stay applications are dealt with expeditiously. These determinations impact directly on the eligibility of riders, drivers and runners to fulfil prior engagements.

The aim and the key performance indicator of the Racing Penalties Appeal Tribunal (the Tribunal) has always been to endeavour to finalise applications for stays on the same day as they are lodged. However, this was only potentially achievable when the appellant (or the appellant's counsel) and the stewards of the relevant code of racing were contactable on that day to provide submissions and the material was available to be forwarded in sufficient time to be dealt with that day by the Tribunal. In those cases where an appeal with a stay application was lodged at the registry later in the day, there was virtually no prospect of it being determined until at least the next working day.

In order to ensure that the key performance indicators better reflect the Tribunal process and the efficiency that is applied against the process is both relevant and appropriate, approval was received from Treasury in November 2016 for a minor change to the key performance indicator of the Tribunal for financial year 2016-17. The key performance indicator has been amended from the number of stay applications determined the same day to the new key performance indicator to finalise applications for stays to no later than one working day following receipt of final submissions being lodged by the parties to the proceeding.

Due to this change, the below table does not include the previous year's comparisons for the key performance indicators for the Tribunal.

Key Effectiveness Indicator	2016-17 Target	2016-17 Actual
Total number of stay applications received	6	3
Number of stay applications determined within one day of receipt of all submissions	6	3
<b>Indicator</b>		<b>100%</b>

<sup>1</sup> The effectiveness indicator for this activity is derived by dividing the number of stay applications determined within one day of receipt of all submissions by the total number of stay applications received, then multiplying by 100.

**Service:** To perform functions for the racing industry.

**Service Description:** To process appeals/ stay applications in accordance with statutory obligations.

The Tribunal was established to maintain industry confidence in the enforcement of the various racing rules by providing the industry with an impartial quasi judicial forum for the hearing of appeals against a determination, or a finding comprised in or related to a determination, of an appropriate controlling authority, of a racing club, or of any committee or stewards.

The Tribunal is responsible for hearing and determining appeals and stay applications against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of greyhound racing, horse racing and harness racing.

A person who is aggrieved by a RWWA decision, or a determination made by a steward/stewards or a committee of a racing club, may make an appeal to the Tribunal within 14 days of the decision being handed down.

The Registrar of the Tribunal must ensure that appeals and stay applications are processed in accordance with the *Racing Penalties (Appeals) Act 1990* and the *Racing Penalties (Appeals) Regulations 1991*, whilst providing an effective and efficient service to the racing industry at minimal cost.

The average cost for hearing appeals can change for each reporting year as a result of increases or reductions in the number of matters heard before the Tribunal, combined with annual increases to the total cost of providing services to the Tribunal to conduct its operations.

The reason for the discrepancy between the estimated average cost of processing appeals during the financial year 2016-17 versus the actual cost incurred in processing the appeals is due to the lower number of appeals lodged during the year as well as increased complexities of the matters heard by the Tribunal and the resultant increase in member fees.

Key Effectiveness Indicator	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual
Average cost of processing an appeal <sup>2</sup>	\$23,040	\$21,567	\$24,242	\$21,331 <sup>3</sup>	\$26,037 <sup>4</sup>

<sup>2</sup> The average processing cost for each financial year is derived by dividing the total cost of services to the Tribunal by the number of appeals heard.

<sup>3</sup> This is based on 2016-2017 budgeted cost of services of \$255,975 divided by a target of 12 appeals.

<sup>4</sup> This is based on 2016-2017 actual cost of services of \$ 234,337 divided by actual 9 appeals with 3 stay applications.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### RACING PENALTIES APPEAL TRIBUNAL OF WESTERN AUSTRALIA

#### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Racing Penalties Appeal Tribunal of Western Australia which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Racing Penalties Appeal Tribunal of Western Australia for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Tribunal in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibility of the Tribunal for the Financial Statements**

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Tribunal.
- Conclude on the appropriateness of the Tribunal's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Tribunal regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report on Controls**

### ***Opinion***

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

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

In my opinion, in all material respects, the controls exercised by the Racing Penalties Appeal Tribunal of 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 30 June 2017.

### ***The Tribunal's Responsibilities***

The Tribunal 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 the controls, necessary to achieve the overall control objectives, were implemented as designed.

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

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

### ***Limitations of Controls***

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

### **Report on the Key Performance Indicators**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Racing Penalties Appeal Tribunal of Western Australia for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Racing Penalties Appeal Tribunal of Western Australia are relevant and appropriate to assist users to assess the Tribunal's performance and fairly represent indicated performance for the year ended 30 June 2017.

#### ***The Tribunal's Responsibility for the Key Performance Indicators***

The Tribunal is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Tribunal 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 Tribunal is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### **Auditor General's Responsibility**

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Racing Penalties Appeal Tribunal of Western Australia for the year ended 30 June 2017 included on the Tribunal's website. The Tribunal's management is responsible for the integrity of the Tribunal's website. This audit does not provide assurance on the integrity of the Tribunal's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
6 September 2017

## Governance Disclosures

### Unauthorised Use of Credit Cards

There have been no identified instances of unauthorised use of corporate credit cards.

### Other Legal and Government Policy Requirements

#### Advertising and Sponsorship

Section 175ZE of the *Electoral Act 1907* requires public agencies to report details of expenditure to organisations providing services in relation to advertising, market research, polling, direct mail and media advertising. The Tribunal incurred \$65.42 of 'Government Agencies' expenditure in 2016-17.

#### Remuneration of Members

During the reporting period, the following remuneration figures applied to Tribunal members.

Tribunal Member	All Earnings	Superannuation
William Chesnutt	\$2,890.00	\$274.56
Andrew Monisse	\$599.00	\$56.91
Dan Mossenson	\$16,723.85	\$1,588.76
Patrick Hogan	\$5,474.00	\$520.04
Robert Nash	\$2,606.00	\$247.59
John Prior	\$1,093.00	\$103.84
Karen Farley	\$3,856.00	\$366.33
<b>Total</b>	<b>\$33,241.85</b>	<b>\$3,158.03</b>

#### Other Government Policy Requirements

The Tribunal meets its requirements through arrangements with the Department of Racing, Gaming and Liquor. The Department's annual report contains information on how the following requirements are met:

- Disability Access and Inclusion Plan Outcomes.
- Compliance with Public Sector Standards and Ethical Codes.
- Recordkeeping Plans.
- Substantive Equality.
- Occupational Safety, Health and Injury Management.