



RACING PENALTIES APPEAL TRIBUNAL OF WESTERN AUSTRALIA



ANNUAL REPORT
2005 - 2006

Letter of Transmittal

HON MARK McGOWAN MLA
MINISTER FOR THE ENVIRONMENT; RACING AND GAMING

RACING PENALTIES APPEAL TRIBUNAL ANNUAL REPORT 2005-2006

In accordance with section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Racing Penalties Appeal Tribunal of Western Australia for the year ended 31 July 2006.

The report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

The report summarises the Tribunal's functions and objectives, presents an overview of achievements and includes financial statements for the year.

The Tribunal's success in meeting its objectives has been significantly influenced by the dedication and commitment of the employees of the Department of Racing, Gaming and Liquor. We take this opportunity on behalf of the Tribunal to express appreciation for their efforts.



Dan Mossenson
Chairperson, Racing Penalties Appeal Tribunal of Western Australia
19 September 2006



Patrick Hogan
Member, Racing Penalties Appeal Tribunal of Western Australia
15 September 2006

Statement of Compliance with Relevant Law

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 of 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.

Legislation Administered

Racing Penalties (Appeals) Act 1990.

Legislation Impacting On Activities

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

- *Corruption and Crime Commission Act 2003;*
- *Disability Services Act 1993;*
- *Electoral Act 1907;*
- *Financial Administration and Audit Act 1985;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Parliamentary Commissioner Act 1971;*
- *Public Interest Disclosure Act;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000;*
- *State Supply Commission Act 1991;* and

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

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



Dan Mossenson

Chairperson, Racing Penalties Appeal Tribunal of Western Australia

19 September 2006



Terry Ng

Chief Finance Officer

11 September 2006



Patrick Hogan

Member, Racing Penalties Appeal Tribunal of Western Australia

15 September 2006

Contents

LETTER OF TRANSMITTAL	2
STATEMENT OF COMPLIANCE WITH RELEVANT LAW	3
THE TRIBUNAL	5
PURPOSE OF THE TRIBUNAL	5
EQUITY, ACCESS AND CUSTOMER FOCUS	5
RESPONSIBLE MINISTER.....	5
APPEALS WHICH MAY BE HEARD BY THE TRIBUNAL.....	5
DETERMINATION OF APPEALS	6
TRIBUNAL MEMBERSHIP	7
REPORT ON OPERATIONS.....	8
APPEALS	8
STAYS OF PROCEEDINGS	9
MATTERS HEARD AND DETERMINED BY THE TRIBUNAL.....	11
TRIBUNAL LIBRARY	13
2006 AUSTRALASIAN RACING APPEALS TRIBUNALS CONFERENCE.....	13
BUDGET INFORMATION.....	14
SUMMARY INFORMATION	14
GOVERNMENT EXPENDITURE 2005/06.....	14
SERVICE DELIVERY TARGETS	15
QUANTITY	15
QUALITY	15
TIMELINESS	15
COST	15
FINANCIAL STATEMENTS	16
PERFORMANCE INDICATORS.....	34
OPINION OF THE AUDITOR GENERAL.....	37
ACKNOWLEDGMENTS	38
CONTACTING THE RACING PENALTIES APPEAL TRIBUNAL	38

The Tribunal

Purpose of the Tribunal

The Racing Penalties (Appeals) Act 1990 (the Act) was enacted in November 1990 to establish the Racing Penalties Appeal Tribunal. The Act came into operation on 15 April 1991. The aim of the legislation 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.

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).

Equity, Access and Customer Focus

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

As such, the Tribunal does not maintain plans for –

- Equal Employment Opportunity;
- Public Sector Standards;
- Language Services; and
- Disability Services,

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

Responsible Minister

The Honourable Mark McGowan, MLA, Minister for the Environment; and Racing and Gaming.

Appeals Which May Be Heard By the Tribunal

A person, who is aggrieved by a determination of RWVA, or of a steward or a committee of a racing club, may within 14 days after the making of the determination, appeal to the Tribunal. The matters that can be appealed against are those determinations or findings -

- imposing any suspension or disqualification, whether of a runner or of a person;
- imposing a fine;
- which results, or may result, in the giving of a notice of the kind commonly referred to as a warning-off; or
- in relation to any other matter, where the Tribunal gives leave to appeal.

Determination of Appeals

The Tribunal is required to hear and determine an appeal upon the evidence of the original hearing but may allow new evidence or call on experts to assist in its deliberations.

When determining an appeal, the Tribunal may -

- order the refund or repayment of any stakes paid in respect of a race to which the appeal relates;
- refer the matter to RWWA or the stewards or 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 or the committee or stewards of the appropriate racing club, take further action in relation to any person; and
- make such other order as the member presiding may think proper.

Decisions of the Tribunal are final and binding.

Tribunal Membership

Sections 5 and 6 of the Act 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. Where the Regulations provide, an appeal may be heard by the Chairperson, acting Chairperson or presiding member sitting alone.

The composition of the Tribunal as at 31 July 2006 is as follows:

Mr Dan Mossenson (current term expires 28 February 2009)	Inaugural Chairperson - initial appointment 1990
Mr Patrick Hogan (current term expires 28 February 2009)	Inaugural Member - initial appointment 1991
Mr John Prior (current term expires 28 February 2009)	Member - initial appointment 1994
Ms Karen Farley (current term expires 28 February 2008)	Member - initial appointment 1997
Mr Andrew Monisse (current term expires 28 February 2008)	Member - initial appointment 1997
Mr Robert Nash (current term expires 28 February 2008)	Member - initial appointment 1997
Mr Steven Pynt (current term expires 28 February 2008)	Member - initial appointment 1997
Mr William Chesnutt (current term expires 28 February 2009)	Member - initial appointment 2000

Mr Doug Smith was appointed **Registrar** and **executive officer** on 6 November 1995.

Report on Operations

Appeals

This year 21 appeals were lodged with the Tribunal and one was carried over from the previous year. During the year, the Tribunal determined 16 appeals with six pending at the end of this year. These appeals, together with appeals from the previous year, are summarised by racing code as follows:

Appeals Lodged and Determined							
Racing Code	Appeals Lodged 2004/05	Appeals Determined 2004/05	Hearing Days Occupied 2004/05	Appeals Carried Over To 2005/06	Appeals Lodged 2005/06	Appeals Determined 2005/06	Hearing Days Occupied 2005/06
Thoroughbred	11	12	5.00	0	15	11	3.00
Harness	7	7	3.00	1	4	3	3.00
Greyhound	3	3	0.50	0	2	2	1.00
Total	21	22	8.50	1	21	16	7.00

The results of the determinations for the respective racing codes for the years 2005/06 and 2004/05 are summarised below.

2005/06 Appeal Results			
	Thoroughbred Racing	Harness Racing	Greyhound Racing
Allowed in Full	0	0	0
Allowed in Part (Penalty Reduced)	2	1	0
Referred Back to Stewards (RWVA)	0	1	0
Dismissed	5	1	2
Withdrawn	4	0	0
Total	11	3	2

2004/05 Appeal Results			
	Thoroughbred Racing	Harness Racing	Greyhound Racing
Allowed in Full	0	2	0
Allowed in Part (Penalty Reduced)	1	0	0
Referred Back to Stewards (RWWA)	0	0	0
Dismissed	9	5	1
Withdrawn	2	0	2
Total	12	7	3

2005/06 Appeals Awaiting Determination			
	Thoroughbred Racing	Harness Racing	Greyhound Racing
Reserved Decision	1	0	0
Yet to be Heard	3	2	0
Total	4	2	0

Stays of Proceedings

Section 17(7) of the Act deals with the suspension of the operation of any order or pecuniary or other penalty imposed, or any consequence arising from any determination or finding. This stay of proceedings provision brings into consideration factors such as prejudice to an appellant due to the passage of time from a conviction until the Tribunal has determined the appeal and circumstances where an appellant's capacity to earn a livelihood is interrupted.

An application for a suspension of the operation of a penalty must be in writing. The Stewards of the relevant code are then invited to respond and provide written submissions. A stay of proceedings is generally granted when the Stewards do not oppose the application. In those instances where the Stewards oppose the granting of an application, the Registrar invites the appellant to respond to the submission made by the Stewards.

The Chairperson determines each application on all of the available material. Where a suspension of the operation of a penalty is granted, the Chairperson also determines the conditions under which the stay will operate.

In 2005/06, there were eight applications for stays of proceedings compared to 11 the previous year. The Chairperson made the determinations as follows:

2005/06 Applications for Stays of Proceedings		
Racing Code	Stays Granted	Stays Refused
Thoroughbred	0	4
Harness	0	4
Greyhound	0	0
Total	0	8

2004/05 Applications for Stays of Proceedings		
Racing Code	Stays Granted	Stays Refused
Thoroughbred	2	2
Harness	3	2
Greyhound	0	2
Total	5	6

Matters Heard and Determined by the Tribunal

The following is a summary of the matters heard and determined by the Tribunal and the results of those determinations during 2005/06 by reference to each racing code.

Thoroughbred Racing

Trainers

Jeffrey Bull Appeal 639	Disqualification for 12 months for a prohibited substance detected in a horse presented for a race – appeal upheld, penalty reduced to 6 months disqualification.
Geoffrey Durrant Appeal 642	Disqualification for 9 months for a prohibited substance detected in a horse presented for a race – appeal dismissed, penalty confirmed.
Roy Rogers Appeal 646	Fine of \$6,000 for a prohibited substance detected in a horse presented for a race – appeal upheld, penalty reduced to a fine of \$3,000.

Jockeys

Alana Sansom Appeal 649	Suspension for 18 days for careless riding in race – appeal dismissed, penalty confirmed.
Peter Farrell Appeal 651	Suspension for 6 weeks for supplying a breath sample on a race day which contained in excess of the permitted level of alcohol – appeal dismissed, penalty confirmed.

Unlicensed Persons

Stephen Cookson Appeal 640	Fine of \$5,000 for improper conduct for striking a licensed stablehand/owner – appeal dismissed, penalty confirmed.
-------------------------------	--

Trackwork Riders

Paul Fahy Appeal 645	Disqualification for 6 months for refusing to provide a urine sample as directed – appeal dismissed, penalty confirmed.
-------------------------	---

Harness Racing

Trainer/Drivers

Lindsay Harper Appeal 635	Disqualification for 7 years and 5 years for assaulting a person having connection to the harness racing industry and for behaviour detrimental to the industry, both penalties to be served concurrently. By a majority decision, the appeal was upheld and referred back to the Stewards for rehearing.
Shannon Suvaljko Appeal 638	Disqualification for 12 months for a prohibited substance detected in a horse presented for a race – appeal dismissed, penalty confirmed.

Drivers

Morgan Woodley Appeal 653	Suspension for 23 days for causing interference in a race – appeal as to conviction dismissed, appeal as to penalty upheld – penalty reduced to 17 days suspension.
------------------------------	---

Greyhound Racing

Trainers

Jack Fleming Appeal 643	Fine of \$2,000 for a prohibited substance detected in a greyhound presented for a race – appeal dismissed, penalty confirmed.
----------------------------	--

Owners

Maxwell Julien Appeal 644	This was an application for leave to appeal against the direction that BARNEY'S AGENT complete a satisfactory solo trial with a condition that the greyhound goes past the return gate. Leave refused.
------------------------------	--

Tribunal Library

To assist persons who may wish to utilise the appeal process the Registrar maintains an up to date index of all determinations made since the Tribunal commenced operations in 1991. This index is available for perusal free of charge. To streamline research, the index is divided into the following sections:

Section 1	Thoroughbred Racing
Section 2	Harness Racing
Section 3	Greyhound Racing

In respect of the two horse racing codes, the index is further divided into the following sub-sections:

- Conduct
- Prohibited Substances
- Protests
- Leave to Appeal
- Nominal Index

In respect of the greyhound racing code, the index is divided as above except for protests.

In addition, there is a summary of the issues and results in respect of all appeal/application determinations including the relevant rule and prohibited substance (if applicable).

The index is now available on the web site of the Department of Racing, Gaming and Liquor at www.rgl.wa.gov.au.

Any person may peruse the full determinations of the Tribunal free of charge. A small fee is payable for photocopies.

A copy of every determination is forwarded to the Supreme Court of Western Australia Library.

Also available for perusal free of charge are the Racing Appeals Reports. These reports are a digest of rulings, observations and comments of Australian and New Zealand statutory appeals tribunals for the three codes of racing. Photocopies are available on request (subject to copyright laws) on payment of a small fee.

2006 Australasian Racing Appeals Tribunals Conference

The Chairperson attended the conference held 25–28 January 2006 in Wellington, New Zealand. The next conference is scheduled for March, 2007 to be hosted by Queensland.

Budget Information

Summary Information

	Estimate 2006/07 \$	Estimate 2005/06 \$	Actual 2005/06 \$	Actual 2004/05 \$
Expenses from Ordinary Activities				
Fees Paid to Tribunal Members	55,000	54,505	40,383	29,010
Other Expenses	150,353	129,365	127,025	111,616
Total Cost of Services	205,353	183,870	167,408	140,626
Revenues from Operating Activities				
Operating Income	179,618	143,772	143,092	187,351
Interest Revenue	4,798	3,387	4,522	5,287
Total Income	184,416	147,159	147,614	192,638
Net Cost of Services	20,937	36,711	19,794	(52,012)
Surplus/(Deficit) for the Period	(20,937)	(36,711)	(19,794)	52,012

Government Expenditure 2005/06

Compliance with Section 175ZE of the Electoral Act 1907

During the reporting year, the Tribunal expended \$58.36 on advertising.

Service Delivery Targets

The Tribunal's service delivery targets are:

Quantity

Number of appeals processed

2005/06 Target	2005/06 Actual
26	16

Quality

% of appellants who did not lodge a complaint in relation to the appeal process

2005/06 Target	2005/06 Actual
100%	100%

Timeliness

% of applications for stays of proceedings determined on day of lodgement (refer to explanatory note in Performance Indicators on Page 19)

2005/06 Target	2005/06 Actual
60%	0%

Cost

Average cost of processing an appeal

2005/06 Target	2005/06 Actual
\$7,072	\$10,463

Financial Statements

The aim of these Financial Statements is to present to the Parliament details of revenue and expenditure for the Gaming and Wagering Commission of Western Australia.

This part of the Annual Report contains:

- Financial Statements;
- Accompanying Notes; and
- Certification of the Financial Statements.

Key Aspects of the Financial Statements

As at 31 July 2006, the Tribunal showed a deficit of \$19,794. It was partly attributable to a significant increase in the 'Tribunal members' expenses' due to more time spent by members on appeals. There were also increases in the 'Supplies and services' due to an increase in the recoupment fee paid to the Department of Racing, Gaming and Liquor for the provision of support services. There was a significant decrease in the funding from the Racing and Wagering Western Australia.

Racing Penalties Appeal Tribunal			
Income Statement			
for the year ended 31 July 2006			
	Note	2006 \$	2005 \$
COST OF SERVICES			
Expenses			
Tribunal members' expenses	10	40,383	29,010
Superannuation	10	3,634	2,610
Supplies and services		<u>123,391</u>	<u>109,006</u>
Total cost of services		<u>167,408</u>	<u>140,626</u>
Income			
Revenue			
Operating income		143,092	187,351
Interest revenue		<u>4,522</u>	<u>5,287</u>
Total income		<u>147,614</u>	<u>192,638</u>
NET COST OF SERVICES	9	<u>19,794</u>	<u>(52,012)</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>(19,794)</u>	<u>52,012</u>

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

Racing Penalties Appeal Tribunal

Balance Sheet

as at 31 July 2006

	Note	2006 \$	2005 \$
Current Assets			
Cash and cash equivalents	4	20,777	42,238
Other current assets	5	160	513
Total Current Assets		<u>20,937</u>	<u>42,751</u>
Total Assets		<u>20,937</u>	<u>42,751</u>
Current Liabilities			
Payables	6	22	1,502
Other current liabilities	7	0	540
Total Current Liabilities		<u>22</u>	<u>2,042</u>
Total Liabilities		<u>22</u>	<u>2,042</u>
NET ASSETS		<u>20,915</u>	<u>40,709</u>
Equity			
Accumulated surplus/(deficiency)	8	20,915	40,709
TOTAL EQUITY		<u>20,915</u>	<u>40,709</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

Racing Penalties Appeal Tribunal
Statement of Changes in Equity
for the year ended 31 July 2006

	Note	2006 \$	2005 \$
Balance of equity at start of period	19	40,709	(11,303)
ACCUMULATED SURPLUS (RETAINED EARNINGS)			
Balance at start of period	8	40,709	(11,303)
Net adjustment on transition to AIFRS	19	0	0
Restated balance at start of period		40,709	(11,303)
Surplus/(deficit) or profit/(loss) for the period		(19,794)	52,012
Balance at end of period		<u>20,915</u>	<u>40,709</u>
Balance of equity at end of period		<u><u>20,915</u></u>	<u><u>40,709</u></u>
Total income and expense for the period		<u>(19,794)</u>	<u>52,012</u>

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

Racing Penalties Appeal Tribunal
Cash Flow Statement
for the year ended 31 July 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Tribunal members' expenses		(40,877)	(34,395)
Superannuation		(3,679)	(3,096)
Supplies and services		(124,871)	(113,705)
GST paid on purchases		(724)	(531)
GST payments to taxation authority		0	(9)
Receipts			
Receipts from customers		143,092	187,420
Interest received		4,874	4,881
GST receipts on sales		0	7
GST receipts from taxation authority		724	538
Net cash provided by/(used in) operating activities	9	<u>(21,461)</u>	<u>41,110</u>
Net increase/(decrease) in cash and cash equivalents		(21,461)	41,110
Cash and cash equivalents at the beginning of period		42,238	1,128
Cash and cash equivalents at the end of period	9	<u><u>20,777</u></u>	<u><u>42,238</u></u>

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

Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006

1. First time adoption of Australian equivalents to International Financial Reporting Standards

General

This is the Tribunal's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 31 July 2005, the financial statements have been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Australian Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 August 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information has been prepared under the AIFRS basis.

Early adoption of standards

The Tribunal cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 August 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 August 2004 and 31 July 2005 are provided at note 19 'Reconciliations explaining the transition to AIFRS'.

2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has 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 in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' 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 rounded to the nearest dollar.

Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006

(c) Reporting Entity

The reporting entity comprises the Tribunal only.

(d) Income

Revenue

Revenue is 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.

Interest

Revenue is recognised as the interest accrues.

(e) 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 Income Statement 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 agreement.

(f) Financial Instruments

The Tribunal has two categories of financial instrument:

- * Receivables (cash and cash equivalents, receivables); and
- * Non-trading 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.

(g) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash assets.

(h) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. 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. See note 2(f) 'Financial Instruments'.

(i) Payables

Payables are recognised 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 they are generally settled within 30 days. See note 2(f) 'Financial Instruments' and note 6 'Payables'.

Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006

(j) 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 Expense

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

The liabilities for superannuation charges under the West State Superannuation Scheme are extinguished by payment of employer contributions to the Government Employees Superannuation Board (GESB).

The note disclosure required by paragraph 121 of AASB 119 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Tribunal. Accordingly, deriving the information for the Tribunal is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(k) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 August 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

3. Disclosure of changes in accounting policy and estimates

Future impact of Australian Accounting Standards not yet operative

The Tribunal cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Tribunal has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.

2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Tribunal does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.

**Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006**

3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Tribunal has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Tribunal as they will have no impact:

AASB Amendment	Affected Standards
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	AASB 121 (Net investment in foreign operations)
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.
UIG 8	'Scope of AASB 2'.
UIG 9	'Reassessment of Embedded Derivatives'.

	2006 \$	2005 \$
4. Cash and cash equivalents		
Cash and cash equivalents are represented by funds held at the Commonwealth Bank of Australia	<u>20,777</u>	<u>42,238</u>
5. Other current assets		
Interest receivable	<u>160</u>	<u>513</u>
6. Payables		
Payables for goods and services received	<u>22</u>	<u>1,502</u>
	<u>22</u>	<u>1,502</u>
See also note 2(i) 'Payables' and note 13 'Financial instruments'.		
7. Other current liabilities		
Accrued expenses	<u>0</u>	<u>540</u>
	<u>0</u>	<u>540</u>

**Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006**

	2006 \$	2005 \$
8. Equity		
Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community.		
Accumulated surplus/(deficit) (Retained Earnings)		
Balance at start of year	40,709	(11,303)
Result for the period	(19,794)	52,012
Income and expense recognised directly to equity	0	0
Balance at end of year	<u>20,915</u>	<u>40,709</u>

9. Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	<u>20,777</u>	<u>42,238</u>
	<u>20,777</u>	<u>42,238</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(19,794)	52,012
(Increase)/decrease in assets:		
Receivables	0	76
Other current assets	353	(407)
Increase/(decrease) in liabilities:		
Payables	(1,480)	(5,230)
Other current liabilities	(540)	(5,339)
Net GST receipts/(payments)	0	5
Change in GST in receivables/payables	0	(7)
Net cash provided by/(used in) operating activities	<u>(21,461)</u>	<u>41,110</u>

10. Remuneration of members of the Accountable Authority

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

\$		
0 - 10,000	7	7
20,001 - 30,000	0	1
30,001 - 40,000	1	0

The total remuneration of members of the Accountable Authority is: 44,017 31,620

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

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

Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006

11. Explanatory statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$20,000.

(i) Significant variances between actual results for 2005 and 2006

	2006 Actual \$	2005 Actual \$	Variance \$
<i>Tribunal members' expenses</i>	40,383	29,010	(11,373)
The increase of \$11,373 was due to more time spent by board members on appeals.			
<i>Superannuation</i>	3,634	2,610	(1,024)
The increase of \$1,024 was attributed to the extra fees paid to board members.			
<i>Supplies and services</i>	123,391	109,006	(14,385)
The increase of \$14,385 was mainly due to an increase in the amount recouped by the Department of Racing, Gaming and Liquor for the provision of support services.			
<i>Operating income</i>	143,092	187,351	(44,259)
The decrease of \$44,259 was mainly due to a lower contribution from Racing and Wagering Western Australia.			
<i>Interest revenue</i>	4,522	5,287	(765)
The decrease of \$765 was the result of a lower bank balance throughout the year.			

(ii) Significant variances between estimated and actual result for 2006

Variations which have been explained in part (i) of this note have not been repeated here in the interests of concise reporting.

12. Remuneration of auditor

Remuneration to the Auditor General for the financial year is as follows:

	2006 \$	2005 \$
Auditing the accounts, financial statements and performance indicators	<u>5,800</u>	<u>5,500</u>

**Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006**

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

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

Liquidity risk

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.

(b) Financial Instrument Disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosures of Financial Instruments'. Financial instrument information from 1 August 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(k) 'Comparative Figures'.

Interest Rate Risk Exposure

The following table details the Tribunal's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate	Floating interest rate	Non-interest bearing	Total 31 July 2006	Total 31 July 2005
		\$	\$	\$	\$
i) Financial assets					
Cash assets				20,777	42,238
Other current assets	5.55%	20,777		160	513
Total financial assets		20,777	160	20,937	42,751
ii) Financial liabilities					
Payables				22	1,502
Other current liabilities				0	540
Total financial liabilities			22	22	2,042

Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

**Racing Penalties Appeal Tribunal
Notes to the Financial Statements
for the year ended 31 July 2006**

14. Commitments

As at 31 July 2006 the Tribunal did not have any other material capital or expenditure commitments.

15. Contingent liabilities and contingent assets

The Tribunal is not aware of any contingent liabilities and contingent assets as at reporting date.

16. Events occurring after the balance sheet date

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

17. Related bodies

Nil

18. Affiliated bodies

Nil

Racing Penalties Appeal Tribunal
 Notes to the Financial Statements
 for the year ended 31 July 2006

19. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 AUGUST 2004 (AASB 1.39(a)(i))

	Previous GAAP 1 August 2004	Adjustments	Total Adjustments	AIFRS 1 August 2004
ASSETS				
Current Assets				
Cash and cash equivalents	1,128			1,128
Receivables	76			76
Other current assets	106			106
Total Current Assets	1,310	0	0	1,310
TOTAL ASSETS	1,310	0	0	1,310
LIABILITIES				
Current Liabilities				
Payables	6,734			6,734
Other current liabilities	5,879			5,879
Total Current Liabilities	12,613	0	0	12,613
TOTAL LIABILITIES	12,613	0	0	12,613
NET LIABILITIES	(11,303)			(11,303)
Equity				
Contributed equity	0			0
Accumulated surplus/(deficiency)	(11,303)			(11,303)
TOTAL EQUITY	(11,303)	0	0	(11,303)

Note

Racing Penalties Appeal Tribunal
 Notes to the Financial Statements
 for the year ended 31 July 2006

19. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) (contd)

RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 31 JULY 2005 (AASB 1.39(a)(ii))

	GAAP	Adjustments	Total	AIFRS
	31 July 2005	Adjustments	Adjustments	31 July 2005
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	42,238			42,238
Receivables	0			0
Other current assets	513			513
Total Current Assets	42,751	0	0	42,751
TOTAL ASSETS	42,751	0	0	42,751
LIABILITIES				
Current Liabilities				
Payables	1,502			1,502
Other current liabilities	540			540
Total Current Liabilities	2,042	0	0	2,042
TOTAL LIABILITIES	2,042	0	0	2,042
NET ASSETS	40,709			40,709
Equity				
Contributed equity	0			0
Accumulated surplus/(deficiency)	40,709			40,709
TOTAL EQUITY	40,709	0	0	40,709

Note

Racing Penalties Appeal Tribunal
 Notes to the Financial Statements
 for the year ended 31 July 2006

19. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) (contd)

RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 31 JULY 2005 (AASB 1.39(b))

	GAAP	Adjustments	Total	AIFRS
	31 July 2005	Adjustments	Adjustments	31 July 2005
	\$	\$	\$	\$
		Reclassification		
COST OF SERVICES				
Expenses				
Tribunal members' expenses	29,010			29,010
Superannuation	2,610			2,610
Supplies and services	109,006			109,006
Total cost of services	140,626	0	0	140,626
Income				
<i>Revenue</i>				
Operating income	187,351			187,351
Interest revenue	5,287			5,287
Total income	192,638	0	0	192,638
NET COST OF SERVICES	(52,012)	0	0	(52,012)
Surplus/(deficit) for the period	52,012	0	0	52,012

See Statement of Changes in Equity

Racing Penalties Appeal Tribunal

**Notes to the Financial Statements
for the year ended 31 July 2006**

19. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) (cont'd)

RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2005 (AASB 1.40)

Note	GAAP	Adjustments	Total	AIFRS
	31 July 2005		Adjustments	31 July 2005
		Reclassification		
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Tribunal members' expenses	(34,395)			(34,395)
Superannuation	(3,096)			(3,096)
Supplies and services	(113,705)			(113,705)
GST paid on purchases	(531)			(531)
GST payments to taxation authority	(9)			(9)
Receipts				
Receipts from customers	187,420			187,420
Interest received	4,881			4,881
GST receipts on sales	7			7
GST receipts from taxation authority	538			538
Net cash provided by/(used in) operating activities	41,110			41,110
Net increase/(decrease) in cash and cash equivalents	41,110			41,110
Cash and cash equivalents at the beginning of period	1,128			1,128
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	42,238			42,238

Statement of Certification

The accompanying financial statements of the Racing Penalties Appeal Tribunal of Western Australia have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 31 July 2006 and the financial position as at 31 July 2006.


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



Dan Mossenson
Chairperson, Racing Penalties Appeal Tribunal of Western Australia
19 September 2006



Terry Ng
Chief Finance Officer
11 September 2006



Patrick Hogan
Member, Racing Penalties Appeal Tribunal of Western Australia
15 September 2006

Performance Indicators

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.

Effectiveness Indicator:

Stays of Proceedings

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

The aim of the Tribunal is to endeavour to finalise applications for stays on the same day as they are lodged. This is only potentially achievable when the appellant (or the appellant's counsel) and the Stewards of the relevant code of racing are contactable on that day to provide submissions and the material is available to be forwarded in sufficient time to be dealt with that day by the Tribunal. In those cases where the application is lodged at the Registry later in the day there is virtually no prospect of it being determined until at least the next working day.

Stays of proceedings is the only process the Tribunal has some control over in respect of a timeliness measurement. The appeal process in respect of timeliness is governed by many factors including the availability of counsel for both parties, the provision of the transcript of a Stewards' inquiry, legal proceedings in other jurisdictions and the complexity of matters required to be determined.

In 2005/06, all eight applications received for a stay of proceedings were unable to be determined on the day of lodgement. The average time to process the eight applications was three days. All applications were opposed by RWWA which required the Registrar to seek further submissions from the applicants. All applications for stays of proceedings were subsequently refused by the Chairperson.

2005/06

Number of stay applications received	8
Number of stay applications determined same day	0
Indicator	00.0%

Comparative results for the previous four years are shown below.

2004/05

Number of stay applications received	11
Number of stay applications determined same day	4
Indicator	36.4%

2003/04			
Number of stay applications received			8
Number of stay applications determined same day			3
	Indicator		37.5%
2002/03			
Number of stay applications received			14
Number of stay applications determined same day			8
	Indicator		57.1%
2001/02			
Number of stay applications received			17
Number of stay applications determined same day			10
	Indicator		58.8%

Service: To perform functions for the racing industry.

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

Efficiency Indicator:


Cost of Appeals

	2005/06	2004/05	2003/04	2002/03	2001/02
Total cost	\$167,408	\$140,626	\$167,115	\$143,067	\$156,415
Appeals processed	16	22	17	25	43
Average cost per appeal	\$10,463	\$6,392	\$9,830	\$5,723	\$3,638

The nature and the length of appeals has resulted in an increase in the average cost incurred per appeal compared to the previous year.

Statement of Certification

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Racing Penalties Appeal Tribunal of Western Australia's performance, and fairly represent the performance of the Racing Penalties Appeal Tribunal of Western Australia for the financial year ended 31 July 2006.



Dan Mossenson

Chairperson, Racing Penalties Appeal Tribunal of Western Australia

19 September 2006



Patrick Hogan

Member, Racing Penalties Appeal Tribunal of Western Australia

15 September 2006

Opinion of the Auditor General



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

RACING PENALTIES APPEAL TRIBUNAL OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 31 JULY 2006

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Racing Penalties Appeal Tribunal of Western Australia at 31 July 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Tribunal provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Tribunal are relevant and appropriate to help users assess the Tribunal's performance and fairly represent the indicated performance for the year ended 31 July 2006.

Scope

The Tribunal is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
28 September 2006

Acknowledgments

Compilation	Doug Smith	Department of Racing, Gaming and Liquor
Financial Statements	Terry Ng	Department of Racing, Gaming and Liquor

Contacting the Racing Penalties Appeal Tribunal

Address:

Level 1, 87 Adelaide Terrace
EAST PERTH WA 6004

Postal Address:

PO Box 6119
EAST PERTH WA 6892

Telephone: (08) 9425 1888
Facsimile: (08) 9221 9838