

# Judicial Control Authority for Racing

## Te Mana Ā-Ture Mō Te Purei

### ANNUAL REPORT 2018



# JUDICIAL CONTROL AUTHORITY FOR RACING

## EXECUTIVE BOARD



Chair – Bill Wilson QC

## NZ Thoroughbred Racing Inc Representatives



Neville Harris QSO



Roger Drummond

## Harness Racing New Zealand Representatives



Peter Smith



Brent Williams

## New Zealand Greyhound Racing Representatives



Kevin Brady CNZM



Eugene St John

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# JUDICIAL CONTROL AUTHORITY FOR RACING

## CHAIR'S REPORT

### Performance

The Racing Act 2003 confers on the Judicial Control Authority for Racing ("the JCA") functions which fall into two categories. First, the JCA must establish panels from which Judicial Committees and Appeals Tribunals are appointed and then appoint panelists to Committees and Tribunals (s. (37) (2)(b)(c) and (d)). Secondly, the JCA must initiate changes to the judicial control of racing which it thinks are desirable, including the changing of the Rules of the three Racing Codes (Thoroughbred, Harness and Greyhound) (s. 37 (2) and (e)).

The statistics in this report demonstrate the volume of work carried out by the JCA and its panelists. In my view, based on a working lifetime as a litigation lawyer, tribunal member and judge, the quality of the JCA's work is of the highest standard and other judicial systems could learn much from it in terms of the standard and timeliness of the decision-making. Indeed I think that many in racing do not realise how fortunate is the industry in this country to have its integrity protected by such an effective and efficient judicial system.

### Future Changes

This is however a time of great uncertainty and possible change in racing, with the Messara Report having proposed wide-ranging changes. The Report recommended a review of the whole integrity structure in racing, including the role of the JCA. At the time of writing this report, the JCA has not been advised whether the proposed review is taking place, let alone who is to conduct it and the outcome of the review.

The JCA Board is not averse to change. For example, the Board sees great potential in the greater use of improved technology such as in the filming of races, which might make it unnecessary for panelists to be present on course at all meetings. The Board believes however, that it is important to retain the fundamental features of the present system, including the separation of the investigatory/prosecutorial role from the judicial one. Just as it would never be acceptable to combine the roles of the Police and the Courts, so should the role of the Racing Integrity Unit (the counterpart of the Police) be clearly separated from that of the JCA (the Courts).

### Consistency

In my view the greatest challenge facing the JCA, other than possible structural change, continues to be the difficulty of achieving consistency of decision-making. While all cases do turn largely on their own facts, cases where the facts are materially the same should have the same outcome and

## CHAIR'S REPORT – Continued

where outcomes do differ the reasons for that difference should be clearly explained.

The JCA attempts to achieve consistency through a number of measures, namely:

- the training of panelists
- the issue and revision of a Penalty Guide
- an effective right of Appeal
- the review of all decisions by Board Members, who provide feedback to panelists as appropriate

### Training

Speaking of training, the Board during the year identified the need for improved training and mentoring of recently-appointed panelists. It therefore asked Nicki Moffatt and Tangi Utikere, as experienced panelists and professional educators, to develop and present a training programme and to provide ongoing mentoring for all recently appointed panelists.

Nicki and Tangi have done so, to a very high standard. This has been welcomed by the panelists concerned, and is showing immediate and substantial benefits.

### Thanks

I have reached an agreement with the NZ Racing Board that my term as Chair of the JCA will come to an end at the end of 2018. This will therefore be my last Annual Report. I thank all those in racing who have supported me as Chair.

Within the JCA, I record again my admiration of the work of the panelists. I am also very grateful to my fellow Board Members who, through their great interest in racing and their governance experience at high levels, in the public or private sectors, contribute greatly to the work of the JCA in both their non-executive and executive capacities (the latter, for example, by reviewing decisions). I also cannot speak too highly of the work of Catherine Hutton, the JCA's Executive Officer and her staff, for managing the work of the JCA with exemplary efficiency and maintaining excellent relationships with the many people who came into contact with the JCA.

My sincere thanks to you all and my best wishes for the future.



Bill Wilson QC  
Chair

# JUDICIAL CONTROL AUTHORITY FOR RACING

## NEW ZEALAND THOROUGHBRED RACING INC

Judicial Committee workloads increased significantly in the 2017-2018 season. Raceday Committees dealt with 521 Thoroughbred related matters which was a substantial increase (41%) over the judicial activity recorded in 2016-2017 and the highest volumes recorded in the last decade. The Racing Integrity Unit (RIU) lodged 404 charges with Raceday Committees relating principally to careless riding and whip offences with Judicial Committees imposing licence suspensions on 250 occasions. Of particular note was the increase in excessive use of the whip charges following the RIU's introduction of revised whip guidelines at the start of the season.

The Minor Infringement Scheme continued to operate well and 79 administrative or regulatory breaches were dealt with in this manner.

Of the 20 protests heard by Committees, 15 were dismissed and 5 involved a change of placings.

A significant policy development was the implementation of a national riding day policy for use by Judicial Committees when determining the length and effect of a suspension of a rider's licence. After significant industry consultation this change was introduced in November 2017. Previously racedays included in a suspension were only those in the regions where the rider normally rode. Now all riders are treated as riding nationally. Notwithstanding some challenges with the pattern of racing in New Zealand this policy has generally worked well.

The JCA also revised the penalty setting guidelines for Thoroughbred matters in consultation with the RIU and has published these guidelines to take effect from 1 August 2018.

# JUDICIAL CONTROL AUTHORITY FOR RACING

## HARNESS RACING NEW ZEALAND

The Judicial Control Authority's involvement with the Harness Code for the year has featured: -

- The work involving the review of the Penalty Guide;
- The bedding down of the new Contravention of Use of the Whip Regulations;
- Attendance at the Annual Harness Racing Rules Committee meeting and Annual Conference of Harness Racing Clubs

NZTR appointee Board member, Neville Harris is to be thanked for the significant body of work involving the review of the JCA Penalty Guide which is an invaluable tool for JCA panelists. The updated Penalty Guide will continue to greatly assist with prescribing penalties for the majority of offences and will help concentrate the minds of the panelists on the significance of animal welfare in making their decisions.

The prescriptive nature of the new Contravention of Use of the Whip Regulations has greatly helped the panelists to preside over breaches of the Regulations and has assisted with a more consistent application of The Regulations.

The Harness Racing appointees on the Board of the JCA together with its Chair, receive a yearly invitation to attend the annual meeting of the Harness Racing Rules Committee and the Annual Conference of Harness Racing Clubs. The Board of the JCA appreciate Harness Racing New Zealand's co-operation in the consultative process which is an important part of the Board's activities.

The 2017/2018 season was the last full season of Edward Rennell the retiring Chief Executive Officer of Harness Racing, and the JCA Board thanks Mr Rennell for his sterling work over more than 20 years. Mr Rennell has also strongly supported the legislation under which the Board operates, its independence and the work that it has done over the years. The Board wish Mr Rennell every success in his future vocation.



# JUDICIAL CONTROL AUTHORITY FOR RACING

## GREYHOUND RACING NEW ZEALAND

The Board's professional relationship with GRNZ through its key people remains strong and positive. Throughout the year we have discussed issues that impact on the Greyhound Code and to learn how the JCA can best support stakeholders.

There was a sharp rise from last year in judicial activity in the Greyhound Code. There were 32 Non Raceday Inquiries (NRIs) (including Reviews) and 1 Appeal compared with 19 NRI and 2 Appeals in the previous year. Minor Infringements (MINs) also rose with 114 this year compared with 76 the previous year.

The NRIs included 4 for prohibited substances (3 involving dogs and 1 involving participants), a drop from last year. There were 3 hearings for charges brought against 3 persons in relation to misconduct.

Significant penalties included a fine of \$5,000 for charges involving animal welfare and a two year suspension for charges involving a greyhound presented with methamphetamine.

# JUDICIAL CONTROL AUTHORITY FOR RACING

## COMMITTEE MEMBERS AS AT 31 JULY 2018

Dave Anderson  
Tony Bird  
Tom Castles  
Stewart Ching\*  
Greg Clapp  
Matt Conway  
Adrian Dooley\*  
Alan Godsalve  
Geoff Hall\*  
David Jackson\*  
Gavin Jones\*  
Paul Knowles  
Noel McCutcheon\*  
Russell McKenzie\*  
Nicki Moffatt\*  
Bryan Scott\*  
Richard Seabrook\*  
Adam Smith  
Tangi Utikere\*  
Holly Weston  
Paul Williams\*

## APPEALS TRIBUNAL MEMBERS

Alan Harper  
Murray McKechnie  
Garry Thompson

\*also Appeals Tribunal Members

# JUDICIAL CONTROL AUTHORITY FOR RACING

## RACEDAY STATISTICS 2017 / 2018

### CHARGES

	Total	Admitted	Not Admitted	Other	Proven	Dismissed /Other	Suspension	No Suspension	Fines
Thoroughbred	404	382	22	0	401	3	250	151	164
	58.7%								
Harness	284	254	30	0	274	10	88	186	196
	41.3%								
<b>TOTAL</b>	<b>688</b>	<b>636</b>	<b>52</b>	<b>0</b>	<b>675</b>	<b>13</b>	<b>338</b>	<b>337</b>	<b>360</b>
	100.00%								

### PROTESTS

	Total	Dismissed	Relegated	Disqualified	Withdrawn
Thoroughbred	20	15	5	0	0
	24.7%				
Harness	61	6	17	38	0
	75.3%				
<b>TOTAL</b>	<b>81</b>	<b>21</b>	<b>22</b>	<b>38</b>	<b>0</b>
	100.00%				

### RULINGS

	Total	Ruling Provided	Request Declined	Disqualified	Declared Non-Starter	Declared Starter	Other
Thoroughbred	14	2	0	2	7	3	0
	87.5%						
Harness	2	0	0	1	1	0	0
	12.5%						
<b>TOTAL</b>	<b>16</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>3</b>	<b>0</b>
	100.00%						

### MINOR INFRINGEMENT NOTICES

Thoroughbred	Harness	Greyhound	Total
79	162	114	355
22.3%	45.6%	32.1%	100%

### NON RACEDAY HEARINGS

	Total
Thoroughbred	20
	23.0%
Harness	31
	32.6%
Greyhound	32
	36.8%
Withdrawn	4
	4.6%
<b>TOTAL</b>	<b>87</b>
	100.0%

#### Non Raceday Hearings

Note: Greyhound total included 14 requests for review  
9 hearings lodged yet to be determined

### APPEALS TRIBUNAL HEARINGS

	Total
Thoroughbred	3
	16.7%
Harness	12
	66.7%
Greyhound	1
	5.5%
Withdrawn	2
	11.1%
<b>TOTAL</b>	<b>18</b>
	100.0%

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### Directory

<b>Nature of Business</b>	Racing Judicial Control
<b>Place of Business</b>	Level 4, AMI Centre 342 Lambton Quay Wellington 6011
<b>Registered Office</b>	Level 4, AMI Centre 342 Lambton Quay Wellington 6011
<b>Executive Officer</b>	C Hutton
<b>Members</b>	WM Wilson QC N Harris QSO R Drummond P Smith B Williams K Brady CNZM (resigned Oct 2017) E St John
<b>Auditor</b>	Moore Stephens Wellington Audit
<b>Bankers</b>	Westpac, Cambridge

## FINANCIAL STATEMENTS 2017/2018

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# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2018 \$	2017 \$
<b>Judicial Income</b>			
Judicial Fees & Costs Reimbursed	3	1,399,859	1,309,717
<b>Total Income</b>		<b>1,399,859</b>	<b>1,309,717</b>
<b>Less Judicial Expenses</b>			
Judicial Committee Fees		655,003	610,507
Judicial Committee Travel & Accommodation		176,903	177,488
<b>Total Judicial Expenses</b>		<b>831,906</b>	<b>787,995</b>
<b>NET JUDICIAL INCOME</b>		<b>567,953</b>	<b>521,722</b>
<b>Administration Income</b>			
Interest Income	3	1,000	1,987
<b>Total Administration Income</b>		<b>1,000</b>	<b>1,987</b>
<b>Less Administration Expenses</b>			
ACC Levies		(1,455)	1,514
Audit Fees		7,075	5,239
Bad debt write off		0	217
Bank Fees		151	201
Board Meeting Expenses		11,774	16,056
Cleaning		2,888	3,145
Computer Expenses		1,083	1,291
Consulting		0	0
Depreciation/Amortisation		626	1,570
Fees - Chair	2	120,000	120,000
General Expenses		756	1,903
Health and Safety Compliance		0	1,300
Honorarium - Board	2	105,000	120,000
Insurance		9,413	9,989
KiwiSaver Employer Contributions		4,168	3,749
Legal Expenses		1,315	0
Light, Power, Heating		1,347	1,255
Minor Capital		0	0
Office Expenses		689	212
Plant/Equipment Hire		2,550	2,571
Postage/Couriers		1,450	1,138
Printing/Stationery/Photocopying		3,286	3,427
Rent		40,666	44,418
Repairs/Maintenance		241	0
Salary/Wages		132,224	135,587
Storage Rent		1,076	1,033
Subscriptions		2,549	1,962
Telephone/Internet		6,122	5,661
Training and Development		50,713	57,375
Travel – National		5,264	11,966
Website		18,000	18,000
<b>Total Administration Expenses</b>		<b>528,969</b>	<b>570,777</b>
<b>NET SURPLUS/(DEFICIT) for the YEAR</b>		<b>39,984</b>	<b>(47,068)</b>

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

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# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### STATEMENT OF FINANCIAL POSITION

	Notes	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Westpac – Cash at Bank		20,770	7,641
Westpac – High Interest Bearing Deposit		240,223	232,941
Westpac – Term Deposit		22,390	21,654
<b>Total Cash and Cash Equivalents</b>		<b>283,383</b>	<b>262,236</b>
<b>Receivables</b>			
Accounts Receivable		6,700	9,632
Prepayments		5,004	5,004
Sundry Accounts Receivable			0
		<b>11,704</b>	<b>14,636</b>
<b>Total Current Assets</b>		<b>295,087</b>	<b>276,872</b>
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Computer Equipment	9	400	1,002
Office Equipment	9	27	50
		<b>427</b>	<b>1,052</b>
<b>Intangible Assets</b>			
Computer Software	10	0	0
			<b>0</b>
<b>Total Non-Current Assets</b>		<b>427</b>	<b>1,052</b>
<b>TOTAL ASSETS</b>		<b>295,514</b>	<b>277,924</b>
<b>CURRENT LIABILITIES</b>			
<b>Creditors and Borrowings</b>			
Accounts Payable		111,054	119,384
GST Payable		28,472	40,179
		<b>139,526</b>	<b>159,563</b>
<b>Provisions</b>			
Employee Entitlements		10,360	12,490
		<b>10,360</b>	<b>12,490</b>
<b>Total Current Liabilities</b>		<b>149,886</b>	<b>172,053</b>
<b>TOTAL LIABILITIES</b>		<b>149,886</b>	<b>172,053</b>
<b>NET ASSETS</b>		<b>145,628</b>	<b>105,871</b>
<b>EQUITY</b>			
Current Year Earnings		39,984	(47,068)
Retained Earnings		105,644	152,939
<b>TOTAL EQUITY</b>		<b>145,628</b>	<b>105,871</b>

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

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### STATEMENT OF MOVEMENTS IN EQUITY

	2018 \$	2017 \$
EQUITY AT BEGINNING OF YEAR	105,644	152,939
SURPLUS/(DEFICIT)		
Net (Deficit)/Surplus for the year	39,984	(47,068)
Total recognised revenues and expenses for the period	39,984	(47,068)
EQUITY AT END OF THE YEAR	145,628	105,871

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



# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Statement of Accounting Policies

##### Entity Reporting

These financial statements are for the Judicial Control Authority for Racing.

The Judicial Control Authority is a New Zealand public authority formed under the Racing Act 2003. The role of the Authority is to facilitate the efficient judicial control of racing in New Zealand and its functions relates to the three New Zealand Racing Codes.

The financial statements have been prepared in accordance with the Special Purpose Framework for use by For Profit Entities (SPFR for FPEs) published by the New Zealand Institute of Chartered Accountants.

The financial statements have been prepared for the special purpose of providing financial information to its major stakeholders ie New Zealand Racing Board, the two equine and one canine Racing Codes and the Minister for Racing. The information has been presented in New Zealand dollars and is rounded to the nearest dollar.

##### Measurement Base

The financial statements have been prepared in accordance with the New Zealand Institute of Chartered Accountants standards for the measurement and reporting of profit on a historical cost basis. Accrual accounting has been used to match revenue and expenses.

##### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

##### (a) Judicial Income

A grant is approved by the New Zealand Racing Board on an annual basis and paid to the Judicial Control Authority in equal monthly instalments. It is recognised by the Judicial Control Authority as it accrues also on a monthly basis.

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### NOTES TO THE FINANCIAL STATEMENTS

**(b) Accounts Receivable**

Accounts Receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified, with appropriate adjustment being made as at balance date for any doubtful debts that may exist.

**(c) Accounts Payable**

Accounts Payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost.

**(d) Property, Plant and Equipment**

Fixed Assets are stated at cost (unless otherwise noted below) less aggregate depreciation, and are as recorded on the Schedule of Fixed Assets that form part of these financial statements. Any asset leased by the entity that incorporate rights of ownership for the entity in the future, has been incorporated into the Schedule of Fixed Assets, with a corresponding liability for future lease payments being incorporated as a liability in the financial statements. Otherwise, lease payments that do not confer such rights of ownership are included in the determination of operating profits in equal instalments over the term of the lease.

**(e) Depreciation**

Depreciation has been calculated using the rates provided for taxation purposes in the Income Tax Act 2007. The particular rates and method of depreciation applied are as recorded on the Schedule of Fixed Assets that form part of these financial statements. Depreciation is proved on a diminishing value basis at varying rates for the following classes of Fixed Assets.

Computer	60.0% DV
Office Equipment	48.0% DV

**(f) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis. Accounts Receivable and Accounts Payable are recorded in the Statement of Financial Position inclusive of GST. GST owing to or by the entity at balance date as recorded in the Statement of Financial Position, has been determined on an accruals basis.

## FINANCIAL STATEMENTS 2017/2018

### NOTES TO THE FINANCIAL STATEMENTS

#### (g) Operating Leases

All leases entered into have been recorded as operating leases. This is due to certain conditions in the contracts that allow the leases to be cancellable.

#### (h) Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

#### (i) Intangible Assets

Intangible assets are measured at cost less accumulated amortisation, and are as recorded on the Schedule of Intangible Assets that form part of these financial statements.

Amortisation is provided on a diminishing value basis as follows:

Computer Software	60.00% DV
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#### 2. Members Remuneration

Authority Members honorarium for the year was \$225,000. (2017: 240,000)

Members Remuneration – no change in this financial year.

#### 3. Operating Revenue

Operating revenue represents revenue earned from funds allocated by the NZ Racing Board to service the Judicial Control Authority and interest received.

Total turnover for the year is \$1,400,859. (2017: \$1,311,704). This is made up of:

	2018	2017
NZ Racing Board – Judicial Funding	1,380,000	1,300,000
Costs Reimbursed	19,859	9,717
Interest Income	1,000	1,987

#### 4. Related Party Transactions

There have been no related party transactions during the year. (2017: Nil)

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### NOTES TO THE FINANCIAL STATEMENTS

5. **Capital Expenditure Commitments**

There were no commitments for capital expenditure at year end.  
(2017: Nil)

6. **Income Tax**

The Authority is exempt for income tax under S CW38 Income Tax Act 2007.

7. **Events after Balance Date**

There were no significant events after balance date. The Authority will continue to be funded by the industry over the next 12 months.

8. **Operating Lease Commitment**

Operating lease for a Ricoh digital photocopier for 36 months with Ricoh New Zealand Ltd commencing August 2016.

Commitments under lease	2018	2017
	\$	\$
Current	1,980	1,980
Non Current	0	1,980
Total photocopier operating lease commitment	1,980	3,960

The expiry date of the lease for the rental of the Wellington office is 17 May 2019.

Commitments under lease	2018	2017
	\$	\$
Current	27,882	41,823
Non-Current	0	27,882
Total rental operating lease commitment	27,882	69,705

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

### NOTES TO THE FINANCIAL STATEMENTS

#### 9. Fixed Asset Schedule

##### 2018

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Equipment	10,986	1,003	-	-	602	10,585	401
Office Equipment	4,566	50	-	-	24	4,540	26
<b>Total Fixed Assets</b>	<b>15,552</b>	<b>1,053</b>	<b>-</b>	<b>-</b>	<b>626</b>	<b>15,125</b>	<b>427</b>

##### 2017

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Equipment	10,986	2,507	-	-	1,504	9,983	1,003
Office Equipment	4,566	95	-	-	45	4,516	50
<b>Total Fixed Assets</b>	<b>15,552</b>	<b>2,602</b>	<b>-</b>	<b>-</b>	<b>1,549</b>	<b>14,499</b>	<b>1,053</b>

#### 10. Intangible Asset Schedule

##### 2018

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Software	79,305	20	-	-	20	79,305	0
<b>Total Intangible Assets</b>	<b>79,305</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>79,305</b>	<b>0</b>

##### 2017

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Software	79,305	20	-	-	20	79,305	0
<b>Total Intangible Assets</b>	<b>79,305</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>79,305</b>	<b>0</b>

# JUDICIAL CONTROL AUTHORITY FOR RACING

## STATEMENT OF SERVICE PERFORMANCE 2017/2018

### Authority Information

The Judicial Control Authority was established under the Racing Act 1971.

The functions of the Authority are:

- (a) To initiate, develop and recommend to the NZ Racing Board and the three Racing Code Boards those measures that will, in its opinion, be conducive to the efficient judicial control of racing in New Zealand:
- (b) To select and appoint panels of suitable persons from which members of a Judicial Committee or members of an appeals tribunal may be appointed:
- (c) To appoint the members of Judicial Committees:
- (d) To appoint the members of Appeals Tribunals:
- (e) To recommend to a Racing Code any changes to the racing Rules of the Code that it considers desirable in relation to matters of a judicial nature:

Functions b, c and d are reflected in Output 1 (the work done by Judicial Committees).

Functions a and e are reflected in Output 2 (contributions to the Rules).

### Authority Structure

The Authority consists of the following members:

- (a) A Chairperson appointed by unanimous vote of the Chairperson of the three Codes and the Racing Board: and
- (b) For each Racing Code, 2 members appointed jointly by the Chairperson of the Authority and the Chairperson of the Code.

The Authority appoints members of Judicial Committees for each thoroughbred and harness race meeting to hear, adjudicate on and determine any matter that is brought before it in accordance with the racing Rules of the respective Code. The same function is carried out for all three Codes on matters that are heard on non racedays. The Committees also have the power to impose penalties and award costs.

The Authority also appoints Appeals Tribunals to hear appeals that are brought under the Rules of the respective Code.

# JUDICIAL CONTROL AUTHORITY FOR RACING

## STATEMENT OF SERVICE PERFORMANCE 2017/2018

The Authority meets every six weeks. It has an Audit and Risk Management Committee which meets prior to each Authority meeting. Its reports and papers go to all members. In addition, ad hoc committees are established for the purpose of reviewing decisions with feedback provided to panelists.

The Authority is in the main funded by the NZ Racing Board. It reports on an annual basis to the Minister of Racing, the NZ Racing Board and the three Codes.

### Our Outcome

What we are trying to achieve

That industry participants and the betting public are satisfied that where a judicial matter relating to a specific Code Rule is brought before the JCA for a ruling then the matter will be dealt with appropriately, fairly and in an independent, consistent and timely manner.

Quantity Measure:	Forecast / Target	Actual Performance 2017/2018	Actual Performance 2016/2017
All matters presented to the JCA as at 31 July 2018 have been dealt with	100%	Raceday = 783 MINS/Minor Charges = 354 NRIs/Appeals = 120 6 withdrawn - 9 still outstanding Result = 99.3%	Raceday = 612 MINS/Minor Charges = 318 NRIs/Appeals = 87 - 1 still outstanding Result = 99.7%
<b>Quality:</b>			
The ratio of successful Appeals against Judicial Committee decisions	Less than 2% of appealable decisions	16 Appeals from 1056 decisions - 10 were successful and 2 partially successful  Result = 1.1%	12 Appeals from 903 decisions - 5 were successful and 2 partially successful  Result = 1.0%
<b>Timeliness:</b>			
Raceday issues excluding Minor Infringements and minor penalties - published on website	95% within 5 working days	5 decisions more than 5 days  Result = 99.4% within 5 working days	12 decisions more than 5 days  Result = 97.7% within 5 working days
NRIs/Appeals - date set for hearing	95% within 5 working days on receipt of papers lodged	114 hearings of which 17 were more than 5 days  Result = 85.1%	86 hearings of which 13 were more than 5 days  Result = 85.0%
NRIs/Appeals - published on website	95% within 21 working days from conclusion of hearing	105 NRIs/Appeals - nil more than 21 days  Result = 100%	86 NRIs/Appeals - nil more than 21 days  Result = 100%



# JUDICIAL CONTROL AUTHORITY FOR RACING

## STATEMENT OF SERVICE PERFORMANCE 2017/2018

### Our Outputs

There are two groups of outputs

1. Work done by Judicial Committees (hearings/protests/rulings/minor infringement notices).

This includes raceday Committees for Harness and Thoroughbred racing. Non Raceday Inquiries, GRNZ Reviews and Appeals for all Codes and Minor Infringements for Greyhound racing.

Timeliness:			
Minor Infringements - GRNZ - these are processed upon receipt. For equine Codes these are processed on raceday	95% within 5 working days of receipt	114 MINs received and returned within 5 working days of receipt Result = 100%	76 MINs received and returned within 5 working days of receipt Result = 100%

### 2. Contribution to Rules

The Racing Act requires that the JCA be consulted on any changes to the Rules of all three Racing Codes.

Quantity Measure:	Forecast / Target	Actual Performance 2017/2018	Actual Performance 2016/2017
All matters presented to the JCA as at 31 July 2018 have been dealt with	100%	Responded to in a timely manner Result 100%	Responded to in a timely manner Result 100%
Quality Measure:			
Significant recommendations made by the JCA adopted/accepted by the three Codes	90% accepted by Codes	All significant comments were accepted by Codes Result 100%	All significant comments were accepted by Codes Result 100%
Timeliness:			
JCA response provided to the Code within 10 working days of the Board meeting at which they were to or considered by	100% when timeframe is reasonable	Result = 100%	Result = 100%

## Independent auditor's report

### To the Board of Judicial Control Authority for Racing

#### Opinion

We have audited the special purpose financial statements of Judicial Control Authority for Racing on pages 3 to 9 which comprise the statement of financial position as at 31 July 2018 and the statement of financial performance, and statement of movements in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies. We have also audited the statement of service performance on pages 10 to 13 for the year ended 31 July 2018.

In our opinion,

- a) the accompanying financial statements of Judicial Control Authority for Racing for the year ended 31 July 2018 are prepared, in all material respects, in accordance with the financial reporting provisions of the 'Special Purpose Financial Reporting Framework for use by for-profit entities' issued by Chartered Accountants Australia and New Zealand (CAANZ)
- b) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance on pages 10 to 13 are suitable.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the special purpose financial statements' section of our report.

We are independent of Judicial Control Authority for Racing in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than our capacity as auditor we have no relationship with, or interests in, Judicial Control Authority for Racing.

#### Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements which describes the basis of accounting. The special purpose financial statements are prepared to assist the Board of Judicial Control Authority for Racing in preparing the tax return. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Judicial Control Authority for Racing and its Board and should not be distributed to parties other than Judicial Control Authority for Racing or its shareholder.

# JUDICIAL CONTROL AUTHORITY FOR RACING

## FINANCIAL STATEMENTS 2017/2018

MOORE STEPHENS

AUDIT AND ASSURANCE

### **The Board's responsibilities for the special purpose financial statements and statement of service performance**

The Board are responsible on behalf of the entity for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance
- b) the preparation and fair presentation of the financial statements which comprises:
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of accounting policies and notes to the performance reportin accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities issued by Chartered Accountants Australia and New Zealand (CAANZ), and
- c) for such internal control as the Board determine is necessary to enable the preparation of the financial statements and statement of service performance is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the special purpose financial statements**

Our objectives are to obtain reasonable assurance about whether the special purpose 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



Moore Stephens Wellington Audit | Qualified Auditors, Wellington, New Zealand  
11 October 2018



**Judicial Control Authority  
For Racing**

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