

ANNUAL REPORT





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BILL WILSON QC CHAIR'S REPORT

CHAIR'S COMMENT

Year Ended 31 July 2016

This is my first report as Chair of the Judicial Control Authority for Racing ('the JCA'). I was appointed to that position on an acting basis in October 2015, and then permanently in May 2016. I succeeded Kristy McDonald QC, who had resigned after chairing the JCA for seven years.

My overriding first impression after taking up my position was of the very high standard of the work of racing Judicial Committees and Appeal Tribunals. Indeed, based on a working lifetime of experience as a litigation lawyer, tribunal member and judge, there are in my view many judicial bodies in this country which could learn much from the quality and the timeliness of the decisions of their racing counterparts.

I am in no doubt that this position is in large part due to Kristy's leadership of the JCA during her term as its Chair. I therefore welcome this opportunity to record my appreciation of Kristy's outstanding contribution to the JCA. Racing in this country should be very grateful to her.

The role of the JCA

Within racing there appears to be a continuing degree of misunderstanding about the role of the JCA. Its purpose is to provide an independent judicial process to determine matters (both raceday and non-raceday) arising in the thoroughbred, harness and greyhound Codes. While the JCA is funded by the Racing Board from the revenue it receives from gaming machines, the JCA is an independent statutory body which maintains an appropriate degree of separation from the racing industry. That independence is given statutory recognition by the Racing Act 2003.

I have also found a significant degree of misunderstanding of the relationship between the JCA and the Racing Integrity Unit ('the RIU'). The RIU is responsible for the investigation of matters where the rules of the relevant Code have not been, or may not have been, complied with and, if it thinks it appropriate to do so, bringing such matters before the JCA. The RIU thus operates independently of the JCA. An analogy can I believe be drawn with the relationship between the Police (the counterpart of the RIU) and the Courts (the JCA). The New Zealand structure of separating the roles of investigator/prosecutor and judge is, in my view, much to be preferred (both in principle and in practice) to the combining of these roles as is found in racing in some other countries.

Having said that, matters of practice and procedure do arise which can usefully be discussed between the JCA and the RIU without prejudicing the independence of either party. In this connection, I welcome the willingness of Mike Godber, the General Manager of the RIU, and his senior staff to engage constructively in the discussion of such matters whenever they arise.

Performance

The racing judicial system performs at a very high level and with complete integrity, both at first instance and on Appeal. The greatest challenge is, in my view, to achieve consistency of decision-making. While all cases do turn largely on their own facts, it is important that cases where the facts are materially the same have the same outcome and that where outcomes do differ the reasons for that difference are 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
- all decisions being reviewed by a Board member, who provides feedback to panelists as appropriate

I can readily understand the frustration of anyone who believes that they have been treated more harshly than others who have acted in a similar way and will do all I can to achieve consistency of outcomes as far as possible.

An area where this issue is particularly acute is in deciding which days are to be included when a jockey or driver is suspended for a certain number of days. While it might at first sight appear straightforward to ascertain the days on which the jockey or driver would have been engaged but for the suspension, differing patterns of racing in different parts of the country and the varying extent to which jockeys and drivers travel out of their home



regions make it very difficult in practice to ensure that suspensions are meaningful but not excessive and consistent as between cases. In the new season, we will continue to address this issue in consultation with the RIU.

One change which the JCA Board has already made is to ask panelists to discontinue the practice which had developed of substituting a fine for the final day of suspension when there was a premier meeting on that day. In the view of the Board, suspension for a certain number of days should mean exactly that and there is no more justification for substituting a fine for the final day than there would be for substituting a fine when any other day was a premier day.

Financial

The JCA has continued to demonstrate prudent management of its financial resources. The funding from the Racing Board was again set at \$1.3 million. There has been no increase over the last eight years. Our operating budget anticipated a small shortfall which could easily be covered by reserves. The actual deficit was close to budget.

There was a significant increase during the year in the number and complexity of non-raceday inquiries and their consequent cost. This additional expenditure was however able to be offset by reducing costs elsewhere. The Racing Board has given us an undertaking to provide further funding should our budget face excessive stress due to a major inquiry. So far we have not had to take up that offer.

Conditions of work of panelists

When visiting JCA panelists in different parts of the country following my appointment, I was struck by what seemed to me to be two serious deficiencies in their conditions of work.

First, there had been no increase in their rates of payment since 2010. Even then the rates were very low, having regard to the hours worked. While it was clear that panelists undertook their duties because of their passion for racing rather than for financial reward, there could in my view be no justification for holding the rates of payment as at 2010 and thereby imposing a reduction in real terms. I am therefore very pleased that the JCA Board, with the approval of the Racing Board, is looking to increase the rates in the new season.

My second concern was with the quality of the premises in which the JCA panelists are required to work at many courses. Although there can be no objection to panelists being asked to work in makeshift premises at a course where the one meeting a year is in mid-Summer, there can be no justification for them being required to work in unsuitable rooms in flagship courses such as Ellerslie or Addington where numerous meetings are held each year. Nor is it acceptable that panelists should be asked to work in freezing conditions at a venue like Winton, where on at least one occasion they had to return to their cars when not engaged in inquiries in an attempt to remain warm. I therefore intend to make it a priority in the new season to ensure that JCA rooms are upgraded as required to a reasonable standard.

Thanks

I am very grateful to all stakeholders in the racing industry with whom I have come into contact for welcoming me in my new role and helping me on the steep learning curve that I faced.

I would also like to note during the year the passing of one of our founding panelists – Keith Hales. Keith was highly regarded by all his colleagues in the JCA and other industry participants as a very professional and conscientious JCA member.

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, 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.

Bill Wilson QC
Chair



NEVILLE HARRIS QSM NEW ZEALAND THOROUGHBRED RACING COMMENT



Year Ended 31 July 2016

Judicial raceday activity in the 2015/16 season saw a 15% reduction in thoroughbred hearings by raceday judicial committees. More significantly the use of the minor infringement scheme (where minor matters are dealt with by way of an instant fine rather than a hearing) fell from 134 infringements in 2014/15 to only 47 in 2015/16. Failure by riders to make the contracted weight remains the most prevalent infringement under this scheme but even those matters were less than half those recorded in the previous season. This trend may in part be explained by what appears to be an increasing use of warnings by RIU officials.

Judicial committees have welcomed the very positive initiative by New Zealand Thoroughbred Racing to appoint three apprentice rider mentors. Noel Harris, Matthew Barnsley and Willy Harnett frequently support apprentices in judicial hearings which can only assist more constructive and informative outcomes for young riders.

The conduct of protest hearings came under scrutiny during the year and by way of response the JCA implemented a number of procedural changes to streamline the process and clarify the roles of the participants.

Two JCA panelists, Nicki Moffatt and Tangi Utikere continued to present seminars on the role and processes of judicial committees to the district apprentice academies. This has been particularly well received and led to more confident and informed young riders when appearing before judicial committees.

The JCA also continued its interest in efforts by NZTR and the Racing Integrity Unit to develop programmes to assist those with substance dependency issues. The JCA's interest lies with how reference to such programmes can form part of any sanction which might be imposed for a breach of the rules by such a person.

Finally, the JCA continued its very constructive engagement with NZTR's Integrity Committee throughout 2015/16 and is appreciative of the very open and positive dialogue occurring on integrity issues in the thoroughbred Code.





BRENT WILLIAMS HARNESS RACING NEW ZEALAND COMMENT

PETER SMITH



Year Ended 31 July 2016

The important issues for the Harness Racing Code for the 2015/2016 year from the perspective of the JCA were:

- Implementation of the revision of the JCA penalty guide.
- Reviewing the issue of the refund of the Appeal fee.
- Review of the issue of costs in general.

Harness Racing New Zealand have been very supportive of the work of the JCA and have contributed constructively to the conversation on the above issues.

Revision of the Penalty Guide

The most common breach of the rules is careless driving. Given that the majority of Harness Racing drivers are part time semi-professionals, Harness Racing New Zealand is of the reasonable view that fines and suspensions for harness racing drivers' transgressions should not be compared to their fully professional equivalents in the Thoroughbred Code. Arriving at the correct starting point for the penalty reasoning process on careless driving charges is something that the Code will continue to discuss with the JCA. This dialogue will ultimately help resolve the balance between the public perception that justice is seen to be done and the relative means of harness racing participants.

Refund of the Appeal Fee

Harness Racing New Zealand have always been of the view that if an Appeal is successful then the Appeal fee (currently \$250.00) should be refunded. The JCA have taken the view that the Appeal fee is an administrative charge to assist with covering the administrative costs of establishing and supporting the Appeal process and that the Appeal fee should be included as one of a number of expenses to be considered under the heading of "costs" at the end of the Appeal process. The JCA have reviewed this position and expect to make an announcement in the coming season.

Costs

There has been a review of the basis of "costs" awarded by judicial panels. Should the costs of the JCA and the RIU in individual cases be something for which an award is made against unsuccessful participants in the judicial process or should such costs be absorbed by the industry as a whole? Should there be a balance between the two points of view? Once again the Board of the JCA has conducted a review of its position and will consult with the Codes in the coming season in an effort to reach agreement.

General

The Board of the JCA continues to be proactive in resolving both Code specific and industry issues and the outcome of its ongoing reviews will continue to benefit the Codes and the Harness Code in particular.





EUGENE ST JOHN

NEW ZEALAND GREYHOUND RACING ASSOCIATION COMMENT

KEVIN BRADY CNZM



Year ended 31 July 2016

The positive and professional working relationship with Greyhound Racing New Zealand has continued. Regular meetings were held throughout the year and any issues that arose were quickly addressed.

Overall there was a slight increase in the level of judicial activity during the year. The number of Non-Raceday Inquiries (NRIs) was 27, an increase of 1 from last year. Of these, 7 were reviews of Raceday Steward Rulings and 7 were charges in relation to prohibited substances. The number of Minor Infringement Notices (MINs) was similar to 2014/2015, 108 compared to 112. Weight issues, 56 (up from 47) and retrieving/boxing infringements, 24 (down from 32) were the most common breaches.

As noted above, there were 7 review requests during the year. The rules have provision for a request for review where connections are dissatisfied with certain rulings by Raceday Stewards. They also have Appeal rights. The administrative procedures around the lodging of and hearing of a review are confusing. As are the issues around which decisions of the Stewards can be reviewed. GRNZ and the RIU are currently involved in an overall update of all the rules and it is expected that the issues around reviews will be clarified as part of that process.

Rob Robinson retired from the Board in October 2015 and Eugene St John joined the Board in January 2016. Eugene is an Auckland based Barrister and has a strong racing background and a keen interest in greyhound racing.





Raceday Statistics 2015/2016

Charges

	Total	Admitted	Not Admitted	Other	Proven	Dismissed /Other	Suspension	No Suspension	Fines
Thoroughbred	207 (53.2%)	173	34	0	201	6	143	58	71
Harness	189 (47.7%)	167	22	0	184	5	52	132	143
TOTAL	396 (100.00%)	340	56	0	385	11	195	190	214

Protests

	Total	Dismissed	Relegated	Disqualified	Withdrawn
Thoroughbred	40 (34.5%)	28	12	0	0
Harness	76 (65.5%)	8	21	47	0
TOTAL	116 (100.00%)	36	33	47	0

Rulings

	Total	Ruling Provided	Request Declined	Disqualified	Declared Non Starter	Declared Starter	Other
Thoroughbred	16 (69.6%)	2	0	2	9	3	0
Harness	9 (30.4%)	1	0	0	4	3	1
TOTAL	25 (100.00%)	3	0	2	13	6	1

Minor Infringement Notices

Thoroughbred	Harness	Greyhound	TOTAL
47	143	108	298
15.8%	48.0%	36.2%	100%

Non Raceday Hearings

	Total	
Thoroughbred	27	31.4%
Harness	30	34.9%
Greyhound	27	31.4%
Withdrawn	2	2.3%
TOTAL	86	100%

Appeals Tribunal Hearings

	Total	
Thoroughbred	7	50.0%
Harness	4	28.6%
Greyhound	1	7.1%
Withdrawn	2	14.3%
TOTAL	14	100%

Non Raceday Hearings

Note: 2 hearings lodged but yet to be determined.

Appeals

Note: All Appeals lodged have been determined.

Directory

As at 31 July 2016

Nature of Business	Racing Judicial Control
Place of Business	Level 4, AMI Centre 342 Lambton Quay Wellington 6011
Registered Office	PO Box 25217 Featherston Street Wellington 6146
Executive Officer	C Hutton
Executives	W M Wilson QC (Chairperson) (from October 2015) K P McDonald QC (retired as Chair October 2015) N Harris QSM R Drummond P Smith B Williams K Brady CNZM R Robinson CNZM (retired October 2015) E St John (from January 2016)
Auditor	Moore Stephens Wellington Audit
Bankers	Westpac, Cambridge

FINANCIAL STATEMENTS

Statement of Financial Performance FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016 \$	2015 \$
Judicial Income			
NZRB Judicial Funding & Costs Reimbursed	3	1,334,264	1,219,635
Total Income		1,334,264	1,219,635
Less Judicial Expenses			
Judicial Committee Fees		580,795	540,951
Judicial Committee Travel & Accommodation		165,683	154,516
Total Judicial Expenses		746,478	695,467
NET JUDICIAL INCOME		587,786	524,168
Administration Income			
Interest Income	3	2,320	4,530
Total Administration Income		2,320	4,530
Less Administration Expenses			
ACC Levies		(3,357)	1,630
Audit Fees		7,500	6,250
Bad Debts Write Off		9,061	-
Bank Fees		201	203
Board Meeting Expenses		16,505	11,128
Cleaning		3,120	3,120
Computer Expenses		1,012	2,289
Consulting		13,949	-
Depreciation/Amortisation		2,425	4,334
General Expenses		1,431	(650)
Board Honorarium	2	116,667	120,000
Insurance		1,993	4,739
KiwiSaver Employer Contributions		3,625	3,571
Legal Expenses		2,750	7,174
Light, Power, Heating		1,290	1,189
Minor Capital		223	-
Office Expenses		774	1,936
Plant/Equipment Hire - Indoor Plants		523	503
Plant/Equipment Hire - Photocopier		1,940	1,807
Postage/Couriers		1,372	1,394
Printing/Stationery/ Photocopying		3,143	3,491
Rent		39,968	38,113
Repairs/Maintenance		-	120
Honorarium - Chair	2	140,000	200,000
Salary / Personnel		99,710	96,838
Storage Rent		981	981
Subscriptions		2,080	1,866
Telephone & Internet		5,881	6,158
Training and Development		43,249	30,899
Travel - National		12,107	9,283
Wages		29,189	33,962
Website		18,000	18,000
Total Administration Expenses		577,312	610,328
NET SURPLUS/(DEFICIT) for the YEAR		12,794	(81,626)

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

FINANCIAL STATEMENTS

Statement of Financial Position FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016\$	2015\$
CURRENT ASSETS			
Cash and Cash Equivalents			
Westpac - Cash at Bank		13,127	6,474
Total Cash and Cash Equivalents		13,127	6,474
Receivables			
Accounts Receivable		22,754	16,720
Prepayments		5,004	-
Sundry A/cs Receivable		108,333	100,000
		136,091	116,720
Investments			
High Interest Bearing Deposit–Westpac		119,691	90,397
Term Deposit–Westpac		20,000	100,000
		139,691	190,397
Total Current Assets		288,909	313,591
NON-CURRENT ASSETS			
Fixed Assets			
Computer Equipment	11	2,506	1,232
Office Equipment	11	96	183
		2,602	1,415
Intangible Assets			
Computer Software	12	20	947
		20	947
Total Non-Current Assets		2,622	2,362
TOTAL ASSETS		291,531	315,953
CURRENT LIABILITIES			
Creditors and Borrowings			
Accounts Payable		98,826	147,075
GST Payable		25,576	22,015
		124,402	169,090
Provisions			
Employee Entitlements		14,191	6,718
		14,191	6,718
Total Current Liabilities		138,593	175,808
Total Liabilities		138,593	175,808
Net Assets		152,938	140,145
Equity			
Current Year Earnings		12,794	(81,626)
Retained Earnings		140,145	221,771
Total Equity		152,939	140,145

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

FINANCIAL STATEMENTS

Statement of Movements in Equity FOR THE YEAR ENDED 31 JULY 2016

	2016\$	2015\$
EQUITY AT BEGINNING OF YEAR	140,145	221,771
SURPLUS/ (Deficit)		
Net (Deficit)/Surplus for the period	12,794	(81,626)
Total recognised revenues and expenses for the period	12,794	(81,626)
EQUITY AT THE END OF THE YEAR	152,939	140,145

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

FINANCIAL STATEMENTS

JUDICIAL CONTROL AUTHORITY FOR RACING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 July 2016

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 relate to the three New Zealand Racing Codes.

These 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 JCA in equal monthly instalments. It is recognised by the JCA as it accrues also on a monthly basis.

(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) 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.



(d) 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 provided on a diminishing value basis at varying rates for the following classes of fixed assets.

Computer and Office Equipment	48.0% to 80.4% DV
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(e) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis where all items in the Revenue Accounts, together with Fixed Assets have been recorded exclusive of GST. 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.

(f) Statement of Cashflows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of Terms Used in the Statement of Cash Flows:

"Cash" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the organisation as part of their day-to-day cash management.

"Investing Activities" are those activities relating to the acquisition and disposal of current and non current investments and any other non current assets.

"Financing Activities" are those activities relating to changes in equity and debt capital structure of the organisation and those activities relating to the cost of servicing the organisation's equity capital.

"Operating Activities" include all transactions and other events that are not investing or financing activities.

(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 accumulation 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	60.0% DV
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FINANCIAL STATEMENTS

2. Members Remuneration

Authority Members honorarium for the year was \$256,667. (2015: \$320,000)

Members Remuneration – No change in this financial year

3. Operating Revenue

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

Total turnover for the year is \$1,336,584. (2015: \$1,224,165)

4. Related Party Transactions

There have been no related party transactions during the year. (2015: Nil)

5. Capital Expenditure Commitments

There were no commitments for capital expenditure at year end. (2015: Nil)

6. Contingent Losses and Gains

There were no known contingent losses or gains outstanding as at balance date. (2015: Nil)

7. Financial Instruments

CREDIT RISK - Financial Instruments which potentially subject the Authority to credit risk principally consist of bank balances and accounts receivable.

The Authority performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum Exposure to credit risk as at balance date is:

Westpac Bank	\$152,818
Accounts Receivable	\$141,507

FAIR VALUES - The carrying amount is considered to be fair value for each of the financial instruments - bank accounts, accounts receivable and accounts payable.

8. Income Tax

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

9. 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.



10. Operating Lease Commitment

On the 15 August 2013 the Authority entered into an operating lease for a Konica Minolta digital photocopier for 36 months with Konica Minolta Business Solutions NZ Ltd commencing in August 2013.

Commitments under operating lease	2016\$	2015\$
Current	0	1,716
Non Current	<u>0</u>	<u>143</u>
Total photocopier operating lease commitment	<u>0</u>	<u>1,859</u>

During the year the Authority took up the option of a further 3 years on the operating lease for the rental of the Wellington office space. The expiry date of the lease is 17 May 2019.

Commitments under operating lease	2016\$	2015\$
Current	41,823	26,753
Non Current	<u>69,704</u>	<u>0</u>
Total rental operating lease commitment	<u>111,527</u>	<u>26,753</u>

11. Fixed Asset Schedule

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated Depreciation	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Equipment	8,301	3,082	2,685	-	1,411	8,479	2,506
Office Equipment	4,566	351	-	-	87	4,471	95
Total Assets	12,867	3,433	2,685	0	1,498	12,950	2,601

12. Intangible Asset Schedule

Category	Cost	Opening BV	Additions	Disposals	Depreciation	Accumulated Depreciation	Closing BV
	\$	\$	\$	\$	\$	\$	\$
Computer Software	79,305	944	-	-	926	79,285	20
Total Assets	79,305	944	-	-	926	79,285	20

STATEMENT OF SERVICE PERFORMANCE

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 the unanimous vote of the chairpersons 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.

The Authority meets every six weeks. It has an Audit and Risk Management Committee which meets just 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 and liaising with regional representatives of the 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.

STATEMENT OF SERVICE PERFORMANCE

Our Outcomes

What we are trying to achieve.

That industry participants and the betting public are satisfied that where a judicial matter of the 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.

Indicator:	Forecast/Target	Actual Performance 2015/2016	Actual Performance 2014/2015
That NZRB and the 3 Racing Codes are satisfied with the work of the JCA Committees	An average score of 4 on a scale of 1 to 5	Result – 4 (based on HRNZ/NZGRA response) NZRB/NZTR – no response received	Result – 4.5 (based on HRNZ/NZGRA response) NZRB/NZTR – no response received

Our Outputs

There are two groups of outputs

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

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

Quantity measure:	Forecast/Target	Actual Performance 2015/2016	Actual Performance 2014/2015
All matters presented to the JCA as at 31 July 2016 have been dealt with	100%	Raceday = 525 MINs/Minor Charges = 318 NRIs/Appeals = 92 – 2 outstanding Result – 99.8%	Raceday - 544 MINs/Minor Charges – 441 NRIs/Appeals = 82 – 1 outstanding Result – 99.9%
Quality measures:			
The ratio of successful appeals against judicial committee decisions	Less than 2% of appealable decisions	11 appeals from 801 decisions 3 were successful and 5 partially successful – 6 related to penalty only Result – 1.6%	14 Appeals from 877 decisions 7 were successful – 2 related to penalty only Result – 1.6%

STATEMENT OF SERVICE PERFORMANCE

Timeliness:	Forecast/Target	Actual Performance 2015/2016	Actual Performance 2014/2015
Raceday issues excluding Minor Infringements and minor penalties - published on website	95% within 5 working days	12 decisions more than 5 days Result – 97.7% within 5 working days	28 decisions more than 5 days Result – 95.0% within 5 working days
NRIs/Appeals – date set for hearing	95% within 5 working days on receipt of papers lodged	92 hearings of which 11 were more than 5 days Result – 88.1%	82 hearings of which 10 were more than 5 days Result – 87.8%
NRIs/Appeals – published on website	95% within 21 working days from conclusion of hearing	92 NRIs/Appeals – nil more than 21 days Result – 100%	2 out of 78 NRIs/Appeals more than 21 days Result – 97.4%
Minor Infringements – NZGRA – these are processed upon receipt. For equine Codes these are resolved on raceday	95% within 5 working days of receipt	108 MINs received and returned with 5 days of receipt Result – 100%	108 MINs received and returned with 5 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 2015/2016	Actual Performance 2014/2015
All requests from the three Codes in relation to rule changes are responded to by the JCA	100% responded to	Responded to in a timely manner Result – 100%	Responded to in a timely manner Result – 100%
Quality measures:			
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 be considered by	100% when timeframe is reasonable	Result – 100%	Result – 100%

Independent auditor's report

To the Board of Judicial Control Authority for Racing

We have audited the special purpose financial statements of Judicial Control Authority for Racing on pages 3 to 11, which comprise of the statement of financial position as at 31 July 2016, and the statement of financial performance, statement of movements in equity for the year ended 31 July 2016, and the statement of accounting policies and other explanatory information. The special purpose financial statements have been prepared based on the Special Purpose Financial Reporting Framework for use by For-Profit Entities issued by New Zealand Institute of Chartered Accountants. We have also audited the statement of service performance on pages 12 to 15 for the year ended 31 July 2016.

This report is made solely to the Board of Judicial Control Authority for Racing. Our audit has been undertaken so that we might state to the Board those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board, for our audit work, for this report, or for the opinions we have formed.

The Board responsibility 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 New Zealand Institute of Chartered Accountants, 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 responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit of the statement of financial performance, statement of movements in equity, statement of financial position, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements and statement of service performance are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements and statement of service performance. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the special purpose financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the partnership's preparation of the special purpose financial statements and statement of service performance 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements and statement of service performance.

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

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

Opinion

In our opinion:

- a) the special purpose financial statements, on pages 3 to 11, of Judicial Control Authority for Racing for the year ended 31 July 2016 are prepared, in all material respects, in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities issued by New Zealand Institute of Chartered Accountants
- b) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance on pages 12 to 15 are suitable.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the special purpose financial statements, which describes the basis of accounting. The financial statements have been prepared for the special purpose of providing financial information to its major stakeholders: The New Zealand Racing Board, the two equine and one canine racing codes and the Minister for Racing. 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 and those major stakeholders.



Moore Stephens Wellington Audit | Chartered Accountants, Wellington, New Zealand
3 November 2016



JCA COMMITTEE MEMBERS AT 31 JULY 2016

Dave Anderson
Tony Bird
Tom Castles *
Stewart Ching *
Greg Clapp
Adrian Dooley *
Alan Godsolve
Keith Hales *
Geoff Hall *
David Jackson
Gavin Jones*
Paul Knowles*
Noel McCutcheon*
Russell McKenzie *
Nicki Moffatt *
Vinny Munro
Bryan Scott *
Richard Seabrook *
Nigel Skelt
Tangi Utikere*
Paul Williams*

APPEAL TRIBUNAL MEMBERS

Tim Gresson
The Hon Sir John Hansen KNZM
Nigel Hampton QC
Murray McKechnie
Bruce Squire QC
The Hon Justice Sir Graham Panckhurst KNZM, QC
The Hon Sir Bruce Robertson KNZM
Mr Garry Thompson

* also Appeals Tribunal Member



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For Racing

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