



GREYHOUND RACING VICTORIA ANNUAL REPORT

2019-2020

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VICTORIAN GREYHOUND RACING SNAPSHOT: 2019-20

\$540 MILLION

in annual economic contribution

\$550 MILLION

in annual taxes (across all Victorian racing codes)

4,300

full time equivalent jobs

14,500

participants

1,198

annual race meetings

\$45.7 MILLION

in annual prizemoney and other returns to participants

\$2.6 BILLION

in annual national wagering turnover

635 litters and

4,264 puppies registered

2,542

greyhounds re-homed

Economic contribution, employment and participant data:
Size and Scope of the Victorian Racing Industry, IER 2018.



CHAIR FOREWORD



Peita Duncan - GRV Chair

In 2019 I commenced my role as Chair of the Greyhound Racing Victoria Board with a commitment to oversee the implementation of GRV's new five-year Strategic Plan, a commitment I take very seriously and one which is shared by my fellow Board Directors.

To achieve our vision of Victorian greyhound racing as a vibrant, entertaining, and thriving sport with animal welfare at its heart, the Strategic Plan focuses on three Strategic Directions - key priorities that outline targeted outcomes over five years. Those strategic directions are: Innovation to Drive Revenue; Racing Safety and Greyhound Welfare; and One Industry and are designed to build a strong and sustainable future for the code.

We rely on Greyhound Clubs Victoria (GCV), the representative body for Victoria's 13 greyhound racing clubs, to assist us in strategic, regulatory, and operational matters that affect the Victorian greyhound racing industry. GCV is a key part of a tri-party environment, the regulator, participants, and clubs, providing a clear role for the clubs and a collective approach to industry sustainability.

GRV also continues to focus on new commercial development initiatives as part of its Innovation to Drive Revenue strategic direction. At the end of 2019-20, two exciting new opportunities for the future were also trialed, both a first in the sport's history. They were SKY Racing World broadcasts of Saturday morning meetings, in conjunction with Harness Racing Victoria, and a partnership with Sky Racing and TAB to broadcast Victorian greyhound racing throughout the United States of America. In addition, GRV negotiated with the Seven Network to screen three of Victoria's biggest race nights to showcase the sport. Progress in each of the three strategic directions is covered in more detail in the Strategic Framework section of this Annual Report.

We faced several challenges during the year including a shortfall in racing fields, a canine gastroenteritis outbreak and extreme weather conditions and bushfires in the Gippsland region. In March 2020, it became very clear that we were facing a once in a hundred years challenge, the COVID-19 pandemic. The GRV Board had to make some hard decisions for which there were no precedents in the sport's history. Victoria is the world's biggest greyhound racing jurisdiction which also meant the livelihood of thousands of Victorians and hundreds of local suppliers and potentially the welfare of thousands of greyhounds was also threatened.

Ensuring the health and safety of participants and club, race day and GRV and Greyhound Adoption Program (GAP) staff in order to keep racing and re-homing during the COVID-19 pandemic was GRV's paramount concern. GRV introduced a range of measures for all tracks, race meetings, trials and coursing events and at GAP in line with State and Federal regulations and advice from Victoria's Chief Health Officer.

GRV also received a \$3.42 million grant in May 2020 from the Victorian Government's Experience Economy Survival Package to maintain prizemoney and club funding, help sustain returns to participants, secure jobs within the sport, maintain participant and welfare standards and support the financial viability of all clubs across the State.

Like many other organisations across Australia, it was a financially challenging year for GRV. The shortfall in races and field sizes in the last months of 2019 and early 2020 led to a significant drop in forecast revenue for the year. The closure of TAB outlets in Victoria and across Australia due to COVID-19 also had a severe impact on forecast TAB Joint Venture revenue. However, GRV's ability to offer a consistent and trusted wagering product when many other sports were shut down helped mitigate this loss of revenue through an increase in wagering through other wagering operators.

GRV also deployed a significant cost containment strategy across the organisation without compromising our ability to continue to regulate and maintain the full race program with full race prizemoney except for some marquee events.

In 2019-20, Greyhound Racing Victoria's Greyhound Racing Integrity Unit (GRIU) further strengthened its position as one of the world's leading racing integrity bodies by building on its fully integrated approach to education, compliance, investigation, enforcement and prosecution. GRV has invested more than \$30 million over the past three years supporting the development of sophisticated systems and processes to aid this essential role in investigating suspected breaches of greyhound racing rules.

Our ability to keep racing in the second half of the year and ensure the livelihood of participants and the welfare of greyhounds has been a truly tremendous achievement, driven by the passion and commitment of everyone involved. At every level of the sport, people showed how resourceful and agile we can be when faced with unprecedented challenges and I salute you all.

Here, I would like to acknowledge the work of GCV which has become a highly effective advocate for the clubs and one of GRV's most important partners, working with us to ensure a strong future for its member clubs. On behalf of the GRV Board and team, I give heartfelt thanks to all of Victoria's greyhound community, from participants and their families to frontline staff at race meetings to the clubs and volunteers at the track and at GAP. To keep racing under the circumstances of 2020 was a real privilege for the code and one that was won by your tireless effort, commitment, patience and passion for our sport. Because of you, Victorian greyhound racing now has a great box draw for a prosperous future.

For the coming year, GRV will continue to introduce innovative programs and practices in support of our vision to professionally regulate, conduct and promote greyhound racing and welfare in Victoria with integrity and care, and to ensure an engaging, ethical and sustainable sport.

On a lighter note, I also welcome the commitments by Todd McKenney, Kate Stevenson and Brent "Boomer" Harvey to each continue for a third year in their respective roles as National Greyhound Adoption Day Ambassador, Victorian GAP Ambassador and Victorian Greyhound Racing Ambassador.

Finally, I thank my Deputy Chair Greg Miller and fellow board directors for their immense work and commitment over the year, GRV's CEO and everyone at GRV for continuing to operate as a highly professional and effective team during very trying times. I also thank the Victorian Minister for Racing Martin Pakula and GRV's wagering and media partners for their support of our code.

Peita Duncan



CEO REPORT



Alan Clayton - GRV CEO

The 2019-20 year has been unlike any other in the history of greyhound racing in Victoria, as it has been for all the community. But despite the extraordinary and very trying circumstances, GRV managed to deliver outcomes that would have been noteworthy even in a normal year. These included a significant improvement in key welfare areas, a strong racing and wagering performance and a range of new promotional and marketing initiatives to drive a growing customer base. The welfare of greyhounds is at the heart of our sport, from birth to re-homing, and remains an overriding priority for GRV. During the year we achieved some very good outcomes despite the circumstances in the second half of the year, including maintaining a strong re-homing program and a major fall in euthanasia rates.

We upgraded our Watchdog mobile app in 2019-20, introducing new features such as dedicated live streaming via Sky Racing for all Victorian greyhound race meetings and an expanded in-depth form guide, including an animated early speed

indicator for each greyhound on all Victorian race cards. Other enhancements over the year included fixed odds market movers, improvements to Click To Bet, more detailed form guides and statistics, expert selections and video previews and faster race replays. The app increased in popularity over the year, reaching more than 105,000 engaged users. The fact that greyhound racing was able to keep operating at a time when many other sporting codes had to suspend operations generated many new customers and accelerated GRV's focus on commercial development to keep them engaged with and wagering on the sport.

Due to the COVID 19 pandemic a number of measures were introduced including a regional resourcing model to minimise travel and interaction with race day staff, providing PPE and making masks or other facial coverings mandatory at tracks, restricting race day attendance to essential staff only, control of interstate travel for racing purposes, health checks for entry to tracks and strict social distancing and biosecurity protocols that included revised vetting, kenneling and boxing procedures.

Participants were kept constantly updated about these measures through GRV and club communications and GRV stewards took on the responsibility of ensuring compliance with these measures. In addition, GRV directed that all staff should work from home wherever possible and ensured they had the network access and resources to do so.

GRV's budget forecasts fluctuated over the year due to a shortfall in racing fields and then the impact of COVID-19 but achieved a relatively robust financial position by 30 June 2020. Total income was up 2.9% on the previous year to \$106.6 million, due in large part to a 39% increase in Racefields income which offset a 21% fall in Tabcorp income. Total expenses were also up by 1.2% to \$106.9 million with much of this driven by the cost of implementing biosecurity protocols. However, GRV did finish the year by eliminating its 2018-19 deficit and recording a \$700,000 profit following a revaluation of its land and buildings and its liquidity levels remained strong.

I was pleased with what was achieved during an extremely challenging year and it has been a privilege for greyhound racing to continue at a time when many other sporting codes had to suspend operations from March 2020. It is a privilege that

was earned by the way in which participants, club, and race day staff worked with each other and with GCV and GRV to follow biosecurity protocols and keep the sport free from any COVID-19 transmissions.

For the coming year, GRV will continue to ensure it delivers the safest and healthiest possible work environment for participants and staff in line with advice from Victoria's Chief Health Officer. Beyond that welfare and integrity will remain as key pillars. This includes delivering the five-year Safer Racing Program and further strengthening integrity processes.

They will be joined by a third pillar which is a new and expanded racing program to help spread GRV's fixed costs across more races and create more opportunities for dogs to race, generating more revenue, both per race and in general. This increased income in turn will allow GRV to grow the prizemoney pool for the benefit of our participants and invest more in infrastructure improvements and promoting the sport to new customers. Another focus for 2020-21 will be modernising and upgrading GRV core and participant facing systems and processes to ensure the organisation can more effectively manage future growth and prepare for new challenges.

Finally, I thank the GRV Board, our consultation and reference groups, GCV and all Victoria's greyhound racing clubs for their hard work and commitment over the year. I also acknowledge the support of the Victorian Government and all our stakeholders including the TAB and other wagering partners, our media partners, RSPCA Victoria, re-homing agencies and our interstate colleagues. And most of all I thank all the participants and club and GRV staff and volunteers for their great work in keeping our sport on track and indeed thriving throughout the year.

Alan Clayton





STRATEGIC FRAMEWORK

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GRV STRATEGIC PLAN 2019-2024

**PROGRESS ON STRATEGIC DIRECTIONS
YEAR ONE**

Innovation to Drive Revenue

Racing Safety & Greyhound Welfare

One Industry

GRV STRATEGIC PLAN 2019-2024

Our Vision	Our Mission	Our Values
Victorian Greyhound Racing is a vibrant, entertaining and thriving sport with animal welfare at its heart	To professionally regulate, conduct and promote greyhound racing and welfare in Victoria with integrity and care, and to ensure an engaging, ethical and sustainable sport	Integrity, Transparency, Collaboration, Respect, Safety, Responsiveness and Progressiveness

Our Strategic Pillars

Greyhound Welfare	Integrity	People, Culture & Financial Sustainability	Community Engagement	Club Development	Sports & Customer Development	Participant Engagement & Support
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Our Core & Ongoing Business

Greyhound Racing Program, Registration & Participant Support	Legal, Regulation, Compliance & Risk-based Integrity	Greyhound Welfare, GAP & Third Party Re-homing	Wagering, Customer & Commercial Development	Participants, Clubs & Infrastructure Projects	Industry Support, Communications, Marketing & Media	Corporate, Shared Services & Organisational Support
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Our Strategic Directions

Innovation to Drive Revenue	Racing Safety & Greyhound Welfare	One Industry
Sustainable revenue growth through product innovation, leveraging digital technology and deeper consumer engagement	Evidence-based safer racing, breeding quality and sustainability, population optimisation training practices, participant support and re-homing	Improved GRV capability and culture, Club Governance, Professionalism & Performance, Shared Industry Vision and National Approach

PROGRESS ON STRATEGIC DIRECTIONS: YEAR ONE

The Strategic Plan sets a clear, high level vision for the future of the sport of greyhound racing to ensure its long-term sustainability. In building on the achievements and successes of the previous strategic goals, this plan places a broad focus on commercial and economic factors, sustaining strong welfare and integrity outcomes and working more closely with participants, clubs and the wider community.

Innovation to Drive Revenue

Sustainable revenue growth through product innovation, leveraging digital technology and deeper consumer engagement.

Targeted Outcomes:

- Revenue Growth
- Customer Acquisition and Retention
- Full Race Fields

Achievements during 2019-20:

- Significant customer base growth by working more closely with key Wagering Services Providers (WSPs)
- Increased racing program to provide enhanced racing opportunities for greyhounds and participants while also driving revenue growth.
- Expansion into offshore markets including the US and Europe.
- Increased media/promotional coverage through live 'free-to-air' TV and Radio coverage.
- Progressive upgrades and enhancements to GRV's Watchdog App, with a range of additional content / features for fans and wagerers.
- Working collaboratively with Victorian Racing Industry partners on key industry projects including the Point of Consumption Tax Review and the Victorian Wagering Licence project.

Racing Safety & Greyhound Welfare

Evidence-based safer racing, breeding quality and sustainability, population optimisation training practices, participant support and re-homing.

Targeted Outcomes:

- Safer Racing
- Getting Dogs to the Track
- Full Re-homing
- Improved Participant Engagement

Achievements during 2019-20:

- Extended and more formalised use of scientific and evidence-based detailed analysis to drive reductions in racing injury.
- Implementation of the Victorian Government's Code of Practice for the Keeping of Racing Grey-hounds which came into effect on 1 January 2020, including delivery of a comprehensive participant education and support program to help guide and enable participant compliance.
- Delivery of evidence led and risk-based regulatory activities including risk-based swabbing and property inspection program.
- Introduced a Participant Support hotline (phone and email) for general enquiries
- Established an independent health and wellbeing advisory service for participants and their families.
- Refinement of GAP re-homing model, and improved systems to facilitate participant-based retirements and third-party agency greyhound adoptions.

One Industry

Improved GRV capability and culture, Club Governance, Professionalism & Performance, Shared Industry Vision and National Approach.

Targeted Outcomes:

- Optimised Participant Returns
- Club Growth
- Improved Community Attitude
- Enhanced GRV Capability

Achievements during 2019-20:

- Implemented new arrangements to support Greyhound Clubs Victoria to strengthen Clubs' capability, compliance, growth and development.
- Expanded communication and engagement channels that enable targeted and focused messaging for participants including workshops, email, videos, social media, website and SMS.
- Actively engaged as a member of Greyhounds Australasia to enable sharing of information and good practice across Australian and New Zealand racing jurisdictions.
- Provision of regional-based capability for supporting the conduct of race meetings, marketing and events to better support local communities and clubs.
- Engaged participants in the development of an enhanced participant interface for FastTrack.



REPORT ON OPERATIONS

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**SAFER RACING PROGRAM &
INFRASTRUCTURE**

CLUBS OVERVIEW

IN THE COMMUNITY

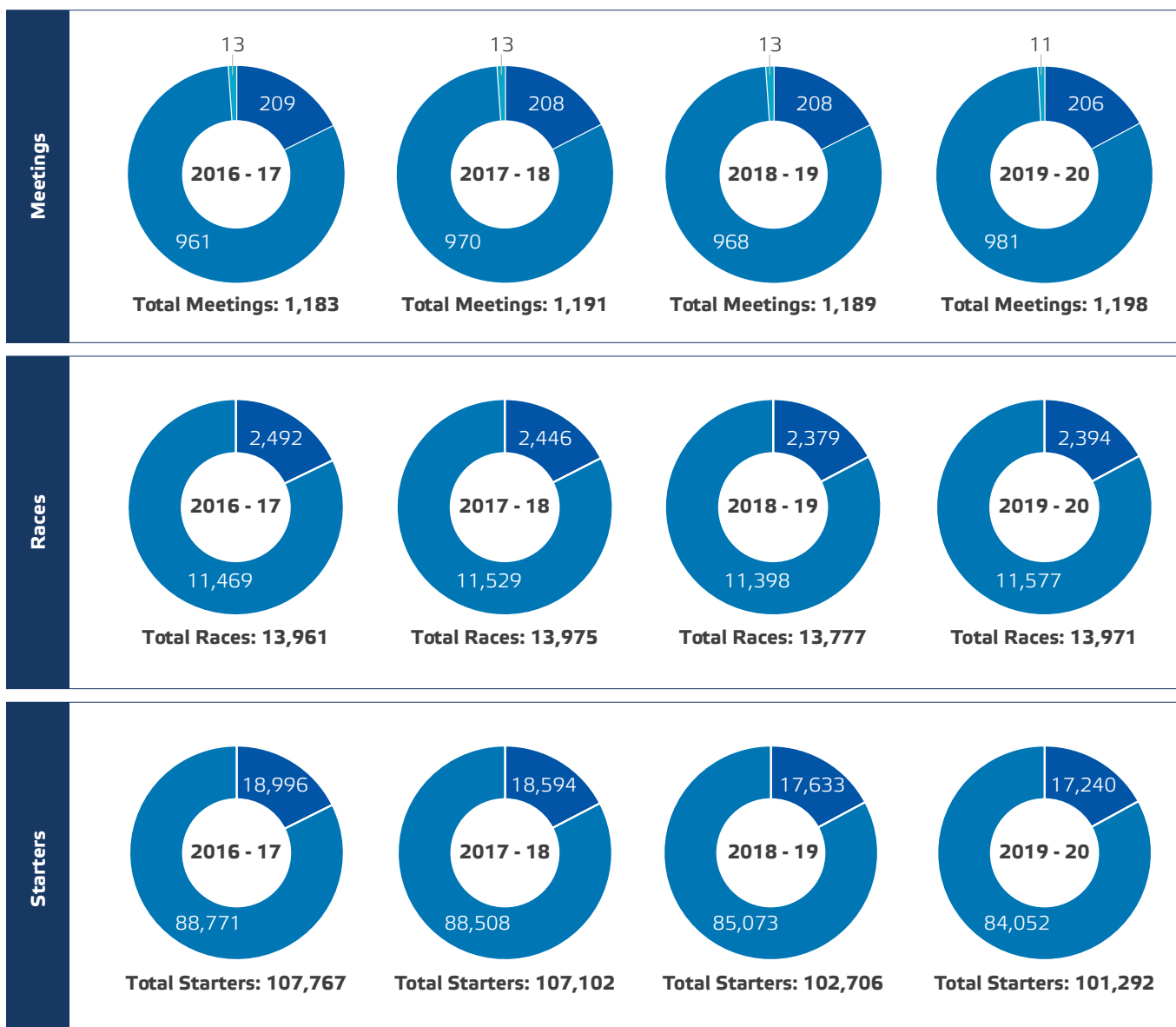
RACING

GRV faced several substantial challenges during the year in delivering its racing program including the need to operate under COVID-19 restrictions. However, GRV, the clubs and participants worked together to deliver 13,971 races over the year, up 1.4% on the previous year and with 83% held in regional Victoria. This full and exciting racing program included the TAB Melbourne and Australian Cup Carnivals, the inaugural SEN National Straight Track Championship at Healesville, Club Cups and much of the scheduled racing calendar.

In April 2020, GRV also introduced 13 'GR8 8' special events across all distances at The Meadows and Sandown, each carrying \$15,000 in prize money. These events provided extra opportunities for top class dogs to compete across a weekly program, along with other additional events like the Bendigo Battlers Cup.

Industry Performance Indicators

Legend: ■ Metro ■ Country ■ Coursing



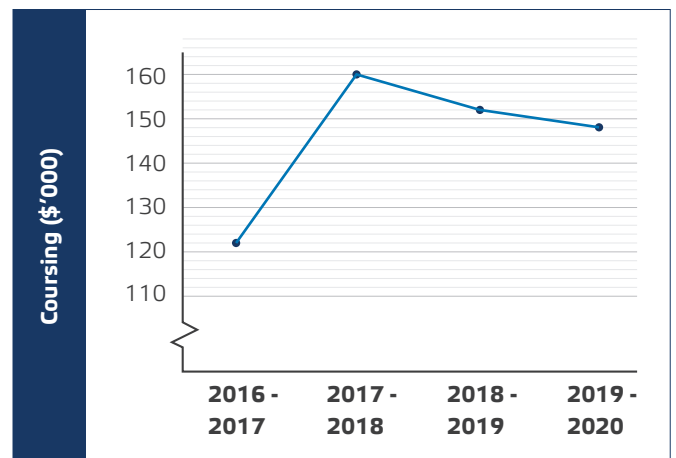
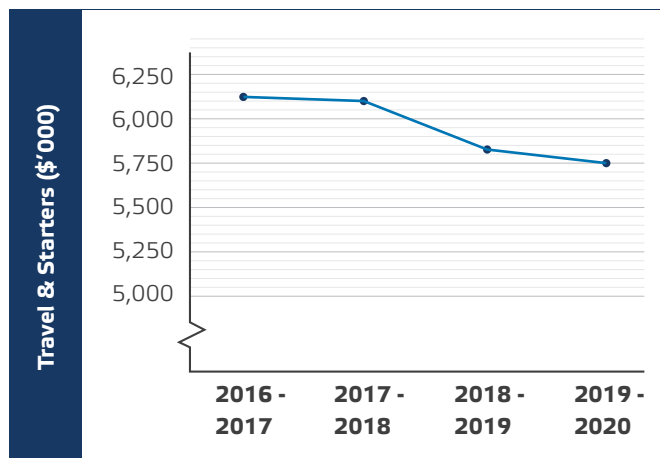
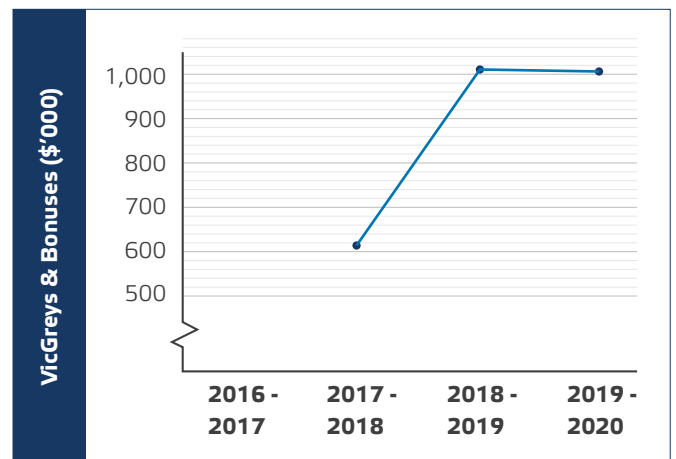
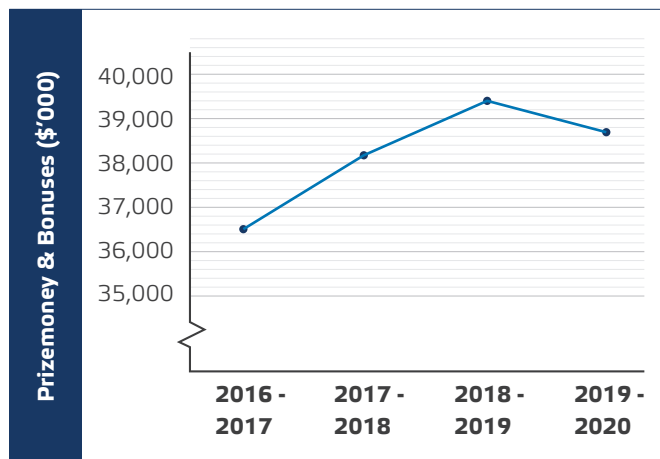
The decline in starters compared to 2018-19 was due to a combination of external factors, the most significant being a canine gastroenteritis outbreak which saw a lower than expected number of racing dogs available early in the season, along with race meetings cancelled because of extreme weather conditions, bushfires and COVID-19 cleaning of facilities.

VICTORIAN GREYHOUND AWARDS

GRV hosted the 2018-19 Victorian Greyhound Awards on 16 August 2019.

- **Greyhound of the Year:** Orson Allen
- **Sprinter of the Year:** Orson Allen
- **Stayer of the Year:** Tornado Tears
- **Hall of Fame:** Fernando Bale
- **Hall of Fame:** Norm McCullagh
- **Ken Carr Medal:** David Gleeson
- **Ned Bryant 'Silver Fox' Award:** David Geall
- **GRV Board Welfare Award:** Julie Mathieson
- **GRV Board Leadership Award:** Tracey Fothergill
- **Metropolitan and Provincial Trainer of the Year:** Andrea Dailly

RETURNS TO PARTICIPANTS



Prizemoney, Bonuses, Travel & Starters (\$)	2016 - 17	2017 - 18	2018 - 19	2019 - 20
Total (\$)	42,829,662	45,076,365	46,491,197	45,676,610

The lower prizemoney and other returns to participants in total for 2019-20 compared to the previous year was caused firstly by a 29.8% decline in starters per race centered around March 2020 due to a canine gastroenteritis outbreak which saw a lower than expected number of racing dogs available. Other factors included race meetings cancelled because of extreme weather conditions, bushfires and COVID-19 cleaning

of facilities and cost containment in the later part of the season which saw some Clubs reduce their prizemoney top ups across a number of Group One feature races.

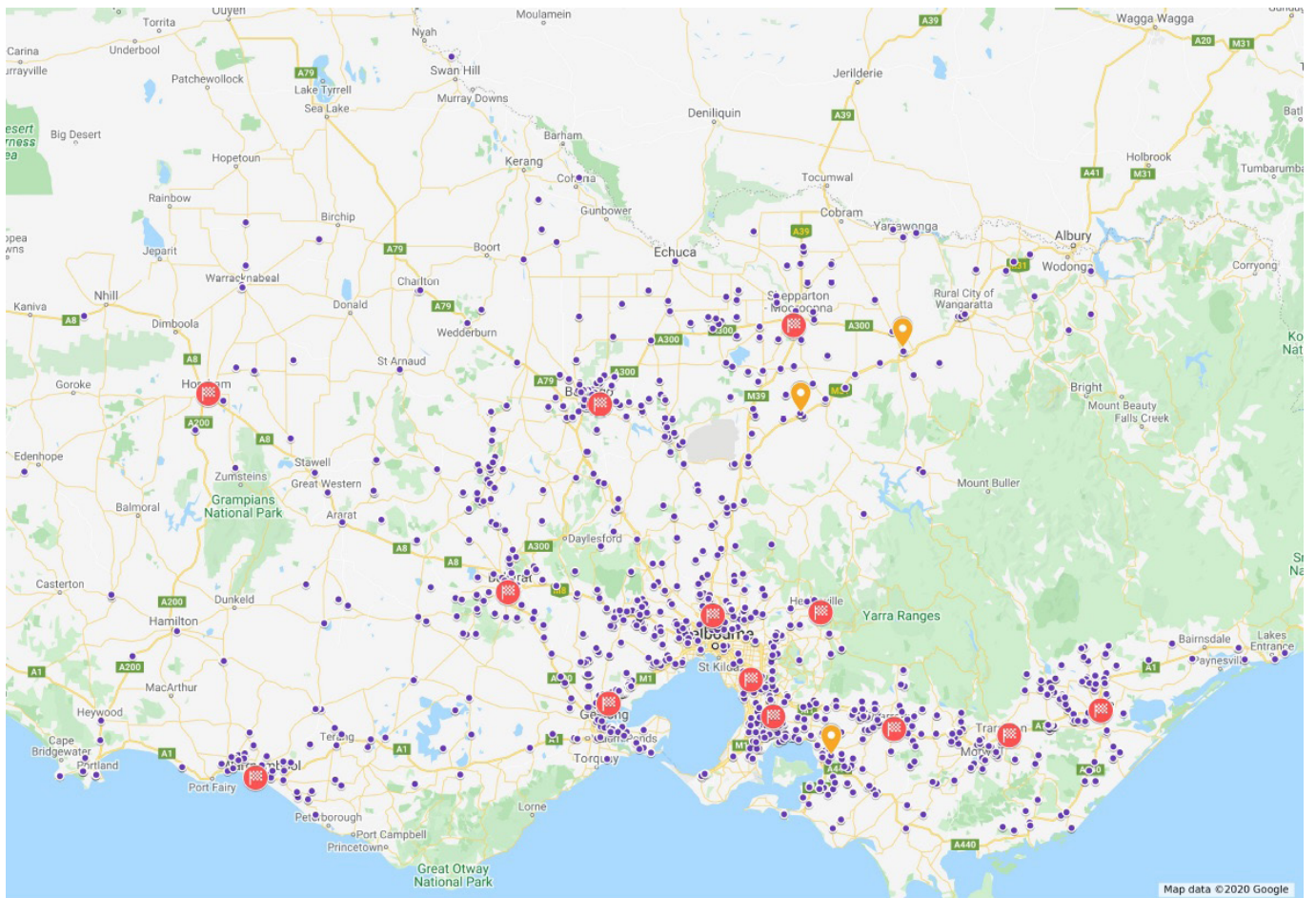
In late May, almost \$290,000 in accrued unspent prize money for the financial year to date was shared across level three races and select provincial meetings over June 2020.

PARTICIPANT OVERVIEW

About 15,000 Victorians are directly involved in the sport as trainers, owners, breeders, handlers, club, race day staff and GAP staff and as volunteers, based across the State. Many of them have a family involvement in the sport spanning several generations.

As at 30 June 2020, GRV has registered: 2,111 trainers, 2,119 breeders, 7,921 owners (including trainers) and 5,214 owners not registered as trainers. Women in the sport accounted for 24% of all registered trainers, 14% of all registered owners and 21% of all registered participants in total.

In 2019-20, GRV established a Participant Support Unit and a dedicated and confidential Greyhound Participant Support Service that provided independent counselling, financial and wellbeing coaching, introductory legal advice and 24-hour phone support for participants and their families.



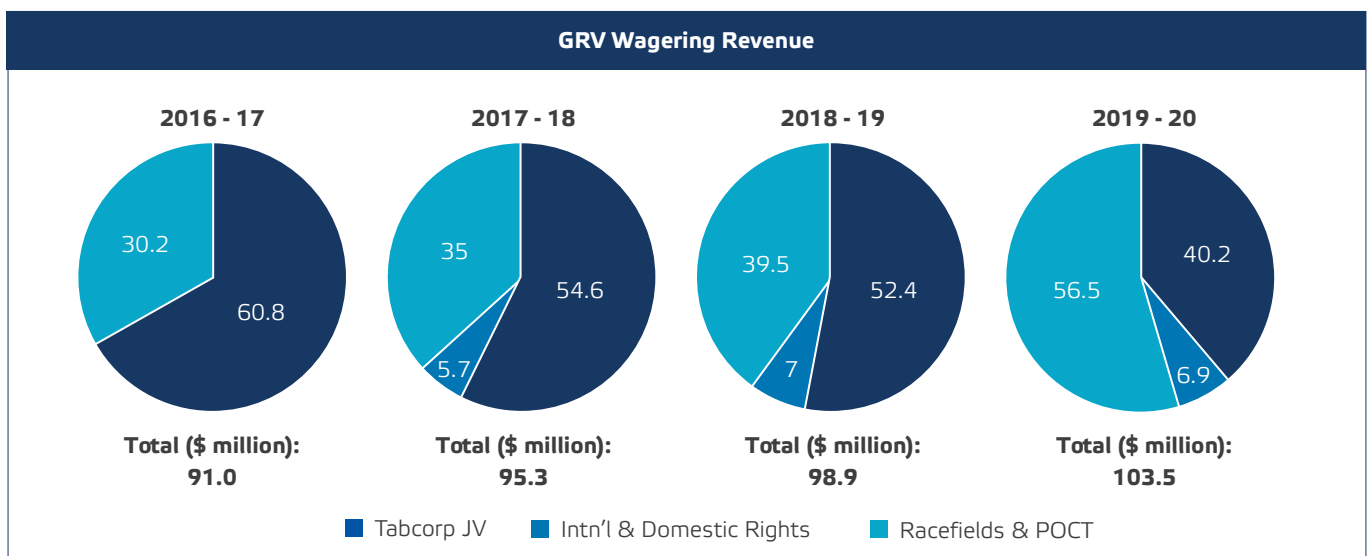
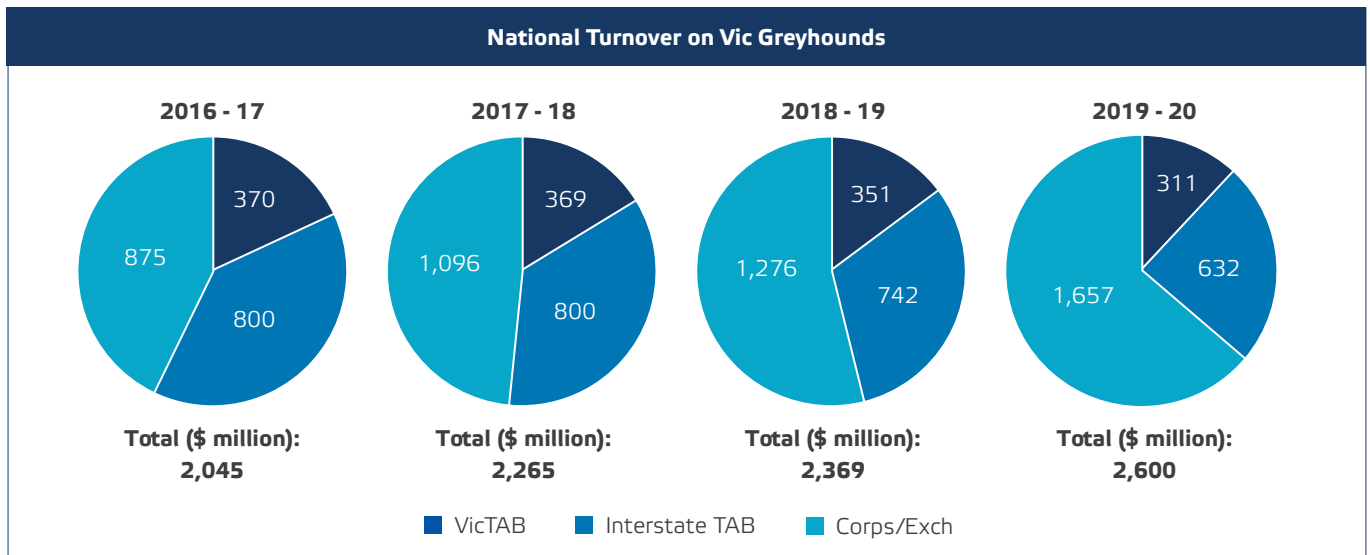
WAGERING

Wagering performance across the year was subject to a unique set of circumstances with a number of unprecedented peaks and troughs throughout the year. Despite this, National Wagering turnover on Victorian greyhound racing in 2019-20 reached a new record \$2.6 billion, an increase of \$235 million, or 10% on the prior year.

This uplift was predominately experienced in the second half of the financial year, particularly from late March when the COVID-19 pandemic struck Australia and restrictions forced many other sports to close. Improved greyhound population numbers, races conducted and field sizes also contributed to significant growth in the second half of the year.

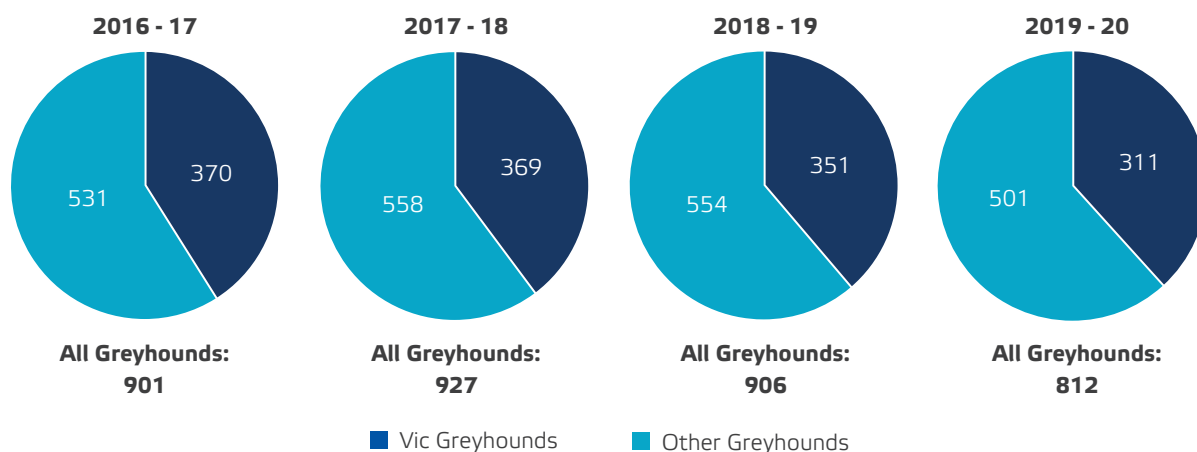
Wagering revenue for the year reached a record \$103.5 million, driven by a substantial uplift in race-fields fees paid by Corporate Bookmakers. The GRV Board approved an amendment to the race-fields fees model applicable to all Wagering Service Providers (WSPs) approved to publish and use GRV racefields, effective from 1 November 2019. This amendment increased the rate payable by WSPs on all fixed odds bets from 2% to 2.25% of turnover and introduced a new fee of 2.5% of turnover for tote derivative bets.

The closure of TAB outlets and racetracks to the public across Australia for the majority of the fourth quarter due to the COVID-19 pandemic had a serious impact on TAB turnover, particularly parimutuel and subsequently Tabcorp Joint Venture Revenue returns for the Victorian racing industry were substantially reduced.

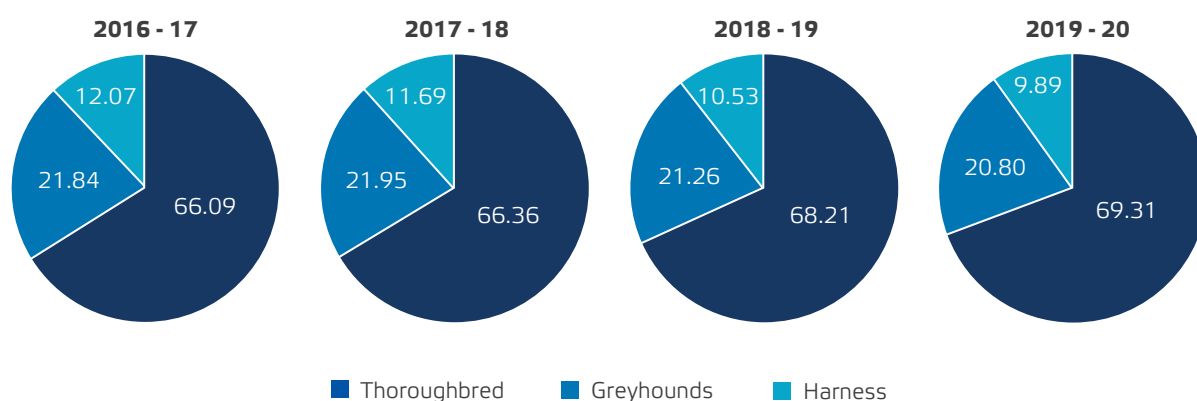


Racefields Fees paid by VIC TAB are included with all Racefield Fees from 2019-2020. They were included in Tabcorp JV Revenue in prior years.

Vic TAB Greyhounds Turnover (\$ million)



Vic TAB 3-code Racing Turnover Market Shares (%)



MEDIA

GRV continued to strengthen and expand its media partnerships in 2019-20 and engaged strongly with new free to air audiences through mainstream television and radio such as Channel 7 and 3AW, as well as strengthening relationships with SKY and with RSN where GRV is a shareholder.

In a first for GRV, in November 2019, we partnered with *7mate*, Greyhound Racing South Australia and Racing and Wagering Western Australia to launch the *Thrill of the Chase*, an hour long live to air TV show on Sunday mornings. Developed as a five-part series to air over 2019 and into 2020 to celebrate the sport in Australia, this provided an opportunity to showcase greyhounds as athletes and take viewers behind the scenes of successful kennels, trainers and major events. The second episode, aired on 9 February, covered the 2020 Group One TAB Australian Cup live from The Meadows before the series was unfortunately suspended due to the COVID-19 pandemic.

In May 2020, a new radio show developed by GRV and Sandown Greyhound Racing Club began broadcasting on Crocmia's SEN Track radio network. Running from 6-10pm on Thursday nights, 'The Lids Fly' featured live and behind the scenes action and interviews from Sandown Park.

In late 2019-20, GRV teamed with Sky Racing and TAB to broadcast greyhound racing to new markets in the USA and Europe through the Greyhound Channel, skyracingworld.com and via online wagering companies. This was an unprecedented opportunity for Victorian greyhound racing to open up a massive new wagering audience. The initial focus was on America where one Australian greyhound meeting a day, with separate USA Tote pools, was screened live into the USA, starting with the Shepparton meeting on 15 June 2020.

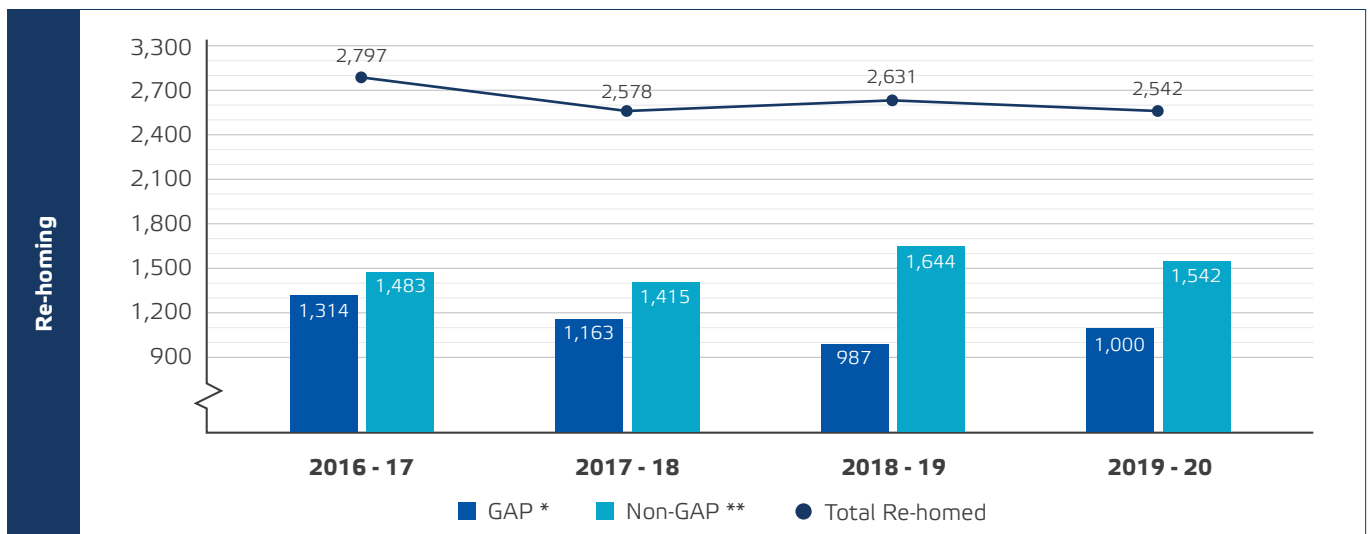
Regional media relationships were also strengthened through the launching of statewide locally based campaigns promoting the sport, while investing in the important community resource of country media outlets.

GREYHOUND WELFARE

The number of greyhounds re-homed by GAP rose by 1.3% over the previous year to 1,000, a strong achievement given a range of external factors which impacted GAP’s operations. The early part of 2020 saw the cancellation of GAP adoption days because of the Victorian bushfires and this was followed by the GAP Seymour adoption facility closing for a period of time because of canine gastroenteritis.

COVID-19 restrictions also had an impact on planned adoption events and GAP operations with the National Adoption Day scheduled for 28 April 2020 and the following planned monthly GAP Adoption Days cancelled and visits to GAP’s Seymour facility significantly curtailed.

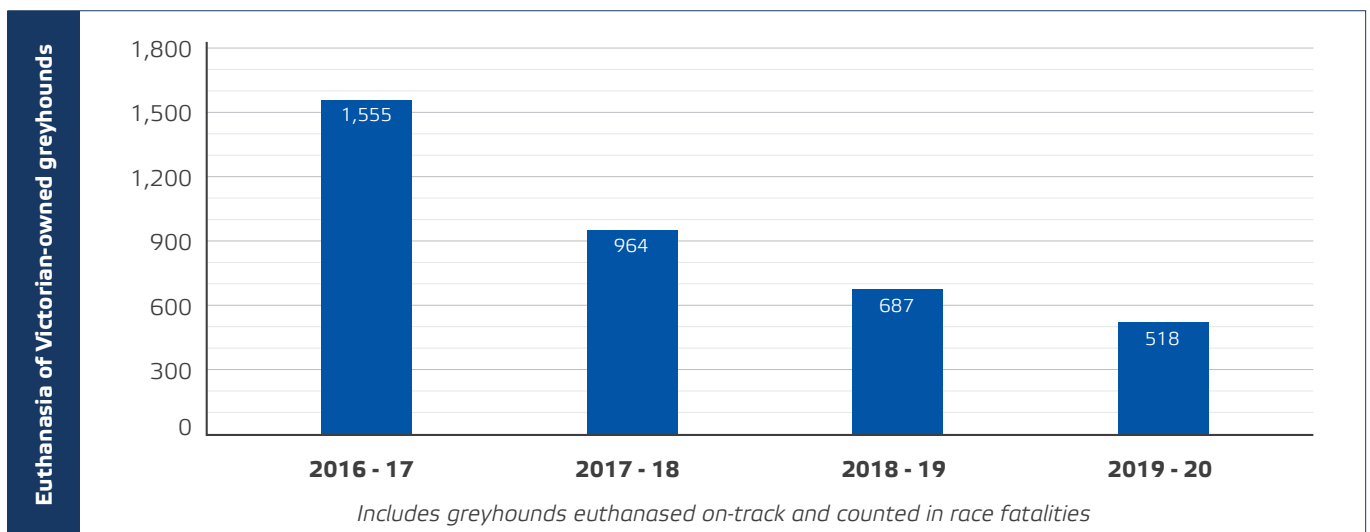
The overall number of re-homed greyhounds as compared to the previous year fell by 3.4% with participants and other greyhound adoption agencies also impacted by the operation of COVID-19 restrictions.



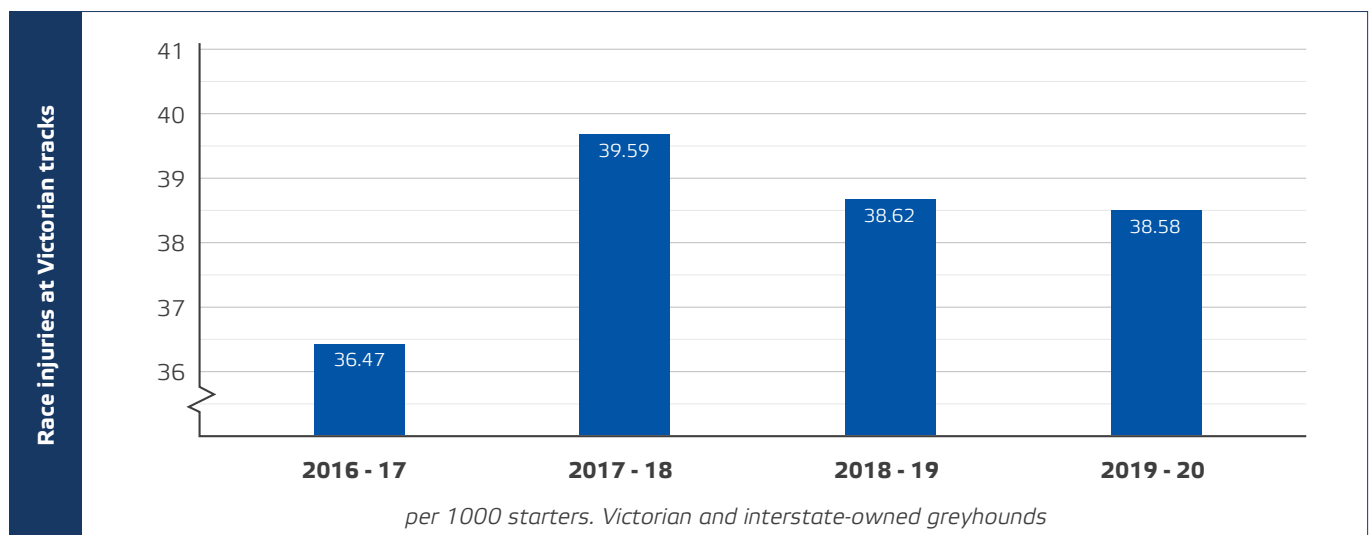
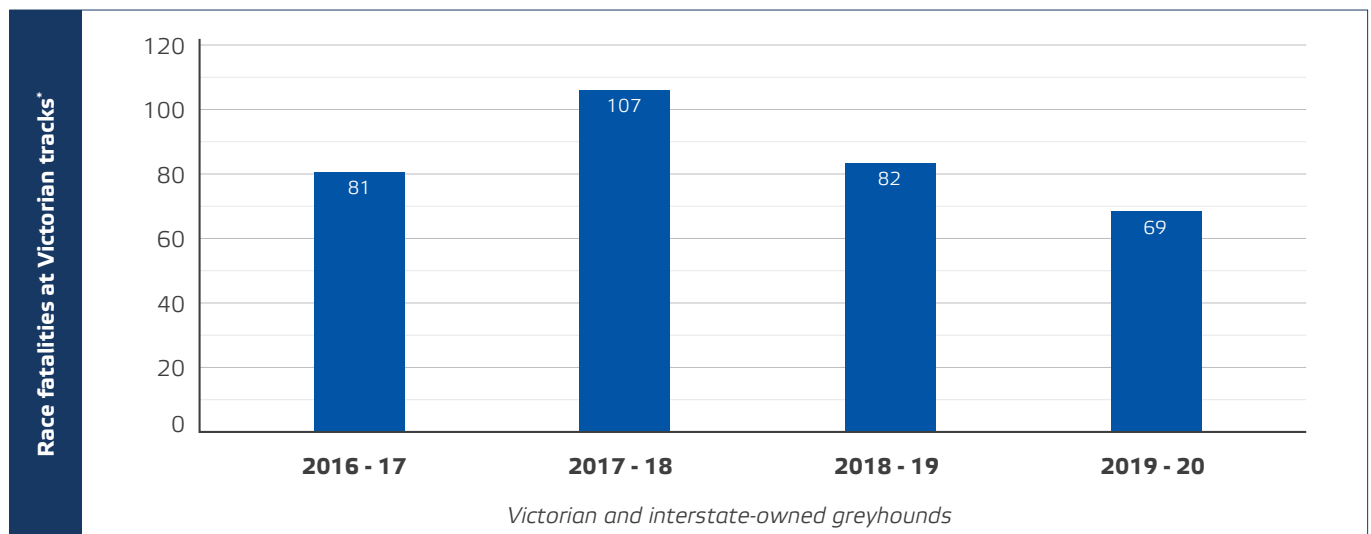
* Victorian and interstate-owned greyhounds adopted by GAP Victoria

** Victorian-owned greyhounds re-homed by participants and third-party adoption agencies

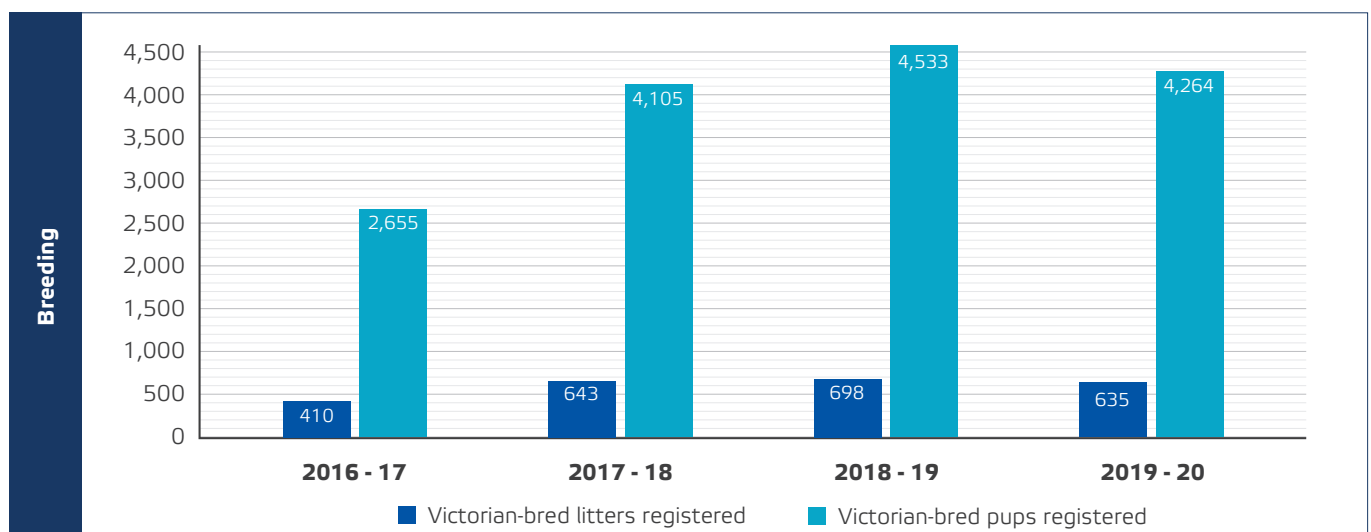
Another significant outcome for 2019-20 was a major reduction in euthanasia numbers, down by 25% on 2018-19 and 66% over the past three years, demonstrating significant reform outcomes within the industry.



Racing safety remained a primary concern for GRV. Race fatalities fell by nearly 16% over the year and there was a 0.1% reduction in total injuries per 1000 starters



Breeding numbers were slightly down over the year and within the targeted range to ensure the sustainability of Victoria's racing program, and the sport in the longer term.



INTEGRITY

Enforcement Powers

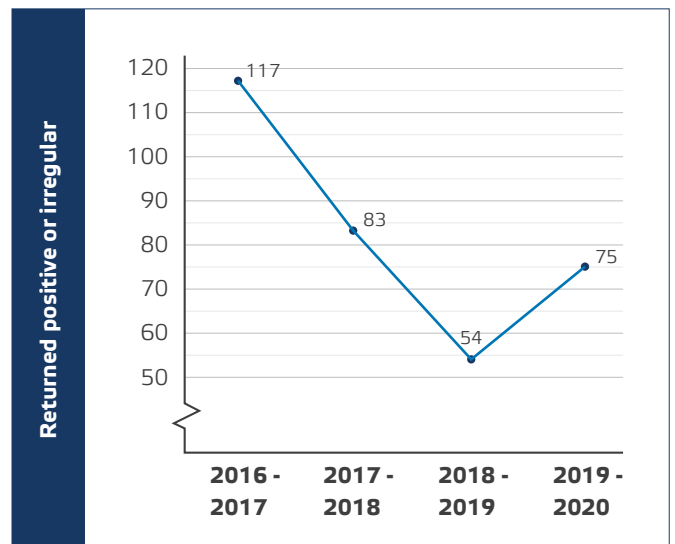
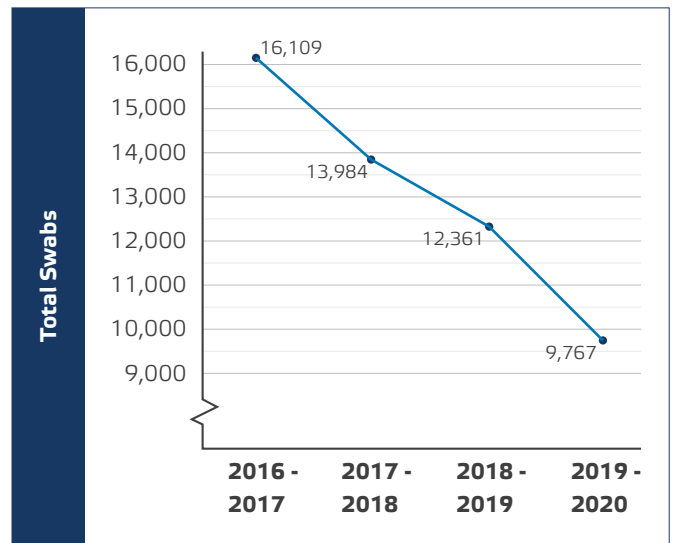
In early 2020, GRV was granted a new authority by the Victorian Government's Animal Welfare Victoria to investigate and resolve animal welfare issues. Under the *Domestic Animals Act 1994* and the *Prevention of Cruelty to Animals Act 1986*, Investigative Stewards working for the GRIU were appointed as Restricted Authorised Officers. This brings GRV into line with RSPCA Victoria Officer powers and makes GRV the first racing body in Australia and the only greyhound regulator in the world to be granted such an authority. This means GRV is now able to manage the welfare of greyhounds without having to refer matters to other agencies. This new authority is supported by RSPCA Victoria who have a memorandum of understanding with GRV to ensure collaboration.

Code of Practice

The Victorian Government's *Code of Practice for the Keeping of Racing Greyhounds* became operational on 1 January 2020. Throughout 2019 and into 2020, GRV led an industry-wide drive to ensure participants were aware of and able to comply with their obligations under the Code. This included an online education campaign, seminars and workshops across the State, establishing a new Greyhound Record function in FastTrack for Victorian-bred greyhounds and the development and delivery of Establishment Health Management Plan templates for Victorian greyhound facilities.

Swabbing

With the continuing application of a risk-based approach by GRIU, a planned 20% reduction in the number of swabs taken to test for prohibited substances was implemented over the year. The targeted swabbing program is data led and includes both race day and out of competition testing. The number of swabs returned as positive or irregular rose by 39%, positively reflecting on the ability of the GRIU risk framework to target and act upon potential non-compliance.



Suspicious activity hotline

GRV's phone and online hotline for reporting suspicious activity continued to be a valuable resource for the GRIU. In 2019-20, GRIU received 145 contacts, some of which played a significant role in investigations and successful prosecutions. Contact details can be found at www.grv.org.au

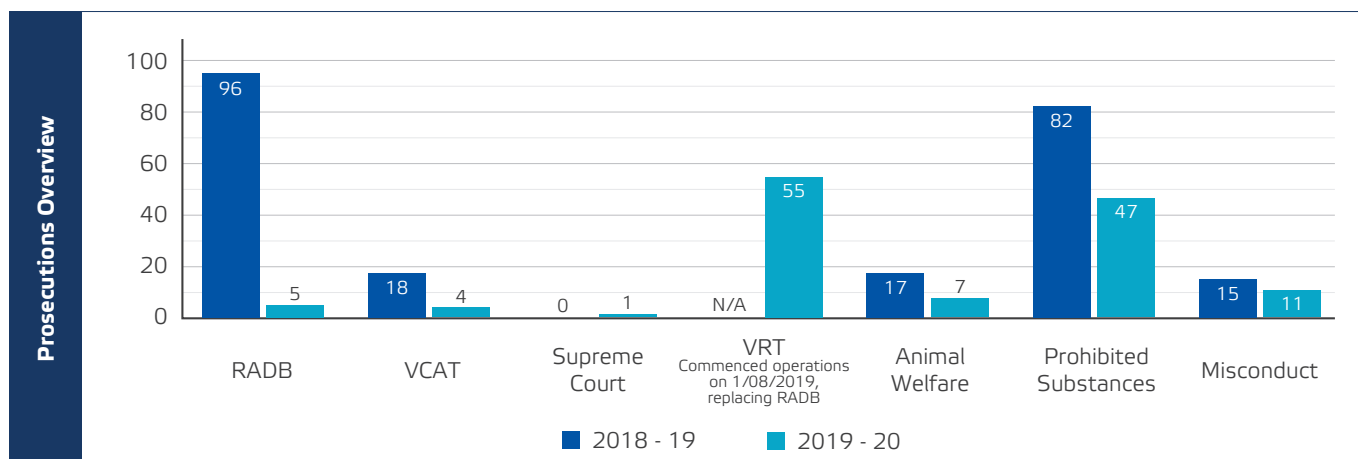
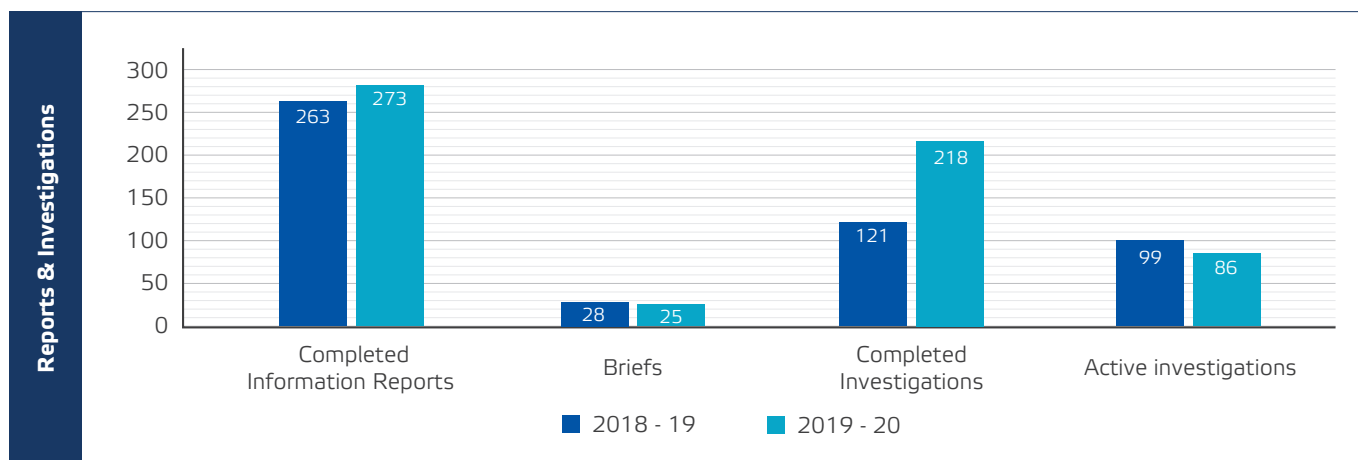
Total swabs by GRV's Greyhound Racing Integrity Unit

	2016 - 17	2017 - 18	2018 - 19	2019 - 20
Total swabs	16,109	13,984	12,361	9,767

Prior total swabs have been adjusted when received after the reporting period (June 30).

Samples taken from GRV

	2016 - 17	2017 - 18	2018 - 19	2019 - 20
At race meetings	15,414	12,443	11,086	8,552
Out of competition	695	1,541	1,275	1,209
Swabs - elective (Requested and paid for by participants)	25	7	54	75
Returned positive or irregular	117	83	64	75
Long Term Storage samples re-submitted for testing	0	81	192	265



SAFER RACING PROGRAM AND INFRASTRUCTURE

Throughout the year, GRV further strengthened its Safer Racing Program, a five-year plan introduced in 2018-19 to reduce race injuries and fatalities. Program initiatives include the appointment of a Director of Safer Racing, a first for any racing code in Australia. Upgrades to track infrastructure, comprehensive education programs to help trainers ensure their greyhounds are well prepared for racing and providing enhanced professional training for race day staff on welfare issues. GRV also provided detailed annual reports to each club on its race injury and fatality statistics, including meetings with each club’s senior management to discuss these reports and introduce remedial action plans by the club track maintenance staff.

Professor David Eager, the University of Technology Sydney’s Professor of Risk Management and Injury Prevention and his team have been working closely with GRV for several years now on the design of new tracks at Horsham and Traralgon Greyhound Racing Clubs and developing strategies and initiatives to assist in reducing injuries at other tracks.

CLUBS OVERVIEW

Victoria’s two metro clubs and 11 regional greyhound clubs hold race meetings every day of the year except Christmas Day and Good Friday. As well as hosting Group One and Tier Two and Three races, each club also has an annual Club Cup meeting and provides trialing sessions for participants.

Clubs are independent companies and are each administered directly by their own locally based committees and manage their own day-to-day racing operations and community engagement. Stewards, judges and on-track veterinarians are directly employed by GRV.

Victoria is also home to six coursing clubs, run by local volunteer committees and overseen by the National Coursing Association of Victoria which works closely with GRV to promote and develop this style of greyhound racing.



IN THE COMMUNITY

GRV's most significant community and charity initiatives in 2019-20 included:

The Great Chase

The 17th annual TAB Great Chase was held over August, September and October 2019 where each Victorian greyhound racing club hosted their own Great Chase Community Day where local community care groups enjoyed a day at the races with meals, entertainment and showbags and the opportunities to socialise with other groups and meet racing greyhounds. Each group was allocated a greyhound to cheer for on the day and shared in \$2,000 of cash giveaways to fund sporting equipment, computers, day trips or Christmas parties and other benefits. The series culminated with the TAB Great Chase Grand Final at The Meadows on 23 October 2019. More than 500 people from 50 community groups from across Victoria enjoyed a day of fully catered entertainment and the opportunity to meet GRV Racing Ambassador Brent 'Boomer' Harvey.

Eight groups were drawn for the main event and each allocated a dog and with it the chance to take home the \$10,000 first prize. Wangaratta's Rangeview Private Nursing Home won the first prize and seven other groups each took home \$2,000 on the day, taking donations to community groups to \$49,000 in 2019 and around \$650,000 in total since 2002.

Go the Red Dog

In response to the Victorian bushfires in late 2019 and early 2020, GRV launched the Go the Red Dog campaign. Every time a greyhound wearing the red number one rug won a race in Victoria during January and February, \$250 was donated by GRV to the Victorian Bushfire Appeal. By the time Go The Red Dog drew to a close on 29 February at the Australian Cup race meeting, \$95,500 had been raised and GRV rounded the total up to \$100,000. GRV also supported recovery efforts by holding board meetings, leadership team meetings and branch meetings in rural and regional towns and cities over February and March 2020.

Chase for Charity

GRV again partnered with Crocmedia in 2019-20 to present Chase for Charity as part of Crocmedia's Saturday morning 'Off The Bench' radio show. 'Off The Bench' hosts, Craig Hutchison, Liam Pickering and Dr Turf each placed \$500 worth of bets on greyhound races across Australia, courtesy of GRV, with all winnings being donated to charity.

After 30 weeks, cheques were presented in September 2019 to three chosen charities with Ronald McDonald House receiving \$16,640, the Victorian Men's Shed Association receiving \$14,840 and Carrie's Beanies for Brain Cancer receiving \$8,124. Since it started in 2017, Chase for Charity has raised almost \$120,000 for a range of Victorian charities.

Good Friday Appeal

GRV once again raised funds for Victoria's Good Friday Appeal for the Royal Children's Hospital by taking part in "Neil's Wheel" on 8 March 2020 where 3AW's morning host Neil Mitchell invited organisations to ride the Melbourne Star Observation Wheel until they raise at least \$10,000. GRV Chair Peita Duncan, CEO Alan Clayton, Deputy Chair Greg Miller and National Adoption Day Ambassador Todd McKenney represented GRV for "Neil's Wheel" and raised \$18,019, driven mainly by donations from Victoria's greyhound racing community.

Go the Blue Dog

In honour of the four fallen Victorian police officers who lost their lives in a tragic crash on 22 April 2020, GRV held the Go the Blue Dog campaign over May 2020. Every time a greyhound wearing the blue number four rug won a race at The Meadows or Sandown throughout the month, GRV donated \$250 to the Police Legacy Remembrance Fund, raising a total of \$6,000.



CONSULTATION SUMMARY

CONSULTATION SUMMARY

Under the *Racing Act 1958*, GRV is required to both consult with greyhound racing industry participants and to encourage and support consultation within the Industry.

During 2019-20, GRV consulted with Animal Welfare Victoria, the Greyhound Owners Trainers and Breeders Association (GOTBA) Victoria, GCV, Greyhound Clubs Australia, Racing Analytical Services Laboratories, RSPCA Victoria, Greyhound Safety Net, the Australian Greyhound Veterinarians Association, the Australian Greyhound Racing Association, Animals Australia, Victoria Police, the Department of Jobs, Precincts and Regions, Dogs Victoria, Victorian Chamber of Commerce, the Maddie Riewoldt Foundation, local government bodies and the general community.

GRV's social media resources also play an important part in how GRV engages with participants, communities and other stakeholders to provide information and encourage consultation on issues including rules and policy changes and codes of practice. In 2019-20, GRV's Facebook page had 795,300 engagements with visitors and GAP's Facebook page had 1.95 million engagements with visitors.

GRV's Industry Consultative Group (ICG) provides broad-based input into GRV's planning and to give the industry a clearer insight into GRV's decision-making process. The group includes regional and metropolitan owners, trainers, breeders, greyhound clubs and a greyhound veterinarian. To complement the ICG, GRV also uses reference groups to help inform its operational work on key topical matters, including the Breeding and Racing Reference Groups.

During the implementation of the *Code of Practice for the Keeping of Racing Greyhounds*, an additional reference group was established to enable participant-based feedback to help inform the development of compliance tools and project deliverables. This was a particularly useful forum in the development of solutions that supported participant compliance with the Code.



STATEMENT OF EXPECTATIONS

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TIMELINESS

RISK-BASED REGULATION

**COMPLIANCE RELATED ASSISTANCE
& ADVICE**

COOPERATION AMONG REGULATORS

INCENTIVE BASED REGULATION

ACCOUNTABILITY & TRANSPARENCY

STATEMENT OF EXPECTATIONS

The Minister for Racing issued a Statement of Expectations for the period 1 July 2018 to 30 June 2019, which was subsequently extended to 31 December 2019. This Statement outlines key governance and performance objectives with targets aimed at improving the administration and enforcement of regulation. Work undertaken by GRV to respond to the Ministerial Statement of Expectations is set out below.

Timeliness:

Reducing the time taken to finalise racing disciplinary matters and improving related systems / processes.

- KPIs implemented to reduce investigation time.
- Implementation of a system that expedites matters where a guilty plea is received is being developed.

Risk-based Regulation:

Improved risk-based Regulation through GRV's inspection and swabbing programs to focus on areas of greatest risk and achievement of positive regulatory outcomes.

- Implemented risk based and evidence led swabbing and inspections programs based on mature modelling, data collection and intelligence.
- Developed risk-based compliance and enforcement strategy to reflect additional authorisation of GRV officers under Prevention of Cruelty to Animals Act and Domestic Animals Act.
- Internal re-organisation to streamlined processes relating to inspections and audits.
- Targets are profiled and prioritised according to risk rating with a series of metrics developed to assess the level of risk for each person and/or property.
- Program balanced between swabbing (race day and non-race day), property inspections and investigative activity to ensure targeted risk areas.

STATEMENT OF EXPECTATIONS continued...

Compliance related assistance and advice:

Increase awareness and understanding amongst participants of their obligations as greyhound racing participants (including animal welfare requirements) through participant focused education and training framework and improved accessibility to education and training content and support.

- Implemented Victorian Government's Code of Practice for the Keeping of Racing Greyhounds including:
 - Established Code support program.
 - Developed and published GRV Code Support Booklet and supporting templates (e.g. Establishment Health Management Plan (EHMP), Greyhound Record), in consultation with government implementation and participant reference groups.
 - Conducted 28 Club-based Code of Practice Information and EHMP Support sessions.
 - Established Code Support hotline for participant enquiries, with average response times less than 24 hours.
 - Created an Electronic Direct Mail capability for GRV, with 95% delivery success rate.
 - Training programs / workshops covering issues such as injury management and first aid, greyhound nutrition, re-homing.
 - Publication of Breeding for Success Booklet Series.
 - Established new, ongoing Participant Support hotline to provide education, assistance, and support.
-

Compliance related assistance and advice:

Increase awareness and understanding amongst participants of greyhound racing penalty frame-work through:

- Penalty guidelines and regimes clearly identified in framework to be implemented.

- Media release of results of RADB/VRT prosecutions with penalties.
 - Education and support delivered by GRV authorised officers during field activities.
-

Cooperation among regulators:

Improved uniformity between jurisdictions by developing strategies to enhance cross-code collaboration and improve regulatory outcomes to identify good regulatory practice.

- GRV, Animal Welfare Victoria and Office of Racing collaboration on Code implementation activities.
 - Local Council and Participant Liaison officer position enabling greater coordination and collaboration, particularly on planning related participant issues.
 - Actively involved in Victorian Racing Industry (VRI) cross-code working groups and forums for information sharing.
 - Strong relationships and information sharing across VicPol, Local Councils and RSPCA with MOUs in place.
-

Incentive based regulation:

Increased industry awareness of incentives developed using data and evaluations to inform strategies for preferred regulatory and industry-based outcomes.

- Breeding incentive review completed to encourage sustainable breeding.
- Targeted fee relief implemented, including naming fee and breeding fees.
- Key Regulatory, Welfare and Integrity based performance measures published in GRV's Annual Report, including year-on-year comparisons of Breeding, Euthanasia, Racing Injury, Re-homing, Swabs taken, Prosecutions and Integrity Operational Actions.

Accountability & transparency:

More transparency in GRV's regulatory approach by informing participants about GRV's regulatory approach to risk, enforcement and regulatory action through publication of expectations and application of risk-based approach to compliance and enforcement publicly available

- GRV Feedback Office established to manage complaints framework and function with full visibility to ORIC. Extensive participant awareness campaign promoting this service.
- Stakeholder sessions conducted to explain changes to the Greyhound racing landscape including the implementation of the Victorian Government Code of Practice for Keeping of Racing Greyhounds.
- Guides and protocols provided to enable participants to better understand the expectations and what compliance practically be measured by.
- GRV's Regulatory & Risk based approach for compliance and enforcement published on GRV website.



GRV BOARD

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DIRECTORS

**BOARD MEETING & COMMITTEE
ATTENDANCE**

DIRECTORS



Peita Duncan – Chair

Peita Duncan is an experienced professional with skills in sales and management. She is a former director of the Melbourne Greyhound Racing Association (MGRA), which runs The Meadows facility and has also been involved in the sport as a greyhound owner. Peita has worked for a number of law firms in business development and management roles and has extensive experience in human resources, business development, business operations and recruitment support. Peita is a member of the City of Whittlesea’s Panel of Administrators and a former Non-Executive Director of the Metropolitan Fire Brigade and the Emergency Services Telecommunications Authority. Peita was appointed to the Board in October 2015 and served as Deputy Chair and Acting Chair before being appointed Chair in October 2019.



Greg Miller – Deputy Chair

Greg Miller served as a Board Member and Football Director at the Richmond Football Club and then as CEO and Board Member at the North Melbourne Football Club before joining Sandown Greyhound Racing Club as General Manager in 2010. During his decade at Sandown, Greg drove major initiatives including the Speed Star series, the Launching Pad sweepstakes, the National Greyhound Draft and helped establish Greyhound Clubs Australia. Greg was appointed as Deputy Chair in December 2019.



Ray Bartolo – Board Director

One of Victoria’s most respected greyhound breeders, trainers and owners, Ray has held positions on the animal welfare committees of Greyhound Clubs Australia and GRV, as well as serving on GRV’s Welfare Sub Committee. He has also been a director of the Geelong Greyhound Racing Club and the Melbourne Greyhound Racing Association. Ray was appointed to the Board in October 2019.



Emmett Dunne APM– Board Director

Emmett Dunne served with Victoria Police for almost 40 years including as Assistant Commissioner of Professional Standards Command and Assistant Commissioner of the East and North Western Policing Regions. In the 2011 Australia Day Honours, Emmett was awarded the Australian Police Medal for distinguished service. Emmett was appointed to the board of Richmond Football Club in 2016 and is currently the Vice President. Emmett was appointed to the Board in September 2016.



Rob Greenall – Board Director

Rob Greenall is a registered veterinarian who has worked for over 25 years in private practice, high-er education/research, the public sector (in animal welfare and AgVet chemicals regulatory roles) and consulting to animal industries. Rob has a Master’s degree in Veterinary Studies, is a graduate of the Australian Institute of Company Directors and is highly experienced in strategic project leader-ship, management and evaluation and is currently the Managing Director of AgVet Projects Pty Ltd. Rob was appointed to the Board in October 2015.



Marika McMahon – Board Director

Marika McMahon is a director of Bendigo legal firm, O’Farrell Robertson McMahon, where she has been a partner for almost two decades. Marika has a Bachelor of Laws and a Bachelor of Arts from Monash University and is accredited as a Family Law Specialist by the Law Institute of Victoria. Marika is also Chair of Be.Bendigo, an organisation that works to bring industry together with community and government, a director of Coliban Water and a member of the Bendigo Jockey Club. Marika was appointed to the Board in September 2018.



Lisa Tripodi – Board Director

Lisa Tripodi is a Certified Practicing Accountant and has more than 20 years’ experience in accounting, assurance services, governance, probity and risk management. Lisa is an Independent Chair or Member of eight local government Audit Committees across Victoria and for the Labour Hire Authority and Victorian Institute of Teaching. Previous clients have included the Victorian Department of Justice and the Victorian Planning Authority. As a partner, responsible for accounting and assurance services at Oakton Consulting (now NTT), Lisa had internal audit and Audit Committee experience with GRV and a strong understanding of the greyhound racing industry. Lisa was appointed to the Board in May 2020.



Bernie Carolan – Board Director

Bernie Carolan has extensive experience as a senior executive and Board member. Bernie was the CEO of Metlink Victoria, the Transport Ticketing Authority and was Managing Director at M>Tram. Recently, Bernie has been running his own consultancy, Caroplan, that offers consulting and advisory services on management, stakeholder and government relations and transport projects.

Bernie served as GRV Chair from July 2015 to June 2019 and then as a board member until October 2019.

BOARD MEETING AND COMMITTEE ATTENDANCE

Board & Committee Meeting Attendance	Peita Duncan	Emmett Dunne	Robert Greenall	Marika McMahon	Ray Bartolo	Greg Miller	Lisa Tripodi
<i>commencement date if not full year</i>					17/9/19	1/1/20	12/5/20
BOARD – scheduled monthly meeting	11	10	11	11	7	5	1
Board Extra – additional meetings	5	5	5	5	4	2	0
Board Total	16	15	16	16	11	7	1
Board Committees							
Audit & Risk Committee	7		8				1
Welfare Committee		3	3				
People & Culture Committee	5		5	5			
Commercial & Marketing Committee	5			5		2	
Industry Consultative Group	6						
Committee Total	23	3	16	10	0	2	1



SUMMARY OF COMPREHENSIVE OPERATING STATEMENT

SUMMARY OF COMPREHENSIVE OPERATING STATEMENT FOR FIVE YEARS (\$'million)

	2015-16	2016-17	2017-18	2018-19	2019-20	Var	Var %
Income from transactions							
Tabcorp Income	60.7	60.8	60.4	59.4	47.0	(12.4)	(20.9)
Race fields Income	25.8	30.2	35.0	37.5	52.2	14.7	39.2
Other Income	4.1	3.4	3.5	6.7	7.4	0.7	10.4
Total Income	90.6	94.3	98.8	103.6	106.6	3.0	2.9
Expenses from transactions							
Prizemoney/Travel and Starter Fees/Breeders Schemes	43.8	42.8	45.1	46.5	45.7	0.8	1.7
Expenses (excluding infrastructure)	36.1	50.3	50.7	53.6	56.7	(3.1)	(5.7)
Infrastructure Expenses	4.8	7.1	7.8	5.5	4.5	1.0	18.2
Total expenses from transactions	84.7	100.2	103.6	105.6	106.9	(1.7)	(1.2)
Other economic flows	0.5	0.0	0.5	0.0	(0.9)	0.9	0.0
Net Result	5.3	(5.9)	(5.4)	(1.9)	0.7	2.6	135.6

- As this is a summary only, figures have been rounded to the first decimal point. Fully reconciled income and expenses transactions for each year are presented in the Annual Report for that year.
- Tabcorp income includes Tabcorp JV and International and Domestic Rights Revenue.
- Point of Consumption Tax Receipts are included in Other Income.

GRV reduced its Net Result from transactions deficit to \$268,000 in 2019-20, down from \$1.9 million in 2018-19. This was a 89.5% improvement over the prior year result.

This was achieved with:

- a \$3.0 million (2.9%) increase in income to \$106.6 million, which incorporated a \$0.7 million increase in other revenue. The Racefields income offset the decrease in Tabcorp Income; and
- prudent financial expense management.

Continuity of the race program during COVID was critical in ensuring the livelihood of participants and the welfare of greyhounds. This resulted in strict biosecurity protocols being implemented, increasing GRV expenditure.

GRV is required to revalue its land and buildings at fair value and the result of the revaluation is considered an 'economic flow'. In 2019/20 a managerial valuation was applied to land & building using the Valuer-General Victoria Indices. The economic flow increment recognised for GRV in this financial year is \$926,000.



FINANCIAL STATEMENTS

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Other assets & liabilities

Financing our operations

Risks, contingencies & valuation judgements

Other disclosures

APPENDIX 1 DISCLOSURE

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for Greyhound Racing Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of Greyhound Racing Victoria at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 08 September 2020.



Alan Clayton
Accountable Officer
PSM
Date: 08 September 2020



Jacquetta Griggs
Chief Finance and Accounting Officer
FCPA
Date: 08 September 2020



Peita Duncan
Chair
Date: 08 September 2020

Independent Auditor's Report

To the Board of Greyhound Racing Victoria

Opinion	<p>I have audited the financial report of Greyhound Racing Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2020• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board are responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

MELBOURNE
10 September 2020



Simone Bohan
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended June 30 2020

Continuing Operations		2020	2019
Income from transactions	Note	\$'000	\$'000
TABCORP Income	2.2.1	47,032	59,426
Racefields Fees Income	2.2.2	52,178	37,483
Other Income	2.2.3	7,374	6,730
Total Income From Transactions		106,584	103,639
Expenses from Transactions			
Integrity, Welfare and Racing Expenses	3.2	(18,935)	(19,328)
Stakemoney, Travel & Starters Fees	3.3	(45,677)	(46,491)
Clubs Expenses, Infrastructure and Maintenance	3.4	(20,344)	(20,727)
Industry Expenses	3.5	(5,155)	(5,078)
Administrative Expenses	3.6	(14,370)	(12,673)
Depreciation Expense	4.1.1	(1,472)	(497)
Amortisation of Intangible Assets	4.3	(899)	(789)
Total Expenses From Transactions		(106,852)	(105,583)
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		(268)	(1,944)
Other Economic Flows Included in Net Result			
Net Gain on Revaluation of Investment Property	4.2	632	-
Net Gain on Revaluation of Non-Financial Assets	8.1.2	294	-
Total Other Economic Flows Included In Net Result		926	-
NET RESULT		658	(1,944)
Other Economic Flows - Other Comprehensive Income			
Items that will not be reclassified to net result			
Net Gain on Revaluation of Non-Financial Assets	8.1.2	1,392	-
Changes to fair value of Investment in Radio 3UZ unit trust		-	76
Total Other Economic Flows - Other Comprehensive Income		1,392	76
COMPREHENSIVE RESULT		2,050	(1,868)

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2020

		2020	2019
		\$'000	\$'000
Current Assets	Note		
Cash and Deposits	6.2	16,500	3,613
Receivables	5.1	10,085	11,269
Investments and Other Financial Assets	4.4	8,105	17,000
Prepayments		208	302
Total Current Assets		34,898	32,184
Non-Current Assets			
Investments and Other Financial Assets	4.4	1,397	1,252
Property, Plant and Equipment	4.1	14,260	11,256
Intangible Assets	4.3	5,269	4,317
Investment Property	4.2	5,359	4,727
Total Non-Current Assets		26,285	21,552
TOTAL ASSETS		61,183	53,736
Current Liabilities			
Payables	5.2	4,308	4,256
Lease liabilities	6.1	896	-
Provisions	3.1.2	3,132	2,816
Other liabilities	5.3	3,655	94
Total Current Liabilities		11,991	7,166
Non-Current Liabilities			
Provisions	3.1.2	1,118	889
Lease liabilities	6.1	341	-
Other liabilities	5.3	64	62
Total Non-Current Liabilities		1,523	951
TOTAL LIABILITIES		13,514	8,117
NET ASSETS		47,669	45,619
Equity			
Reserves	8.1	15,220	13,828
Contributed Capital	8.1.4	1,924	1,924
Accumulated Surplus		30,525	29,867
TOTAL EQUITY		47,669	45,619

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended June 30 2020

		Distribution Reserve Fund	Infrastructure Reserve Fund	Physical Asset Revaluation Surplus	Financial Asset Revaluations Reserve	Accumulated Surplus	Contributed Capital	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018		7,500	10,061	6,252	76	21,750	1,924	47,563
Net result for the year		-	-	-	-	(1,944)	-	(1,944)
Transfer (to)/from accumulated surplus		-	(10,061)	-	-	10,061	-	-
Balance at 30 June 2019		7,500	-	6,252	76	29,867	1,924	45,619
Net result for the year		-	-	-	-	658	-	658
Other comprehensive income	8.2.3	-	-	1,392	-	-	-	1,392
Balance at 30 June 2020		7,500	-	7,644	76	30,525	1,924	47,669

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the Financial Year Ended June 30 2020

		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	Note	\$'000	\$'000
Receipts			
Receipts in the Course of Operations		119,978	112,414
Interest Received		165	465
Total Receipts		120,143	112,879
Payments			
Payments to Suppliers, Employees and Industry		(107,141)	(110,175)
Net GST paid to the ATO		(5,460)	(5,578)
Total Payments		(112,601)	(115,753)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	6.2.1	7,542	(2,874)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from Redemption of Investments		32,000	35,500
Net Proceeds from Club Loans		(250)	1,101
Payment for Property, Plant and Equipment		(2,447)	(2,150)
Payments for Purchase of Investments		(23,000)	(32,500)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		6,303	1,951
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(958)	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(958)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		12,887	(923)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		3,613	4,536
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	16,500	3,613

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended June 30 2020

1. ABOUT THIS REPORT

GRV is a statutory body and was established under the Racing Act 1958 as the 'Greyhound Racing Control Board'. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

Reporting Entity

These financial statements cover GRV as an individual reporting entity. GRV is a non-financial statutory body that reports to the Minister for Racing.

Its principal address is:
Greyhound Racing Victoria
46-50 Chetwynd Street
West Melbourne
Victoria 3003

Basis of Preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes and include the following :

- The fair value of land, buildings, plant and equipment (refer to Note 7.3.2);
- The fair value of financial assets measured at fair value (refer Note 7.3.1)
- Defined benefit superannuation expense (refer to Note 3.1.3); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.2 Employee Benefits in the Balance Sheet)

Rounding

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

GRV's overall objectives are to:

- To control and promote the sport of greyhound racing;
- To carry out research into aspects of greyhound racing and to assist in planning future development;
- To promote and improve animal welfare within the sport of greyhound racing;
- To promote and monitor compliance with the rules;
- To conduct greyhound races.
- To register greyhounds for greyhound racing or for stud or other purposes and to regulate the breeding, kennelling and verification of lineage of greyhounds for greyhound racing or for stud or other purposes;
- To consult with greyhound racing industry participants and facilitate consultation amongst greyhound racing industry participants;
- To exercise such powers, functions and duties as are conferred on the Board by or under this or any other Act.

GRV is predominantly funded by TABCORP distributions as part of an agreement entered into between the Racing Codes in 2012 and also racefield fees and uses those funds to achieve the above stated objectives.

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions

		2020	2019
2.1 Summary of revenue and income that funds the delivery of our services	Note	\$'000	\$'000
TABCORP Income	2.2.1	47,032	59,426
Racefields Fees Income	2.2.2	52,178	37,483
Other Income	2.2.3	7,374	6,730
Total Income from Transactions		106,584	103,639

Revenue and income that fund delivery of GRV's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

From 1 July 2019, GRV recognises income in line with *AASB 15 Revenue from contracts with customers* and *AASB 1058 Income from not-for-profit entities*. GRV has applied the modified retrospective transition method in applying AASB 15, and therefore comparative information has not been restated. The implementation of these new accounting policies has not resulted in any change in the recognition of income for the 2020 financial year.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Revenue is recognised when, or as, the performance obligations for the provision of services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied, i.e. when the service is completed. Consideration received in advance of recognising the associated revenue from the customer is recorded as deferred revenue (Note 5.3).

Refer to note 8.8 for further information regarding changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

2. FUNDING DELIVERY OF OUR SERVICES continued...

2.2 Income from transactions

		2020	2019
2.2.1 TABCORP Income	Note	\$'000	\$'000
Racing Products Program Fee		12,757	13,215
Racing Products Fees		12,285	21,204
Vic Racing Industry Benefit (VRIB)		7,279	8,406
Vic Racing Joint Venture Profit		7,851	9,562
International Income		6,860	7,039
Total TABCORP Income		47,032	59,426

GRV has a clear contractual obligation to provide racing products with Vic Racing Pty and Racing Products Pty Ltd, and therefore has determined TABCORP income to be classified as revenue from contracts with customers in accordance with AASB 15.

GRV receive its portion of the income earned on a monthly basis, and recognises it in the period that those performance obligations are met.

2.2.2 Racefields Fees Income			
Racefields Fees Income		52,178	37,483

GRV charges Interstate TABs and Corporate Bookmakers for the use of GRV racefields, and has determined racefields income to be classified as revenue from contracts with customers in accordance with AASB 15. These fees are recognised in the period that the performance obligations are met.

2.2.3 Other Income			
Infrastructure VRIF Contribution		106	963
Other VRIF Contributions		1,631	2,158
Point of Consumption Tax (POCT)		4,343	1,994
Registration Fees		202	268
Interest Received		238	505
Fines		62	59
Sundry Income		609	605
Rent Received		183	178
Total Other Income		7,374	6,730

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Victorian Racing Industry Fund (VRIF) contributions are received for programs and works approved by the Government. GRV is required to enter into a contractual / grants agreement. These contributions are recognised in the operating statement in the reporting period in which the performance obligations under the grant arrangements are completed.

Point of Consumption Tax (POCT) was introduced from 1 January 2019, and applies at a rate of 8 per cent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria. This change resulted in a reduction in Tabcorp Racing Product Fees received by the Victorian Racing Industry (VRI) and subsequently GRV, from the TABCORP Joint Venture.

Under the new wagering taxation arrangements, the VRI now receives additional funding from the state government, through the VRI POCT Payment. This payment is equal to 1.5% of all taxable net wagering revenue to compensate for the reduction in Product Fees revenue received by the VRI from the TABCORP Joint Venture. POCT revenue is recognised in the period that the performance obligations are met.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by GRV in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and, in this note, the cost is associated with provision of services recorded.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Integrity, welfare and racing expenses
- 3.3 Stake money, travel and starters fees
- 3.4 Clubs expenses, infrastructure and maintenance
- 3.5 Industry expenses
- 3.6 Administrative expenses

		2020	2019
3.1 Expenses incurred in delivery of services	Note	\$'000	\$'000
Integrity, Welfare and Racing Expenses	3.2	18,935	19,328
Stake money, Travel and Starters Fees	3.3	45,677	46,491
Clubs Expenses, Infrastructure and Maintenance	3.4	20,344	20,727
Industry Expenses	3.5	5,155	5,078
Administrative Expenses	3.6	14,370	12,673
Total Expenses Incurred in Delivery of Services		104,481	104,297

3.1.1 Employee benefits in the comprehensive operating statement			
Stewards, Integrity, Welfare Inspector Employee Expenses		7,434	7,643
Welfare Employee Expenses		937	1,098
Greyhound Adoption Program Employee Expenses		2,597	2,288
Racing Employee Expenses		1,519	1,420
Judges & Lure Driver Employee Expenses		1,115	1,245
Strategic Communications Employee Expenses		2,323	2,391
Board Wages and Expenses		695	671
Administrative Employee Expenses		6,087	5,708
Technology Costs Employee Expenses		2,362	1,874
Total Employee Expenses		25,069	24,338

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. GRV does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its Annual Financial Statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

3. THE COST OF DELIVERING SERVICES continued...

3.1 Expenses incurred in delivery of services continued...

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

		2020	2019
	Note	\$'000	\$'000
Current Provisions			
Annual leave:			
Unconditional and Expected to Settle Within 12 Months		1,163	896
Unconditional and Expected to Settle After 12 Months		388	299
Long Service Leave:			
Unconditional and Expected to Settle Within 12 Months		66	71
Unconditional and Expected to Settle After 12 Months		1,098	1,180
		2,715	2,446
Provisions for On-Costs:			
Unconditional and Expected to Settle Within 12 Months		189	146
Unconditional and Expected to Settle After 12 Months		228	224
		417	370
Total Current Provisions for Employee Benefits		3,132	2,816
Non-Current Provisions			
Employee Benefits		969	772
On-Costs		149	117
Total Non-Current Provisions for Employee Benefits		1,118	889
Total Provisions for Employee Benefits		4,250	3,705
Reconciliation of Movement in On-Cost Provision			
Opening Balance		487	411
Additional Provisions Recognised		135	74
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits		(65)	(20)
Unwind Of Discount and Effect of Changes In Discount Rate		9	22
Closing Balance		566	487
Current		417	370
Non-Current		149	117
Total On-Costs		566	487

Annual leave

Liabilities for annual leave and on-costs are recognised as part of the employee benefit provision as "current liabilities", because GRV does not have an unconditional right to defer settlements of these liabilities.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as GRV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where GRV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value - if GRV expects to wholly settle within 12 months; or
- present value - if GRV does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

3.1.3 Superannuation contributions

Employees of GRV are entitled to receive superannuation benefits and GRV contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

As noted before, the defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of GRV.

The name, details and amounts expended in relation to the major employee superannuation funds and contributions made by GRV are as follows:

Fund	2020	2019
	Paid Contribution for the Year	
	\$'000	\$'000
Defined benefit plans ^(a)		
State Superannuation Fund - revised and new	7	8
Defined contribution plans		
VicSuper	683	652
Other	1,111	1,097
Total	1,801	1,757

Notes:

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

		2020	2019
3.2 Integrity, Welfare and Racing Expenses	Note	\$'000	\$'000
Integrity Expenses			
Stewards and Integrity Employee Expenses		7,434	7,643
Swab Analysis		1,889	2,268
Legal and Appeals Expenses		177	371
Contribution to Research		-	4
Ear Branding and Micro Chipping		142	130
Integrity Initiatives		982	420
Sub Total		10,624	10,836
Racing Appeals and Disciplinary Board		100	362
Welfare Expenses			
Welfare incl. Employee Expenses		1,099	1,361
Greyhound Adoption Program incl. Employee Expenses		4,478	4,104
Sub Total		5,577	5,465
Racing & Wagering			
Employee Expenses		1,519	1,420
Judges & Lure Drivers		1,115	1,245
Sub Total		2,634	2,665
TOTAL INTEGRITY, WELFARE AND RACING EXPENSES		18,935	19,328

Expenses relate to GRV's overall objectives that include: control and promote the sport of greyhound racing, promote and improve animal welfare, monitoring and compliance of the rules in the sport of greyhound racing etc. All expenses are recognised as they are incurred and reported in the financial year to which they relate.

3.3 Stake money, Travel and Starters Fees			
		45,677	46,491

GRV provides to participants the above rewards in order to incentivise them to participate in the sport of greyhound racing as well as rewarding their success. All expenses are recognised as they are incurred and reported in the financial year to which they relate.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

3. THE COST OF DELIVERING SERVICES continued...

		2020	2019
3.4 Clubs Expenses, Infrastructure and Maintenance	Note	\$'000	\$'000
On-Course Tote Commission		468	675
Distributions to Clubs		9,050	8,983
Insurance Allocation		332	368
Clubs Technology Development and Support Allocation		80	80
Marketing and Promotions		2,262	1,726
Club Sky Channel Linking and Video Costs		2,586	2,288
RSN Broadcasting		1,109	1,145
Infrastructure and Maintenance		4,457	5,462
Total Club Expenses, Infrastructure and Maintenance		20,344	20,727

GRV incurs expenses for infrastructure and maintenance works which are treated as an expense within the accounts as they are generally upgrades to facilities and infrastructure at greyhound racing clubs and are not GRV assets.

Also included are expenses in relation to GRV's funding of the clubs to help with the running, promotion, maintenance and administration of each race meeting. GRV also supports the promotion of the sport by way of coverage with RSN and video coverage provided to Sky Channel. All expenses are recognised as they are incurred and reported in the financial year to which they relate.

		2020	2019
3.5 Industry Expenses	Note	\$'000	\$'000
Advertising, Promotions, Industry Awards, Market Research and Publications		4,480	4,340
Registration Expenses		149	174
Racing Industry Costs		16	56
Fields and Form Guides		510	508
Total Industry Expenses		5,155	5,078

Industry expenses generally consist of promotion of the sport by way of strategic marketing and communications and a number of promotional activities that also stimulate wagering. All expenses are recognised as they are incurred and reported in the financial year to which they relate.

3.6 Administrative Expenses			
Board Wages and Expenses		836	671
Administrative Employee Expenses		6,087	5,708
Technology Costs incl. Employee Expenses		3,593	2,878
Audit, Legal and Consultancy		1,941	1,749
Fringe Benefits Tax		364	693
Insurance		111	122
Other Administrative Expenses		1,405	852
Interest expense		33	-
Total Administration Expenses		14,370	12,673

Other administrative expenses are recognised as they are incurred and reported in the financial year to which they relate.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

GRV controls property, plant, equipment and intangibles and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to GRV to be utilised for delivery of those outputs.

Structure

- 4.1 Property, plant and equipment
- 4.2 Investment properties
- 4.3 Intangible assets
- 4.4 Investments and other financial assets

4.1 Total Property, Plant and Equipment

	2020	2019	2020	2019	2020	2019
Gross carrying amount and accumulated depreciation	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Assets at Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land (i)	8,871	7,479	-	-	8,871	7,479
Buildings (ii)	3,366	3,893	-	(695)	3,366	3,198
Buildings (right-of-use)	128	-	(38)	-	90	-
Motor vehicles (right-of-use)	2,067	-	(932)	-	1,135	-
Track and GAP Equipment	585	442	(282)	(243)	303	199
Furniture and Fittings	118	118	(50)	(42)	68	76
Computer and Office Equipment	1,135	857	(708)	(577)	427	280
Work in progress	-	24	-	-	-	24
Total	16,270	12,813	(2,010)	(1,557)	14,260	11,256

(i) Land comprises land located at Chetwynd St, West Melbourne and GAP, Seymour;

(ii) Buildings comprises buildings located at Chetwynd St, West Melbourne and GAP, Seymour.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY continued...

4.1 Total Property, Plant and Equipment continued...

The following tables are subsets of buildings and plant and equipment included in the above fair values.

Initial recognition: Items of property, plant and equipment, are measured initially at cost, and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to GRV and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the comprehensive operating statement during the reporting period in which they are incurred.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent measurement: Property, plant and equipment as well as right-of-use assets under leases are recorded at cost and subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category. In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

From 1 July 2019, accounting for right-of-use assets (and lease liabilities) is recognised in accordance with AASB 16 Leases.

Land and buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets. The fair value of all other property plant and equipment is determined using the current replacement cost method.

Right-of-use asset – Initial measurement: GRV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Refer to note 8.8.1 for further information on changes in accounting policies.

Right-of-use asset – Subsequent measurement: GRV depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation as required by FRD 103H however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

4.1.1 Depreciation and impairment	2020	2019
Charge for the period ^(a)	\$'000	\$'000
Buildings	305	331
Buildings (right-of-use)	38	-
Motor Vehicles (right-of-use)	932	-
Track and GAP Equipment	55	46
Furniture and Fittings	8	8
Computer and Office Equipment	134	112
Total depreciation	1,472	497

All property, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. The exceptions to this rule include land and investment properties.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Right of use assets are depreciated over the shorter of the asset's useful life and the lease term. Typical estimated useful lives for the different asset classes for current and prior years are included below:

Asset class	Useful life
Buildings	4-40 years
Buildings (right-of-use)	3-4 years
Motor Vehicles (right-of-use)	2-4 years
Track and GAP Equipment	2-7 years
Office Furniture and Fittings	2-10 years
Computer and Office Equipment	3-7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

GRV has a capitalisation threshold of \$2,000 (GST exclusive) but may, in its discretion, apply different thresholds depending on the nature and useful life of the asset.

Indefinite life assets: Land is considered to have an indefinite life and is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an "other economic flow".

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment	Land	Buildings	Buildings (ROU)	Motor Vehicles (ROU)	Track and GAP Equipment	Furniture and Fittings	Computer and Office Equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020									
Opening Balance	7,479	3,198	-	-	199	76	280	24	11,256
Recognition of right-of-use assets on initial application of AASB 16	-	-	128	1,047	-	-	-	-	1,175
Adjusted balance at 1 July 2019	7,479	3,198	128	1,047	199	76	280	24	12,431
Additions	-	155	-	1,020	185	-	281	-	1,641
Revaluations	1,392	294	-	-	-	-	-	-	1,686
Disposals	-	-	-	-	(26)	-	-	-	(26)
Transfers from (to) other asset class	-	24	-	-	-	-	-	(24)	-
Depreciation	-	(305)	(38)	(932)	(55)	(8)	(134)	-	(1,472)
Closing Balance	8,871	3,366	90	1,135	303	68	427	-	14,260
2019									
Opening Balance	7,479	3,266	-	-	146	-	267	70	11,228
Additions	-	193	-	-	99	84	125	24	525
Transfers	-	70	-	-	-	-	-	(70)	-
Depreciation	-	(331)	-	-	(46)	(8)	(112)	-	(497)
Closing Balance	7,479	3,198	-	-	199	76	280	24	11,256

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY continued...

	2020	2019
4.2 Investment Properties	\$'000	\$'000
Balance at the Beginning of Financial Year	4,727	4,727
Revaluation Increments recognised in other economic flows	632	-
Total Investment Property	5,359	4,727

The land and buildings at William Street represents a property held to earn rental or for capital appreciation, or both.

Investment properties exclude properties held to meet the service delivery objectives of GRV.

Investment properties are initially measured at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to GRV.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as "other economic flows" in the comprehensive operating statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment.

	2020	2019	2020	2019	2020	2019
4.3 Intangible assets	Gross carrying amount		Accumulated amortisation		Net carrying amount	
Assets at Fair Value	\$'000		\$'000		\$'000	
Intangible Assets - FastTrack	7,317	7,205	(4,499)	(3,600)	2,818	3,605
Work in progress	2,451	712			2,451	712
Total	9,768	7,917	(4,499)	(3,600)	5,269	4,317

Reconciliation of movements in carrying amount of intangible assets.	Intangible assets		Work in progress		Total	
	\$'000		\$'000		\$'000	
Opening Balance	3,605	3,004	712	478	4,317	3,482
Additions	-	-	1,851	1,624	1,851	1,624
Transfers from (to) other asset class	112	1,390	(112)	(1,390)	-	-
Amortisation	(899)	(789)	-	-	(899)	(789)
Closing Balance	2,818	3,605	2,451	712	5,269	4,317

Intangible assets represent identifiable non-monetary assets without physical substance including computer software and development costs (where applicable).

Initial recognition

Purchased intangible assets are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to GRV.

Internally generated intangible assets are recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Intangible produced and non-produced assets with finite useful lives are amortised as "other economic flows included in net result" on a straight line basis over the asset's useful life.

GRV's intangible assets have been assessed as having a useful life of up to 10 years, and are therefore amortised over this period.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

The policy in connection with testing for impairment is outlined in Section 4.1.1.

Significant intangible assets

GRV's work in progress includes capitalised software development expenditure for the development of its FastTrack software. The carrying amount of the FastTrack capitalised software development expenditure included in work in progress is \$1.76 million.

	2020	2019
4.4 Investments and Other Financial Assets	\$'000	\$'000
Current Investments and Other Financial Assets		
Term Deposits	8,000	17,000
Loan - Sandown Greyhound Racing Club	105	-
Total Current Investments and Other Financial Assets	8,105	17,000
Non-Current Investments and Other Financial Assets		
Loan - Sandown Greyhound Racing Club	795	650
Investment in Radio 3UZ Pty Ltd	602	602
Total Non-Current Investments and Other Financial Assets	1,397	1,252
Total Investments and Other Financial Assets	9,502	18,252

Term deposits include only term deposits with maturity greater than 90 days.

Loans to clubs: GRV provides loans to clubs for various capital projects and for operating issues. Interest is normally charged on outstanding loans and the terms are consistent with the rate that GRV would otherwise receive on funds invested. GRV reviews each year the interest rate charged to clubs and the collectability of the loans.

Where appropriate loans are recorded at amortised cost, using the effective interest rate method which applies the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, over a shorter period. GRV provided the following loan.

Sandown Greyhound racing Club ("SGRC") - In 2019 the GRV Board reviewed and approved a loan application from the Sandown GRC for the purchase of a property in Toongabbie, Victoria for the purposes of developing a greyhound rearing, education and re-homing facility. The initial \$0.65m loan was advanced in accordance with GRV's innovation grants & loans application requirements. The balance of \$0.25m was transferred to Sandown Greyhound Racing Club during the 2020 financial year. Loan repayments and interest charges commence from July 2020.

Investment in Radio 3UZ Pty Ltd:

GRV's investment in Radio 3UZ unit trust consists of an 8.75% unit holding in this trust, which fully owns all of the issued shares in 3UZ Pty Ltd. 3UZ Pty Ltd, which operates commercial radio station Radio Sport National, formerly Sport 927, and a network of regional relay stations.

The investment in Radio 3UZ unit trust has been recognised at fair value. As Radio 3UZ unit trust is an unlisted trust and its units are not readily traded in an open market, an independent valuation was obtained as at 30 June 2019. The independent valuation provided an indicative valuation range for the Radio 3UZ unit trust of between \$6.38m and \$7.35m. The investment has been brought to account based on 8.75% of the valuation mid-point of \$6.87m, being \$0.601m.

For the year ending 30 June 2020, a review of the valuation was performed by the independent valuer who concluded that there were no material changes to the valuation assumptions requiring the investment to be revalued as at 30 June 2020. This resulted in no material change in the fair value of GRV's holding of units in Radio 3UZ Unit Trust.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from GRV's controlled operations.

Structure

- 5.1 Receivables
- 5.2 Payables

	2020	2019
5.1 Receivables	\$'000	\$'000
Current		
<i>Contractual</i>		
Sundry Debtors	1,661	2,054
Trade Debtors	8,106	8,843
Total Contractual	9,767	10,897
<i>Statutory</i>		
GST Recoverable	318	372
Total Statutory	318	372
Total Receivables	10,085	11,269

Receivables consist of contractual receivables, such as debtors in relation to goods and services, accrued investment income and statutory receivables, such as GST input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as "financial assets at amortised costs". They are initially recognised at fair value plus any directly attributable transaction costs. GRV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. GRV applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors consist mostly of unpaid revenue from Vic Racing Pty Ltd and Racing Products Pty Ltd and Racefields Fees from Wagering Service Providers which are paid on a regular basis. Other trade debtors generally have 30 day terms.

Details about GRV's impairment policies and exposure to credit risk are set out in Note 7.1.3.

	2020	2019
5.2 Payables	\$'000	\$'000
Current		
<i>Contractual</i>		
Trade Creditors	1,305	1,114
Sundry Creditors	1,781	2,164
Total Contractual	3,086	3,278
<i>Statutory</i>		
GST Payable	1,164	898
Payroll Tax Payable	58	80
PAYG Tax Payable	-	-
Total Payables	4,308	4,256

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Trade creditors represent liabilities for goods and services provided to GRV prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on trade creditors or sundry creditors.

Maturity analysis of contractual payables ^(a)	Carrying Amount	Nominal Amount	Maturity Dates
			Less than 1 month
	\$'000	\$'000	\$'000
2020			
Payables	3,086	3,086	3,086
Total	3,086	3,086	3,086
2019			
Payables	3,278	3,278	3,278
Total	3,278	3,278	3,278

Note:

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

	2020	2019
5.3 Other Liabilities	\$'000	\$'000
Deferred Revenue		
Current		
COVID-19 Emergency Funding	3,300	-
Other	355	94
Total Current	3,655	94
Non-Current		
Other	64	62
Total Non-Current	64	62
Total Deferred Revenue	3,719	156

Reconciliation of deferred revenue		
Opening balance brought forward from 30 June 2019		156
Add: Payments received for performance obligations yet to be completed during the period	419	
Add: Grant consideration for sufficiently specific performance obligations received during the year	3,300	
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(156)	
Total deferred revenue		3,719

Deferred revenue is made up of amounts received for member registrations and government grants, where performance obligations have not yet been met, as per AASB 15.

In June 2020, a balance of \$3.3m relating to COVID-19 emergency funding was received to provide for future prizemoney and club distributions. As at 30 June 2020, this funding remains as deferred revenue as the relevant performance obligations of the grant have not yet been completed. These are expected to be completed July to September 2020.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

6. HOW WE FINANCED OUR OPERATIONS

Structure

- 6.1 Leases
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure

	2020	2019
6.1 Leases	\$'000	\$'000
Lease Liability		
Current		
Right-of-use lease liabilities	896	-
Non-current		
Right-of-use lease liabilities	341	-
Total lease liability	1,237	-

GRV recognises lease liabilities relating to a building and motor vehicle leases. The lease contracts are typically made for fixed periods of 2-4 years.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease or at GRV's incremental borrowing rate where no rate is implicit in the lease. A corresponding right-of-use asset has been recognised as at 1 July 2019, as reflected in note 4.1.2.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

In the comparative period, leases of property, plant and equipment were classified as operating leases and were not recognised in GRV's balance sheet. Operating lease payments were recognised as an operating expense in the Comprehensive Operating Statement on a straight-line basis over the lease term (refer note 6.3.1).

Refer to note 8.8 for further information of the impact of changes in accounting policies.

6.2 Cash Flow Information and Balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

		2020	2019
	Note	\$'000	\$'000
Total cash and cash equivalents		16,500	3,613
Balance as per cash flow statement		16,500	3,613

6.2.1 Reconciliation of net results for the period to cash flow from operating activities			
Net Result for the Period		658	(1,944)
Non-cash movements			
Depreciation Expense	4.1.1	1,472	497
Amortisation of Intangible Assets	4.3	899	789
Net Gain on Revaluation of Investment Property	4.2	(632)	-
Net Gain on Revaluation of Non-Financial Assets	8.1.2	(294)	
Movements in assets and liabilities			
Decrease in Receivables & Prepayments		1,278	(28)
Increase in Payables		53	(2,750)
Increase in Employee Benefits		545	575
Increase in Other Liabilities		3,563	(13)
Net Cash Flows From / (Used In) Operating Activities		7,542	(2,874)

6.3 Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

	Less than 1 year	1-5 years	Total
Nominal amounts	\$'000	\$'000	\$'000
2020			
Club Infrastructure commitments payable	249	-	249
Operating and lease commitments payable (i)	-	-	-
Other commitments payable	2,749	5,665	8,414
Total commitments (inclusive of GST)	2,998	5,665	8,663
Less GST recoverable			(788)
Total commitments (exclusive of GST)			7,875
2019			
Club Infrastructure commitments payable	-	-	-
Operating and lease commitments payable	850	574	1,424
Other commitments payable	2,695	8,414	11,109
Total commitments (inclusive of GST)	3,545	8,988	12,533
Less GST recoverable			(1,139)
Total commitments (exclusive of GST)			11,394

(i) operating and lease commitments recognised as a lease liability from 1 July 2019 as per implementation of AASB 16: Leases

Club Infrastructure commitments payable

At 30 June 2020, GRV is obligated in the next year (2021) to meet commitments of \$0.249m for infrastructure works (2019: \$Nil).

Operating and lease commitments payable

For the 2020 financial year, lease commitments payable are recognised as a lease liability from 1 July 2019 upon implementation of AASB 16 Leases.

During the 2019 financial year, these were recorded as an expense in the comprehensive operating statement on a straight-line basis over the lease term. Operating lease commitments include vehicle leases with average lease terms of 24-48 months. Operating lease commitments also included the lease for GAP Cafe on King St, Melbourne.

Other commitments: On-course broadcasting services

In 2018 GRV renewed its commitment to payment for on-course broadcasting services over a 5-year period. The payments are based on the number of meetings that GRV conducts at the applicable Clubs, and the amounts shown are based on the current racing calendar and take into account current and future prices in accordance with the agreement.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

GRV is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for GRV related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 Financial Instruments Specific Disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GRV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by GRV to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

GRV recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial assets at fair value through other comprehensive income

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and GRV has irrevocably elected at initial recognition to recognise in this category. These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income. Upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

GRV recognises its investment in Radio 3UZ Unit trust in this category noting however that as the shares are not listed, GRV determines the fair value by way of an independent valuation of the shares and brought to account the increase in the share value to the valuation reserve and also through other economic flows- other comprehensive income.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. GRV recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- Lease liabilities.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GRV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through” arrangement; or
- GRV has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where GRV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of GRV’s continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an “other economic flow” in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when GRV’s business model for managing its financial assets has changes such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS continued...

7.1 Financial Instruments Specific Disclosures continued...

7.1.1 Financial instruments - Categorisation			\$'000
2020			
Contractual financial assets			
Cash and deposits	6.2	Cash and deposits	16,500
Receivables ^(a)	5.1	Financial assets at amortised cost (AC)	9,767
Loan - Sandown Greyhound Racing Club	4.4	Financial assets at amortised cost (AC)	900
Term deposit	4.4	Financial assets at amortised cost (AC)	8,000
Investment in Radio 3UZ unit trust	4.4	Financial assets measured at fair value through other comprehensive income (FVOCI)	602
Contractual financial liabilities			
Payables ^(a)	5.2	Financial liabilities at amortised cost (AC)	3,086
Lease liabilities	6.1	Financial liabilities at amortised cost (AC)	1,237
2019			
Contractual financial assets			
Cash and deposits	6.2	Cash and deposits	3,613
Receivables ^(a)	5.1	Financial assets at amortised cost (AC)	10,897
Loan - Sandown Greyhound Racing Club	4.4	Financial assets at amortised cost (AC)	650
Term deposit	4.4	Financial assets at amortised cost (AC)	17,000
Investment in Radio 3UZ unit trust	4.4	Financial assets measured at fair value through other comprehensive income (FVOCI)	602
Contractual financial liabilities			
Payables ^(a)	5.2	Financial liabilities at amortised cost (AC)	3,278

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

7.1.2 Financial risk management objectives and policies

As a whole, GRV's financial risk management program seeks to manage risk and the associated volatility of its financial performance.

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes throughout the financial statements.

The GRV Board and Audit & Risk Committee has responsibility for the establishment and oversight of the risk management framework to guide GRV in identifying and analysing the risks faced. GRV Board's overall risk management approach seeks to minimise potential adverse effects on the financial performance

of GRV and uses different methods to measure different types of risk to which GRV is exposed. These methods include monitoring interest rate and other price risks, ageing analysis for credit risk.

GRV's principal financial instruments comprise cash and short term deposits, other financial assets and accounts receivable/payable.

GRV's activities expose it primarily to the financial risks of changes in interest rates, liquidity risk and credit risk. GRV does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Board reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

Risk management is carried out by management and reported on an exception basis to the Board. The Board reviews and agrees policies for managing each of these risks in consultation with management and undertakes regular monitoring of the performance of GRV's financial assets and liabilities.

Credit risk

Credit risk arises from the contractual financial assets of GRV, which comprise cash and deposits, non-statutory receivables and financial assets at fair value through other comprehensive income.

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. GRV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to GRV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with GRV's contractual financial assets is minimal because the main debtor is Tabcorp, being the Victorian Racing Industry's Joint Venture partner where payments are made soon after month end. For debtors other than Tabcorp they are mostly for RaceFields payment with wagering service providers also obligated to meet payments within a prescribed period.

In addition, GRV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, GRV's policy is to only deal with banks with high credit ratings.

Provision for impairment for contractual financial assets is recognised when there is objective evidence that GRV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense.

Impairment of financial assets

GRV applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. GRV have assessed the expected credit loss rate based on GRV's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

GRV has assessed the impact of any credit loss which is determined to be nil.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has in place a framework to manage GRV's short, medium and long term funding and liquidity. GRV operates under the Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

GRV is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the balance sheet. GRV manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities.

Given the current surplus cash assets, liquidity risk is considered to be minimal.

The carrying amount detailed in the table of contractual financial liabilities (refer Note 5.2) represents GRV's maximum exposure to liquidity risk.

Market risk

GRV's exposures to market risk are primarily through interest rate. It does not have any exposure to foreign currency and other stated price risks. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. GRV does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GRV has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

GRV manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank are financial assets that can be left at floating rate without necessarily exposing GRV to significant bad risk. Movement in interest rates are monitored consistently.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS continued...

7.1 Financial Instruments Specific Disclosures continued...

7.1.2 Financial risk management objectives and policies continued...

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and GRV's sensitivity to interest rate risk are set out in the table that follows:

	Weighted Average Interest Rate %	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Floating Interest Rate \$'000	Non Interest Bearing \$'000
2020					
Financial assets					
Cash and deposits	0.65%	16,500	-	16,500	-
Receivables ^(a)	-	9,767	-	-	9,767
Investments and other contractual financial assets:					
- Term deposit	0.96%	8,000	8,000	-	-
- Loans receivable	2.50%	900	900	-	-
- Investments	-	602	-	-	602
Total financial assets		35,769	8,900	16,500	10,369
Financial liabilities					
Payables ^(a)	-	3,086	-	-	3,086
Lease liabilities	2.25%	1,237	-	1,237	-
Total financial liabilities		4,323	-	1,237	3,086
2019					
Financial assets					
Cash and deposits	1.65%	3,613	-	3,613	-
Receivables ^(a)	-	10,897	-	-	10,897
Investments and other contractual financial assets:					
- Term deposit	1.93%	17,000	17,000	-	-
- Loans receivable	2.50%	650	650	-	-
- Investments	-	602	-	-	602
Total financial assets		32,762	17,650	3,613	11,499
Financial liabilities					
Payables ^(a)	-	3,278	-	-	3,278
Total financial liabilities		3,278	-	-	3,278

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Sensitivity disclosure analysis and assumptions

GRV reviews the sensitivity of its cash investments, noting GRV cannot be expected to predict movements in market rates and prices. A sensitivity analysis indicates what is "reasonably possible" over the next 12 months which allows for a movement of 100 basis points up and down (2019:100 basis points up and down) in market interest rates (AUD). GRV has assessed the impact of changes in market rates of 100 basis points to be immaterial.

Interest rate risk sensitivity

A movement of 100 basis points either up or down is not expected to have a material effect on GRV's financial instruments.

Other price risk

GRV is not aware of any other price risk with respect to its financial assets noting its investment with 3UZ unit trust is an unlisted entity and the units are not traded.

7.2 Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value.

GRV has no contingent assets or liabilities as at 30 June 2020 (2019: None).

7.3 Fair Value Determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of GRV.

This section sets out information on how GRV determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets at fair value through other comprehensive income;
- land, buildings, plant and equipment; and
- investment properties.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

GRV determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used.

To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GRV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is GRV's independent valuation agency. GRV, in conjunction with VGV, monitors changes in land and buildings through relevant data sources to determine whether revaluation is required. GRV also monitors changes in the fair values of its liabilities to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - (1) a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - (2) details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS continued...

7.3 Fair Value Determination continued...

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

GRV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables
Investments and other financial assets:	Lease liabilities
- Term deposits	
- Loan Receivable	
Receivables	

Fair value estimates recognised in respect of financial instruments in the balance sheet are all estimated and categorised as Level 1, with the exception of the loans to clubs and the investments in Radio 3UZ. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The fair value of assets and the fair value are summarised in the table below.

Financial assets and liabilities measured at fair value	2020				2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets:								
Investment - Radio 3UZ Unit Trust	-	-	602	602	-	-	602	602
Total	-	-	602	602	-	-	602	602

There have been no transfers between levels during the period.

GRV recognises its investment in Radio 3UZ Unit trust as a level 3 financial asset. The shares are not listed and GRV has determined the fair value by way of an independent valuation of the shares and brought to account the increase in the share value to the valuation reserve and also through other economic flows under comprehensive income.

In order to value units of Radio 3UZ Unit Trust, it has been necessary to determine a valuation of the licence of the radio station and then also determine the other net assets of the 3UZ Pty Ltd. The valuation applies the present value of net cashflows generated from the station to the Victorian Racing Industry (Codes). The wagering revenue was determined by way of the Codes TABCORP and Racefields wagering revenue at risk if the radio station did not exist. Growth in revenues were assessed by way of forecast and trends. Costs included the current contribution of the deficit funding to the station as well as an allocation of race callers costs. The following is a sensitivity of significant unobservable inputs that shows the corresponding variation in GRV's investment.

Description of Level 3 valuation techniques used and key inputs to valuation

	Valuation technique	Significant unobservable inputs	Assumption Range %	Sensitivity of fair value measurement to changes in significant unobservable inputs
Unlisted Security (Radio 3UZ unit trust)	Discounted cashflow method	Reduction in cash inflows for subsequent years average decrease	40-60%	10% increase or decrease on the cash inflow assumption would result in an increase or decrease of \$11,225 in fair value of our investment

	2020	2019
Reconciliation of Level 3 fair value movements	\$'000	\$'000
Investment in Radio 3UZ unit trust		
Opening balance	602	526
Total gains or losses recognised:		
- Opening balance adjustment on adoption of AASB 9 through other comprehensive income	-	76
Closing balance	602	602
Total gains or losses for the period included in profit or loss for assets held at the end of the period	-	-

7.3.2 Fair value determination: Non-financial physical assets

	2020	2019	2020	2019	2020	2019	2020	2019
Fair value measurement hierarchy	Written down value		Fair value measurement at end of reporting period using:					
			Level 1		Level 2		Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value								
Land	8,871	7,479	-	-	8,871	7,479	-	-
Buildings	3,366	3,198	-	-	1,408	1,402	1,958	1,796
Buildings (right-of-use)	90	-	-	-	-	-	90	-
Motor Vehicles (right-of-use)	1,135	-	-	-	-	-	1,135	-
Track and GAP Equipment	303	199	-	-	-	-	303	199
Furniture and Fittings	68	76	-	-	-	-	68	76
Computer and Office Equipment	427	280	-	-	-	-	427	280
Total	14,260	11,232	-	-	10,279	8,881	3,981	2,351

There have been no transfers between levels during the period.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS continued...

7.3 Fair Value Determination continued...

7.3.2 Fair value determination: Non-financial physical assets continued...

Non-specialised land, and non-specialised buildings

The land and buildings situated at Chetwynd Street and the land situated at Seymour GAP fall into the category of non-specialised land and non-specialised buildings. Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

In 2016, an independent valuation of GRV's non-specialised land and buildings was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2016.

In 2019-20, a managerial valuation was applied to non-specialised land using the Valuer-General Victoria indices resulting in a revaluation increment of \$1.392m and also to non-specialised buildings resulting in a revaluation increment of \$0.119m.

To the extent that non-specialised land, and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised buildings

The buildings situated at Seymour GAP fall into the category of specialised buildings. GRV's specialised buildings are valued using the market approach.

In 2016, an independent valuation of GRV's specialised buildings was performed by the Valuer-General Victoria to determine the fair value using the current replacement cost method. The effective date of the valuation is 30 June 2016.

In 2019-20, a managerial valuation was applied to specialised buildings using the Valuer-General Victoria indices resulting in a revaluation increment of \$0.175m.

As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

Plant and equipment

Plant and equipment comprising track and GAP equipment, furniture and fittings and computer and office equipment are recorded at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

	2020	2019
	\$'000	\$'000
Reconciliation of Level 3 fair value movements	Buildings Seymour GAP	
Opening balance	1,796	1,814
Additions	114	108
Revaluations	175	-
Transfer in from (out to) another class	24	17
Depreciation	(151)	(143)
Subtotal	1,958	1,796

All other level 3 fair value movements are as disclosed in note 4.1.2.

Description of significant unobservable inputs to Level 3 valuations

Plant and equipment

Valuation technique: Initially at cost and then a review of the replacement value and also the useful life.

Significant unobservable inputs: useful life of plant and equipment (refer Note 4.1.1)

Specialised buildings

Valuation technique: Market value approach of comparative properties.

Significant unobservable inputs: Market data have regard to cost per square metre.

Significant unobservable inputs have remained unchanged since June 2019.

	2020	2019	2020	2019	2020	2019	2020	2019
Investment properties measured at fair value and their categorisation in the fair value hierarchy	Written down value		Fair value measurement at end of reporting period using:					
			Level 1⁽ⁱ⁾		Level 2⁽ⁱ⁾		Level 3⁽ⁱ⁾	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment property	5,359	4,727	-	-	5,359	4,727	-	-

Note:

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period. There were no changes in valuation techniques during the period to 30 June 2020.

For investment property measured at fair value, the current use of the asset is not considered the highest and best use. The valuation provided considers the highest and best use to be as a development site, most likely for residential apartments.

In 2016, an independent valuation of GRV's investment property was performed by the Valuer-General Victoria to determine the fair value using the market approach. The valuation of the asset was determined by reference to market evidence of transaction prices for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts. The effective date of the valuation is 30 June 2016.

In 2019-20, a managerial valuation was applied to land and buildings using the Valuer-General Victoria indices resulting in a revaluation increment of \$0.632m.

Significant judgements for land, buildings and investment properties

Since the last independent valuations, management have performed annual fair value assessments for each category of non-financial assets. GRV management utilises indices provided by the Valuer-General Victoria to determine whether there has been a material movement in the fair value of assets. As a result of the impact of COVID-19, market conditions are changing daily and there is uncertainty around the use of the Valuer-General Victoria indices in 2019-20. As at the date of valuation, we consider that there is a market uncertainty resulting in significant valuation uncertainty. This uncertainty cannot be quantified.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

8. OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Reserves
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Other accounting policies
- 8.8 Change in accounting policies
- 8.9 Australian Accounting Standards issued that are not yet effective

		2020	2019
8.1 Reserves	Note	\$'000	\$'000
Distribution Reserve Fund	8.1.1	7,500	7,500
Physical Asset Revaluation Surplus	8.1.2	7,644	6,252
Financial Assets Revaluation Surplus	8.1.3	76	76
Total Reserves		15,220	13,828
Contributed Capital	8.1.4	1,924	1,924
Accumulated Surplus		30,525	29,867
Total Contributed Capital and Surpluses		32,449	31,791
Total Equity		47,669	45,619

8.1.1 Distribution Reserve Fund (DRF)

The Board monitors the fund to ensure GRV has a sufficient level of reserves to meet a temporary disruption to its revenue base that could threaten the sustainability of current stakeholder levels and to assist with any potential disruptions.

8.1.2 Physical Asset Revaluation Surplus			
The physical assets revaluation surplus arises on the revaluation of land and buildings.			
Balance at beginning of financial year		6,252	6,252
Valuation Gain recognised in Other Comprehensive Income		1,392	-
Balance at end of financial year		7,644	6,252

In addition to the valuation gain recognised in the reserve above, there was a valuation gain on buildings of \$0.294m which has been recognised in the net result. This gain reverses a net revaluation decrease of the same class of assets recognised in the net result in prior periods.

8.1.3 Financial Asset Revaluation Reserve

Represents the fair value adjustment for the investment in the Radio 3UZ Unit Trust.

8.1.4 Contributed Capital

In accordance with former Financial Reporting Direction No.2 Contributed Capital, GRV deemed its opening accumulated profit of \$1,924,000 at 1 July 2001, to be its opening contributed equity balance during the 2002 financial year.

8.2 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Portfolio Minister:

The Minister for Racing The Hon. Martin Pakula, MP from 01.07.2019 to 30.06.2020

Governing Board:

Position	Member	From	To
Chair *	Ms. P. Duncan	01.07.2019	30.06.2020
Member	Mr. R. Greenall	01.07.2019	30.06.2020
Member	Mr. E. Dunne	01.07.2019	30.06.2020
Member	Ms. M. McMahon	01.07.2019	30.06.2020
Member	Mr. R Bartolo	17.09.2019	30.06.2020
Member	Mr. G Miller	01.01.2020	30.06.2020
Member	S L Tripodi	12.05.2020	30.06.2020
Member	Mr. B. Carolan	01.07.2019	17.09.2019

* Note Ms. P Duncan was Acting Chair from 1 July 2019 and appointed as Chair on 15 October 2019.

Accountable Officer:

Mr. A.K. Clayton - from 01.07.2019 to 30.06.2020

The total remuneration of the Board and Accountable Officer is summarised in the table below

Income Band	2020	2019
	Total Remuneration No.	Total Remuneration No.
\$0 to \$9,999	1	-
\$10,000 to \$19,999	1	1
\$20,000 to \$29,998	1	-
\$30,000 to \$39,999	1	1
\$40,000 to \$49,999	3	3
\$70,000 to \$79,999	1	1
\$430,000 to \$439,999	1	1
Total Numbers	9	7
Total Remuneration (\$'000)	700	680

The total remuneration detailed above excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

8.3 Remuneration of Executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accruals basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include employee benefits provided upon termination of employment as a result of either an entity's decision to terminate an employee before the normal retirement date.

	2020	2019
Remuneration of Executive Officers	\$'000	\$'000
Short-term employee benefits	2,452	2,083
Post-employment benefits	178	192
Other long-term benefits	63	68
Termination benefits	345	-
Total remuneration ^(a)	3,038	2,343
Total number of Executives	12	9
Total annualised employee equivalents ^(b)	9	9

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reporting within the related parties note disclosure (Note 8.4).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

8. OTHER DISCLOSURES continued...

8.4 Related Parties

GRV is a wholly owned and controlled entity of the State of Victoria.

Related parties of GRV include:

- key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis and include (\$'000);
Mr B.Carolan as a Director on 3UZ Pty Ltd (trading as RSN) which provided radio broadcasting services to GRV at a total cost of **\$1,109** (2019: \$1,145)
Mr S.Gillard as a Director on Racing Analytical Services which provided swabbing services at a total cost of **\$1,889** (2019: \$2,268)

Key management personnel of GRV includes:

- (1) the Portfolio Minister: The Minister for Racing The Hon. Martin Pakula, MP;
- (2) the Governing Board (refer to Note 8.2 for list of Board members);
- (3) the Accountable Officer: Mr. A.K. Clayton; and
- (4) members of the Leadership Team, which includes:
 - Mr. R. Shaw (replaced by Mrs. J. Griggs)
 - Mr. S. Gillard
 - Mr. S. Laing
 - Ms. L. Martin
 - Mr. G. Goble
 - Ms. D. King (replaced by Mrs. P. Riley)
 - Mr. S. Rose
 - Ms. T. Benfield
 - Mr. G. Kerr
 - Mr. M. Wells

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

	2020	2019
Remuneration of Executive Officers	\$'000	\$'000
Compensation of KMPs		
Short-term employee benefits (a)	3,078	2,678
Post-employment benefits	240	266
Other long-term benefits	75	80
Termination benefits	345	-
Total	3,738	3,024

Notes:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3)

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with GRV, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

	2020	2019
Significant transactions with government-related entities	\$'000	\$'000
(a) Department of Justice (DOJ)		
- Amounts recognised as income in the Comprehensive Operating Statement. <i>These are contributions received from Victoria Racing Industry Fund (VRIF) which are to help with infrastructure and raceday attraction projects.</i>	-	297
(b) Department of Jobs, Precincts and Regions		
- Deferred revenue held at the end of the financial year <i>These are contributions received for COVID-19 Emergency Funding, to assist with maintaining levels of prizemoney and club distributions.</i>	3,300	-
- Amounts recognised as income in the Comprehensive Operating Statement. <i>These are contributions received from Victoria Racing Industry Fund (VRIF) which are to help with infrastructure, prizemoney and raceday attraction projects.</i>	1,737	2,825
(c) Treasury Corporation of Victoria (TCV)		
- Term deposits held at end of the financial year.	6,000	15,000
- Amounts recognised as income in the Comprehensive Operating Statement. <i>This is interest earned on term deposits with TCV.</i>	134	321

8.5 Remuneration of Auditors		
Victorian Auditor-General's Office		
Audit of the financial statements	19	18
Internal Audit		
Audit services	105	197
Non-audit services	-	6
Total remuneration of auditors	124	221

8.6 Subsequent Events

The policy in recognising subsequent events, that are, for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

As at the date of this report, GRV does not have any subsequent events.

8.7 Other Accounting Policies

Accounting for the Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Financial Year Ended June 30 2020

8. OTHER DISCLOSURES continued...

8.8 Change in Accounting Policies

8.8.1 Leases

GRV has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

On adoption of AASB 16, GRV recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117.

When measuring lease liabilities, GRV discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.25 per cent.

	1 July 2019
Impacts on financial statements	\$'000
Total operating lease commitments disclosed at 30 June 2019 (GST exclusive)	1,294
Discounted using the incremental borrowing rate at 1 July 2019	(119)
Lease liabilities recognised at 1 July 2019	1,175

Impact on balance sheet due to the adoption of AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

		Opening 1 July 2019	Impact of AASB 16	Adjusted 1 July 2019
Balance sheet	Note	\$'000	\$'000	\$'000
Property, plant and equipment	4.1(a)	11,256	1,175	12,431
Total assets		53,736	1,175	54,911
Lease liability		-	1,175	1,175
Total liabilities		8,117	1,175	9,292
Total equity		45,619	-	45,619

8.8.2 Revenue from Contracts with Customers

From 1 July 2019 income is recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (except for income that arises from sources covered by other standards). The adoption of these new accounting standards has not resulted in any impact on the comprehensive operating statement or the cash flow statement for the year.

Under AASB 15 Revenue from Contracts with Customers, revenue is recognised when there is satisfaction of a performance obligation by transferring of a promised good or service to a customer. Recognition occurs as the service is provided to the customer.

Unearned income at reporting date is reported as a deferred revenue liability. Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

AASB 1058 Income of Not for profit Entities applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a Not-for-profit entity to further its objectives. For transactions within the scope of AASB 1058 income is recognized immediately.

8.9 Australian Accounting Standards Issued that are Not Yet Effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. GRV has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

GRV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. GRV will not early adopt the Standard.

GRV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on GRV's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

APPENDIX 1: DISCLOSURE INDEX

The Annual Report of GRV is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of GRV's compliance with statutory disclosure requirements.

Legislation	Requirement
Standing Directions & Financial Reporting Directions	
Report of Operations	
Charter and purpose	
FRD 22H	Manner of establishment and the relevant Ministers
FRD 22H	Purpose, functions, powers and duties
FRD 8D	Departmental objectives, indicators and outputs
FRD 22H	Key initiatives and projects
FRD 22H	Nature and range of services provided
Management and structure	
FRD 22H	Organisational structure
Financial and other information	
FRD 8D	Performance against output performance measures
FRD 8D	Budget portfolio outcomes
FRD 10A	Disclosure index
FRD 12B	Disclosure of major contracts
FRD 15E	Executive officer disclosures
FRD 22H	Employment and conduct principles
FRD 22H	Occupational health and safety policy
FRD 22H	Summary of the financial results for the year
FRD 22H	Significant changes in financial position during the year
FRD 22H	Major changes or factors affecting performance
FRD 22H	Subsequent events
FRD 22H	Application and operation of Freedom of Information Act 1982
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993
FRD 22H	Statement on National Competition Policy
FRD 22H	Application and operation of the Protected Disclosure Act 2012
FRD 22H	Application and operation of the Carers Recognition Act 2012
FRD 22H	Details of consultancies over \$10,000
FRD 22H	Details of consultancies under \$10,000
FRD 22H	Disclosure of government advertising expenditure
FRD 22H	Disclosure of ICT expenditure
FRD 22H	Statement of availability of other information
FRD 24D	Reporting of office-based environmental impacts
FRD 25D	Local Jobs First
FRD 29C	Workforce Data disclosures
SD 5.2	Specific requirements under Standing Direction 5.2
Compliance attestation and declaration	
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction
SD 5.2.3	Declaration in report of operations

Legislation	Requirement
Financial Statements	
Declaration	
SD 5.2.2	Declaration in financial statements
Other requirements under Standing Directions 5.2	
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements
SD 5.2.1(a)	Compliance with Standing Directions
SD 5.2.1(b)	Compliance with Model Financial Report
Other disclosures as required by FRDs in notes to the financial statements	
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity
FRD 11A	Disclosure of Ex-gratia Expenses
FRD 13	Disclosure of Parliamentary Appropriations
FRD 21C	Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report
FRD 103I (pending)	Non-Financial Physical Assets
FRD 110A	Cash Flow Statements
FRD 112D	Defined Benefit Superannuation Obligations
FRD 114C	Financial Instruments – General government entities and public non-financial corporations
Legislation	
<i>Freedom of Information Act 1982</i>	
<i>Building Act 1993</i>	
<i>Protected Disclosure Act 2012</i>	
<i>Carers Recognition Act 2012</i>	
<i>Disability Act 2006</i>	
<i>Local Jobs Act 2003</i>	
<i>Financial Management Act 1994</i>	



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ESTABLISHMENT AND FUNCTIONS

Greyhound Racing Victoria (GRV) is a statutory body established under the *Racing Act 1958*. Its functions are to:

- control the sport of greyhound racing
- promote animal welfare
- carry out research into aspects of greyhound racing to assist in planning future development
- promote the sport of greyhound racing
- conduct greyhound races
- register greyhounds for greyhound racing or for stud or other purposes and to regulate the breeding, kennelling and verification of lineage of greyhounds for greyhound racing or for stud or other purposes
- consult with greyhound racing industry participants and facilitate consultation amongst greyhound racing industry participants
- exercise such powers functions and duties as are conferred on the Board by or under this or any other Act

GRV functions and responsibilities are also defined under the:

- *Racing and Gaming Acts (Amendment) Act 2004*; and
- *Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016* – which includes amendments to the *Racing Act 1958*, the *Domestic Animals Act 1994* and the *Prevention of Cruelty to Animals Act 1986*.

GRV's head office is located at:

46-50 Chetwynd Street, West Melbourne, Victoria, 3003

Tel: (03) 8329 1100

Fax (03) 8329 1000.

ORGANISATIONAL STRUCTURE

The GRV Board structure comprises a Chair, a Deputy Chair and five other directors. The Board is responsible for the overall strategic direction of GRV and reports to the Minister for Racing.

GRV Board (at 30 June 2020)

- Chair: Peita Duncan
- Deputy Chair: Greg Miller
- Director: Ray Bartolo
- Director: Robert Greenall
- Director: Emmett Dunne
- Director: Marika McMahon
- Director: Lisa Tripodi

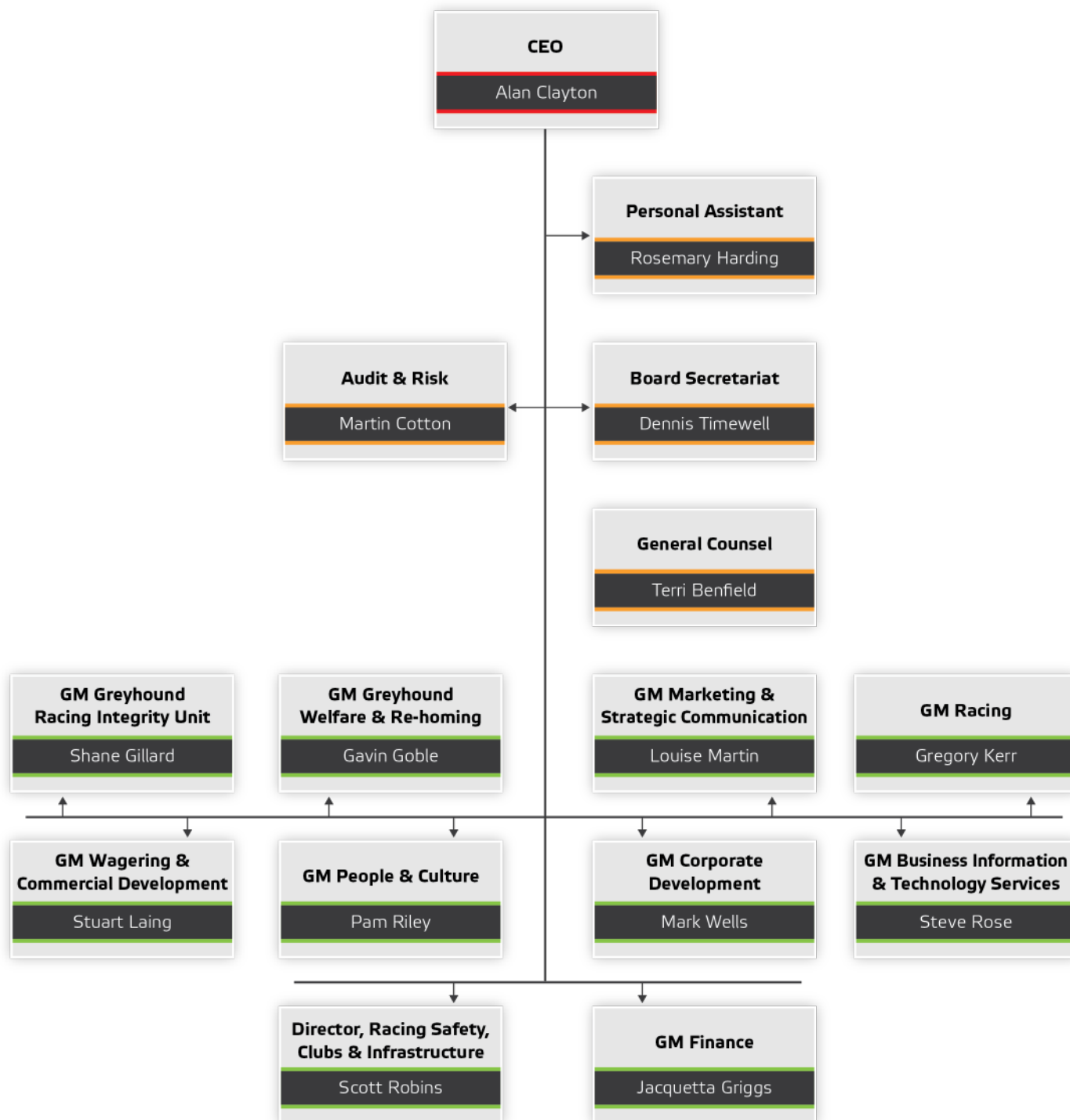
GRV Leadership Team (at 30 June 2020)

The Board appoints a CEO who works with the GRV Leadership Team to implement strategies and manage the operations of Greyhound Racing Victoria.

- Alan Clayton: Chief Executive Officer
- Terrie Benfield: General Counsel
- Shane Gillard: General Manager, Greyhound Racing Integrity Unit
- Gavin Goble: General Manager, Greyhound Welfare and Rehoming
- Jacquetta Griggs: General Manager, Finance
- Greg Kerr: General Manager, Racing
- Stuart Laing: General Manager, Wagering & Commercial Development
- Louise Martin: General Manager, Marketing and Strategic Communication
- Scott Robins: Director, Racing Safety, Clubs and Infrastructure
- Steve Rose: General Manager, Business Information and Technology Services
- Pamela Riley: General Manager, People and Culture
- Dennis Timewell: Manager, Board Secretariat
- Mark Wells: General Manager, Corporate Development

GRV also has the following oversight committees and bodies.

- Audit and Risk Committee
- Welfare Committee
- Industry Consultative Group
- People and Culture Committee
- Commercial & Marketing Committee
- Breeding Reference Group
- Racing Reference Group



FREEDOM OF INFORMATION

Requests for access to documents under the *Freedom of Information Act 1982* are directed to GRV's Freedom of Information Officer. All records are kept at GRV's office. Documents subject to the request will be considered by the Freedom of Information Officer. When access to information is requested, the applicant is advised of the fee payable as directed under the Act. Once the fee is received and the request is clarified, it is considered by the Freedom of Information Officer. The applicant is then notified of the decision and if access is granted, the information is released to the applicant. Where access is not granted, the applicant is advised.

During 2019-20, There were no freedom of information requests received by GRV.

FEEDBACK OFFICE

GRV's Feedback Office manages responses to complaints, feedback and suggestions received from greyhound racing participants, the general public and external stakeholders. The Office was created following recommendations made by the Chief Veterinary Officer of Victoria in the 'Investigation into Animal Welfare and Cruelty in the Victorian Greyhound industry' Report (30 Apr 2015) and the VPSC report titled 'Conflict of Interest Management: Greyhound Racing Victoria' (7 September 2015).

The Office's primary role is to provide an impartial service when handling complaints and suggestions. It coordinates complaint investigations and proposes resolutions and provides feedback to departments and complainants as required. All data relating to complaints and feedback is recorded and made available to GRV's Leadership Team, Board, CEO and the Office of the Racing Integrity Commissioner, and provides valuable information for improving GRV policies and processes.

NATIONAL COMPETITION POLICY

GRV complies with the requirements and application of principles in respect to competition policy and will continue to review and implement policies as and when directed by the Government.

PROTECTED DISCLOSURES ACT 2012

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

GRV does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

GRV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. At 30 June 2020, GRV complies with the Act and guidelines in conjunction with the Independent Broad-based Anti-corruption Commission.

WORKFORCE DATA

As at 30 June 2020, GRV employed **238** full-time, casual, and part-time staff, equivalent to **191.81** Full Time Equivalent (FTE) positions.

	Ongoing employees				Fixed term and casual	
	Number Headcount	Full time Headcount	Part time Headcount	FTE	FTE	
June 2019	230	127	26	135.13	43.6	
June 2020	238	126	26	139.25	52.56	

Executive Level Positions	June 2019	June 2020
	8 + CEO	10 + CEO

	June 2019				June 2020			
	Ongoing		Fixed term & casual		Ongoing		Fixed term & casual	
	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE
Gender								
Male	88	81.76	43	21.89	83	79.1	49	29.31
Female	65	53.37	34	21.71	69	60.15	37	23.25
Age								
Under 25	2	1.8	15	8.05	0	0	10	6.55
25-34	38	33.67	11	7.35	37	35.57	20	12.21
35-44	42	37.88	13	9.87	42	37.7	12	10.56
45-54	34	30.68	15	7.31	33	31.12	22	12.61
55-64	31	27.54	15	7.59	36	32.6	14	7.17
Over 65	6	3.56	8	3.43	4	2.26	8	3.46

Equal Employment Opportunity

GRV has an Equal Employment Opportunity policy and program in accordance with the *Public Authorities (Equal Employment Opportunity) Act 2010*.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

GRV has responsibility for OHS at its Chetwynd Street head office, Greyhound Adoption Program sites and GRV controlled events and employs an OHS Manager who works with management and staff to provide a healthy and safe work environment, safe plant and equipment, safe work systems and appropriate training and supervision. GRV also has an OHS Committee comprised of GRV management and staff representatives who meet regularly to consider and manage OHS issues in the GRV workplace.

Victoria's racing and coursing clubs are primarily responsible for OHS at each of their sites with GRV sharing OHS responsibilities for race meetings. GRV's Director, Racing Safety, Clubs and Infrastructure, works with GCV to assist the clubs with OHS. This includes continuing to support clubs in implementing safe work practices through training and assistance and development of compliant OHS procedures.

ENVIRONMENTAL POLICY

All GRV building works comply with the *Building Code of Australia Section J – Energy Efficiency* and all fitments and products installed in the new buildings will meet internationally recognised Green Star sustainability requirements. Locally sourced products are being used, reducing the carbon foot-print generated by road transportation.

BUILDING STANDARDS

In November 1994, the Minister for Finance issued guidelines pursuant to Section 220 of the *Building Act 1993* to promote conformity in building standards for buildings owned by public authorities. GRV maintains a high level of compliance with building standards and regulations. All works carried out during the year were conducted in accordance with the Act, Construction Code compliance under the *Victorian Code of Practice for Building and Construction Industry* and relevant building regulations.

CARERS RECOGNITION ACT

GRV continues to take practical measures to comply with its obligations under the *Carers Recognition Act 2012*. GRV is ensuring its employment and workplace policies comply with the statement of principles in the Act and will work to ensure the role of the carer is recognised within the organisation.

GREYHOUND RACING VICTORIA FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Peita Duncan, on behalf of the Responsible Body, certify that Greyhound Racing Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Peita Duncan
Chair, Board of Greyhound Racing Victoria

LOCAL JOBS FIRST POLICY

The Victorian Government's Local Jobs First Policy is comprised of the Victorian Industry Participation Policy and the Major Projects Skills Guarantee. Departments and public bodies are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. In 2019-20, GRV did not announce any tenders that would be subject to Local Jobs First Policy reporting requirements.

CONSULTANCIES

GRV engaged the following consultancies, worth over \$10,000, with specialist skills to help inform strategic direction and operational delivery during 2019-2020:

Strategic Direction	Consultant	Summary	
One Industry	Dexis Pty Ltd	Organisational development	\$66,000.00
	NTT Australia Digital Pty Ltd	Financial compliance framework development	\$24,000.00
	Wise Workplace Solutions	Workplace review	\$25,665.00
	PricewaterhouseCoopers	Advice on Club financials and sustainability	\$20,000.00
	KPMG	Finance and procurement capability	\$126,259.25
	Astral Consulting	Enterprise architecture and information management	\$24,000.00
	Strategic Architects Pty Ltd	ICT and Business Systems architecture program	\$24,675.00
	Elabor8 Pty Ltd	Effective delivery of IT sprints	\$24,000.00
	FSR Consulting Pty Ltd	Digital cybersecurity	\$30,000.00
	MC Shanahan & Associates Pty Ltd	Executive leadership and 360 feedback	\$16,400.00
	Avantis Communications	Internal communication strategy	\$22,500.00
Innovation to Drive Revenue	The Civic Group	Public affairs	\$16,833.29
	Values Communication	Stakeholder engagement	\$24,000.00
	AP2 Advisory Pty Ltd	Commercial strategy development	\$112,000.00
Racing Safety & Greyhound Welfare	University of Technology Sydney	Greyhound racing safety in Victoria	\$250,000.00
	Capability Network Pty Ltd	Executive and IT strategy; grading and coursing review	\$64,800.00
	Gravelroad Limited	Capability modelling and programming tool	\$140,167.09
	DW & JM Allen	OHS consulting	\$14,625.00
<hr/>			
	Total < \$100,000	397,498	
	Total > \$100,000	628,426	
	Total	1,025,925	







Greyhound Racing Victoria

46-50 Chetwynd Street, West Melbourne, VIC 3003

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grv.org.au

gap.grv.org.au

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greyhoundcare.grv.org.au