

“GRV is in the business of governing, operating and promoting greyhound racing of the highest integrity to wagering operators and clubs for the enjoyment of members, wagerers and on-course racegoers in Victoria, nationally and internationally.”



Greyhound Racing Victoria
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MEMBERS OF THE BOARD



Peter Caillard
CHAIRMAN

Peter is a Barrister and Non-Executive Director who was appointed Chairman in August 2011. He was previously a Senior Executive at Tabcorp for nearly a decade, including CEO of Sky Channel and Head of Strategy/International. Directorships have included Tab Limited, Law Institute of Victoria and Down Syndrome Victoria.



Stephen Silk
BOARD MEMBER

Appointed to the GRV Board in July 2012. Stephen, a former veterinarian, has expertise in marketing strategy and business collaboration within the racing industry, most notably as General Manager Strategic Marketing and General Manager Flemington at the VRC and recently as commercial manager for Black Caviar.



John Tripodi
BOARD MEMBER

Appointed to the GRV Board in November 2012. John has extensive corporate marketing and management experience including senior roles at Mars Australia and the L'Oreal Group. John is currently the Chief Executive Officer at sports and entertainment marketing company, Twenty3 Group.



Jenni Coustley
BOARD MEMBER

Appointed to the GRV Board in July 2012. Jenni has many years' experience in the greyhound racing industry including being president of the Horsham Greyhound Racing Club and is currently an Agribusiness Business Manager at the National Australia Bank.



Geoff Miles
BOARD MEMBER

Appointed to the GRV Board in July 2012. Geoff has experience in the Sports Entertainment Industry a Chief Executive at the Melbourne Renegades, Melbourne Victory and Football Federation Victoria as well as numerous other senior roles within the sporting industry.



CHAIRMAN'S FOREWORD



Peter Caillard
Chairman

It has been another positive year for GRV and I note that in particular:

- A strong profit of \$7.8 million
- Stake money increased \$4.0 million (10.6 per cent)
- Vic TAB market share increased 0.92 per cent to 20.13 per cent

This only tells part of the picture as GRV now has in place a new reinvigorated management team with a strong emphasis on corporate governance, greyhound welfare, inclusiveness and a culture of striving to "do better".

I refer to the new GRV strategic plan below and believe my opening remarks in that document summarises the current position well:

"We have come a very long way in a short period but need to do more to secure the future of greyhound racing in Victoria"

There are significant challenges ahead, including the erosion of our sport's funding base which relies so heavily on the Tabcorp joint venture. However, I believe GRV is now well placed to meet those challenges.

New Strategic Plan

A major milestone for GRV in the last year was the development of a strategic plan which clearly articulates our values and objectives for the next five years. The process of preparing this plan was important. It followed a lengthy process of consultation and working with people across our industry to receive feedback on how we can improve and best confront the many challenges facing our sport. There were numerous public workshops, membership surveys and interviews. Every recommendation was recorded and given to the Board to read.

This is an ongoing process as we constantly strive to do better. I strongly recommend that everyone involved in our sport read the strategic plan carefully and welcome any ideas for improvement.

Greyhound Welfare is a Priority

It is not enough to measure GRV by its financial performance but consideration must be given to other critical measures vital to the long term sustainability of our sport.

Greyhound Welfare is one of the major focuses of GRV and throughout the year there have been a number of significant advancements at the organisation in this area. GRV is committed to providing the best welfare outcomes possible for the greyhound throughout its life and will enforce strict rules in regard to welfare that our members need to be aware of. There is no place in the sport for anyone mistreating a greyhound. We are committed to ensuring that our welfare targets are met and that people within the sport understand the magnitude of the issue. Community attitudes toward greyhound welfare have changed and we must also change. This change has begun and we are committed to ensuring that it continues.

Our investment in welfare has increased to reflect this focus. We have committed more than \$2.8 million in extra funds toward welfare related matters, which includes the world-leading Greyhound Adoption Program (GAP).

There have been a number of positive developments for greyhound welfare in the past year. This includes, but is not limited to:

- The formulation and adoption of a national animal welfare strategy that has been accepted by all states and was led by GRV and Greyhound Racing NSW
- A record number of adoptions through our adoption program of 536
- The introduction of strict penalty guidelines for welfare offences
- The recruitment of three new staff members in the area of greyhound welfare

All these developments highlight our commitment to greyhound welfare. Clear guidelines have been established and there are clear rules the sport is governed by. If members do not comply with these

rules, they won't be allowed to race their greyhounds.

Continued focus on integrity

GRV has increased the number of swabs taken of greyhounds by more than 25 per cent with the continuation of out-of-competition testing, pre-race testing and the freezing and storage of samples. Put simply - we do not want cheating or dishonesty in our sport.

Corporate governance is another key area for GRV. GRV has recently reviewed and overhauled its processes to ensure that procurement and compliance measures exceed government guidelines. Those close to GRV will be aware that significant changes - including a ban of betting and management changes - were taking place at GRV prior to the release of the Ombudsman's report in 2012. However, this report reinforced the need for change and served as a catalyst. It seems like a long time ago since this report was released but we have accepted and acted upon all of the recommendations in that report.

Greyhound Racing Victoria is now a professional regulatory authority and - with the strategic plan in place - is committed to working with participants to maintain the recent strong growth being enjoyed.

I have been involved in wagering and racing at a senior level for nearly twenty years, mainly as a Senior Executive of Tabcorp and CEO of SKY Racing. In that time, I have been involved - to varying degrees - with wagering and racing administration across the country. In my view, the team that has been assembled under the leadership of Adam Wallish is very strong. I am grateful for the dedication and commitment shown by all involved at GRV.

Finally, I would like to thank board members, Jenni Coustley, Stephen Silk, Geoff Miles and the departing John Tripodi for their continued support and hard work throughout the year and Premier and Minister for Racing Dr Denis Napthine for his continued commitment to Victorian greyhound racing.

"All people involved in greyhound racing - including punters - must be confident that the sport is fair."



CEO'S REPORT



Adam Wallish
Chief Executive

The 2013/14 financial year was characterised by planning for the future and consultation with our members. Throughout the year there were some significant achievements including; the release of our new five-year strategic plan 'On Track for a Great Future', a \$7.8 million profit, increase in Vic TAB greyhound wagering turnover of 3.1 per cent, and a record 536 adoptions through our world-leading Greyhound Adoption Program (GAP).

GRV is now an open and transparent organisation that welcomes member feedback on any issue. This is something that has been essential in the progression of the organisation and something that will characterise it into the future.

Strategic Plan:

In September 2013, GRV embarked on an extensive strategic planning process. We engaged external consultants to assist with the formulation of a new plan. Importantly we engaged all members and stakeholders on an unprecedented level throughout the strategic planning process, to ensure that as many people involved in the sport as possible had their chance to shape its future.

The plan identified eight core competencies that will define our success over the next five years. These are:

1. Greyhound welfare excellence
2. Racing operations excellence
3. Membership experience excellence
4. Club enablement excellence
5. Wagering operations excellence
6. People and culture excellence
7. Technology, systems and processes excellence
8. Brand, reputation and stakeholder engagement excellence

Following the identification of these core competencies and our strategy generally, a restructure of the organisation took place, to ensure our strategic imperatives were being attended to appropriately. The restructure included the appointment of two

new general managers. Craig Armstead joined the organisation in the role of GM - Clubs and Membership Development and Stuart Laing joined us in the role of GM- Wagering Partners. In addition to the new roles, the areas of integrity, racing and welfare were combined, with the department now lead by Glen Canty, who was formerly the Racing and Operations Manager at GRV.

This plan is the result of significant industry consultation and the board has approved \$1.6 million to the plan for the 2014/15 financial year, with some of this investment already made in 2013/14.

GRV's five-year vision is to become the world's most respected greyhound racing body; widely regarded for the market position and reputation we have created for greyhound racing in Victoria. We are committed to this plan because it defines a shared vision for our future success and clearly articulates our core purpose and enshrines a sense of collaboration at all levels of the industry with expressed goals.

Financial Performance:

GRV once again had a very successful year financially. Returns to participants were improved by way of a 10.6 per cent (\$4.0 million) increase in stakes and bonuses (refer Figure 1.0). GRV was still able to make a strong profit of \$7.8 million.

This year's profit was accentuated by delays in infrastructure projects that were well under budget as a consequence of the continued refinement of our procurement processes. \$5.8 million of this year's profit was transferred to reserve funds, including \$3.0 million to the Infrastructure Reserve Fund to ensure we are well placed to meet the backlog of outstanding infrastructure works that we are committed to. This includes a number of major projects that are planned to commence in 2014/15.

As indicated in Figure 1.0 stakemoney and bonuses made available in Victorian greyhound racing has materially risen over the past 5 years.

Impending infrastructure works and other actions emanating from the strategic plan, coupled with an ever-changing wagering landscape, has meant that smaller increases are planned to be applied to prize money next year to preserve the profitability and sustainability of the sport.

To ensure Clubs sustainability and growth in membership, GRV employed Craig Armstead in the new role of GM Clubs and Membership. Also in 2013/14 GRV boosted Clubs finances by way of a \$0.9 million annual injection. This funding was aimed to quarantine clubs against rising costs as well as ensure that Clubs had appropriate administrative resources and remuneration levels to meet the increasing challenge of compliance as well as being ready to embark on the strategic planning process scheduled for 2014/15.

Wagering:

In 2013/14 GRV successfully grew its wagering turnover by 3.1 per cent to \$0.82 billion and with that outperformed the other Victorian Racing Codes with a 0.92 per cent growth in market share of revenue (from 19.21 per cent to 20.13 per cent as shown in Figure 2).

On top of a strong profit and wagering growth it should be noted greyhound racing increased:

- Attendances on-course by 6.0 per cent (Metro 6.6 percent & Country 5.6 per cent); and
- The number of TAB meetings in Victoria increased by 5.7 per cent.

The 5.7 per cent increase in Victorian meetings as highlighted in Figure 3 contributed to the 10.6 per cent increase in stakes and bonuses as well as providing participants with increased opportunities to race their greyhounds.

It should also be noted that GRV's 3.1 per cent increase in wagering was coupled with a small 3.9 per cent increase in overall meetings covered by Tabcorp. In comparison, both Harness and Thoroughbreds are seeing larger

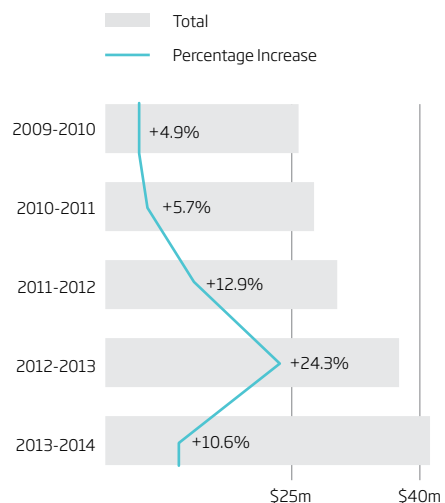


Figure 1.0: Stakes & Bonuses - 5 Years to 2013/14

increases in meeting growth as a consequence of rapid growth in international meetings covered. GRV's growth was also accentuated by a 104 per cent increase in fixed odds wagering as Tabcorp continues to increase the number of greyhound meetings that offer fixed odds for its valued customers.

While this is a positive for TAB customers, it needs to be understood that yields (returns) on fixed odds betting on greyhound racing are on average less than pari-mutuel wagering resulting in our revenue growth of 2.4 per cent being slightly less than turnover growth of 3.1 per cent.

GRV also received material growth in racefields revenue as we witness strong competition within the corporate bookmaker market. Given the current trends, this remains an area of potential growth for our industry particularly given the feedback from bookmakers that greyhound racing attracts strong customer loyalty.

Integrity and Welfare

Throughout the year there have been a number of improvements to GRV's integrity processes and also in the area of greyhound welfare.

The establishment of the new Integrity Council was an important development throughout the year. The Integrity Council is the re-constitution of the former Integrity Sub-Committee and was established on the back of government recommendations for independent oversight of each of Victoria's racing codes' integrity assurances. The Integrity Council has the important role of overseeing all integrity matters.

The number of swabs taken from greyhounds increased from 3,427 to 4,289 an increase of 25.15 per cent. Since the 2009/10 financial year there has been an 83.84 per cent increase in the number of swabs taken. This increase included out-of-competition tests and pre-race tests, with testing procedures to be continually improved with a restructure of the integrity team to take place in 2014/15.

More information about GRV's integrity measures can be found in Glen Canty's report.

Greyhound welfare continued to be one of the major focuses of GRV throughout the year. The joint greyhound welfare strategy

with Greyhound Racing New South Wales (GRNSW) that has now been adopted nationally was a vital step for the development of the greyhound racing industry. The national strategy will help coordinate better welfare outcomes for greyhounds across the country and will increase the level of information shared between the states and drive new welfare initiatives across the country.

In addition to the national strategy, GRV's world-leading Greyhound Adoption Program achieved a record number of 536 adoptions in the last year that represented a 40.7 per cent increase in adoptions from the previous year. This record was assisted by an increase in publicity for the breed on the back of some new marketing initiatives.

New Marketing Initiatives

The reputation and popularity of our sport has significantly improved in recent times, as evidenced by a 6 per cent increase in attendances at our tracks this year.

Through more targeted marketing campaigns that appealed to state-wide audiences and an increase in focus on the Greyhound Adoption Program, GRV was able to welcome a significant new audience to the sport. The next stage in this development is to convert these new fans to advocates and keep them engaged with the sport.

Our social media channels and our new website have been implemented to attract these audiences and with a brand positioning for the spot underway there will be a bigger push to attract new consumers to the sport. More information about the success of our marketing activities can be found in the GM - Marketing and Communications report by Campbell Davies within this Annual Report.

Overall, GRV is in a wonderful position to sustain the success that has been achieved in the recent past. The strategic plan will guide investment and defines a clear roadmap for the organization.

I would like to thank all staff, clubs and board members for their wonderful contribution throughout the year and particularly GRV chairman Peter Caillard for his support and advice.

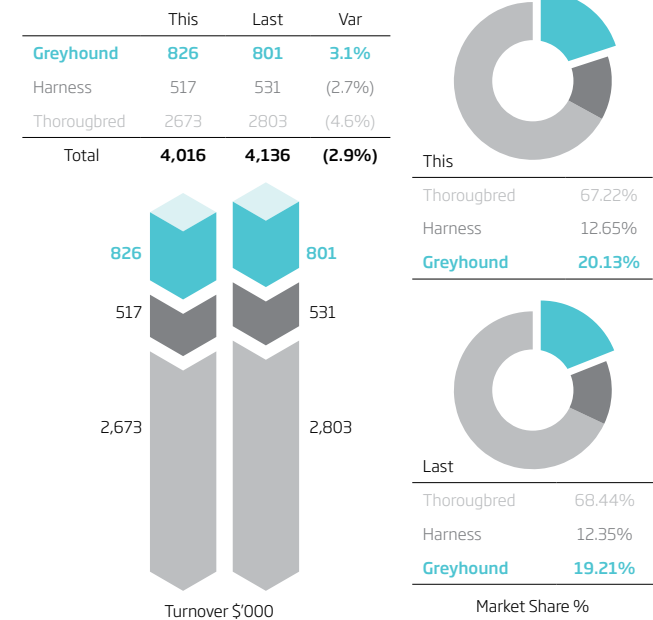
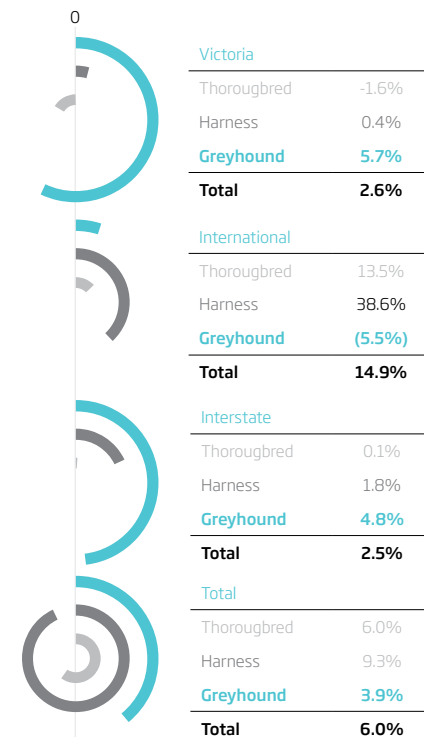


Figure 2 - Vic TAB Wagering Turnover & Code Revenue Market Share

Figure 3 - Meetings covered by the TABCORP JV in 2013/14



INTEGRITY, RACING & WELFARE



Glen Canty

General Manager

Integrity, Racing & Welfare

Integrity **GRV Integrity Council**

During the year the Integrity Sub Committee was reconstituted to form the Integrity Council – an expanded body to oversee the integrity operations of GRV. In line with the relevant Charter, three of the five Integrity Council members (including the Chairman) are independent and do not hold any office or participant license within the greyhound racing code. The Integrity Council's functions are broad and include (although are not limited to) the capacity to advise the GRV Board and make recommendations in respect to:

1. Rule making proposals
2. Integrity policy
3. Participant licensing applications and related procedures
4. Resourcing of the integrity assurance function, and
5. Any other integrity related matter

Sampling - Prohibited Substances

The number of analysis samples taken from greyhounds throughout Victoria has continued to rise sharply. In 2013/2014 GRV Stewards directed that 4,289 samples be taken – well over 800 more than the previous reporting period. These numbers consisted of pre-race, post-race and random samples, in addition to more than 200 taken 'out of competition'. Whilst the majority of the samples procured consisted of urine, blood and saliva samples were also taken. Pursuant to GRV's 'Sampling Policy - Future Testing' a significant number of samples have additionally been frozen and stored since July 2013. This policy allows such samples to be re-tested at a later time.

A statistical table covering the past five reporting periods illustrates the increasing activity in this area:

Inspections of Kennel and Training Facilities

As a reflection of the Board's continued emphasis

on animal welfare measures, the number of kennel inspections conducted throughout Victoria has also continued to rise considerably. In 2013/2014, GRV Stewards conducted 1,147 designated inspections of kennels and training facilities, with the majority of such inspections being unannounced. This figure represented an additional 381 inspections from that achieved during the previous financial year.

Racing **Grading Review**

In May 2014, GRV announced 14 Board-approved enhancements to grading and racing as a result of an extensive consultation process with members aimed at providing increased opportunities for those involved in the sport.

Acting in accordance with the strategic objective of providing a transparent, fair and enjoyable racing experience for members and maximising racing opportunities for all greyhounds in order to deliver Racing Operations excellence, GRV conducted a thorough and consultative review process. Throughout a substantial planning consultation period GRV received feedback from its members at three strategic consultation sessions, through 632 industry surveys, from one participant workshop, four public grading-specific consultation sessions at Clubs and contribution from the Greyhound Owners Trainers and Breeders Association (GOTBA). The significant changes to grading are a result of the organisation's commitment to listening to participant feedback and being transparent with its processes.

Ready2Race

In November 2013 Bendigo's Lords Raceway hosted the second annual Ready 2 Race Greyhound Sales series. A brand new concept for the Victorian Greyhound industry, the series was established in 2012 by GRV and supported by the Victorian government in order

to introduce new owners and new syndications to the exciting world of greyhound ownership.

All greyhounds brought to the sales raced in heats and finals under race conditions before being auctioned. This gave buyers an opportunity to watch the greyhound race and before purchasing.

The 2013 event attracted over 500 enthusiasts, trainers, breeders and owners resulting in 83 greyhounds up for auction finding an owner on the day. It was promoted extensively though the Herald Sun and via radio stations RSN and SEN1116.

Welfare

Greyhound Adoption Program (GAP)

The GAP program achieved a record 536 adoptions in 2013/2014, thanks largely to increased public awareness of re-homing initiatives and continued success in addressing misconceptions about the suitability of greyhounds as pets.

The efforts of many people continues to make the GAP program a success, including the many staff, volunteers, foster 'parents' and even prison inmates who have cared for greyhounds throughout the year. The record result takes the total number of greyhounds adopted through the Program close to the 5,000 mark since it was established in 1996.

Greyhound Welfare Strategy

In February 2014, Greyhound Racing Victoria (GRV) and Greyhound Racing NSW (GRNSW) adopted a joint animal welfare strategy aimed at establishing new standards of animal welfare excellence in the greyhound racing industry. The joint animal welfare strategy seeks to drive improvements in all areas of greyhound welfare including breeding, racing, re-homing as well as participant education.

The joint strategy will result in the introduction of:

- Higher levels of education for trainers and breeders including a requirement

2013/2014:	4,289
2012/2013:	3,427
2011/2012:	3,133
2010/2011:	3,104
2009/2010:	2,333



Figure 4: Number of Samples Taken by GRV

for all new participants to be assessed on core competencies before obtaining or upgrading a licence;

- Tighter controls on breeding regulation and the promotion of more responsible breeding practices;
- A requirement for all greyhounds to be under the care of a registered participant at all times during their lifecycle, unless retired as a pet;
- Improved inspection and compliance requirements on greyhound properties;
- A star rating system to be introduced for all greyhound facilities at which greyhounds are housed during their lifecycle;
- A tiered system of trainer licence types which will stipulate how many greyhounds a trainer can train;
- Ongoing enhancements to each of the state's greyhound adoption programs to maximise the re-homing opportunities for retired greyhounds; and
- New measures to maximise racing opportunities and ensure all greyhounds have the ability to reach their full potential.

The *Greyhound Welfare Strategic Projects Co-ordinator* is responsible for the development of a number of new projects aimed at cementing GRV's leading position in regards to welfare initiatives. Key areas of focus include researching, developing, and delivering a number of major projects across the industry, including increasing the reach and penetration of the Greyhound Adoption Program through innovative adoption strategies and expansion of GAP into regional areas.

The integrity of the Greyhound Racing product and the welfare of the industry's number one stakeholder, the greyhound, are significant components of the strategic objectives of GRV. The *Greyhound Welfare Compliance & Education Officer* plays an active role in both these areas. The role is responsible for ensuring our industry participants are compliant with the rules of racing and the various Codes of Practice that apply across the industry, as well as providing education and information in regards to best practice.

GOBIS

2013/14 saw the continuation of incentives to breed and race greyhounds in Victoria, by offering owners, trainers and breeders who race Victorian-bred greyhounds access to the GOBIS bonus pools.

Additions to the 2013/14 GOBIS conditions included:

- SUPERGOBIS bonus doubled to \$16,000 Metro and \$5,000 Provincial
- SUPERGOBIS conditions changed so that only GOBIS registered greyhounds could compete meaning the Bonus was paid in full for each SUPERGOBIS event.
- \$1,000 Bonus paid to all GOBIS greyhounds that reach the final of a Victoria Group Race.

In 2013/14 there were 833 GOBIS races programmed with more than 1,000 metro and 32 Group races conducted across Victoria also offering GOBIS bonuses.

The joint animal welfare strategy was the first step in establishing animal welfare standards which were nationally accepted and consistent.

In an exciting development, in May 2014 the Board of Greyhounds Australasia (GA) endorsed a new national approach to help ensure continued improvement in greyhound welfare outcomes. The industry will now benefit from a more effective flow of information between states and territories and will work together to achieve Australia-wide welfare objectives.

Staffing

To further advance the greyhound welfare strategy, two new important roles were created and filled during the year.



MARKETING & COMMUNICATIONS



Campbell Davies
General Manager
Marketing & Communications

The brands of greyhound racing and the greyhound breed have made significant progress in FY14 with the GRV Marketing and Communications department continuing to deliver new and innovative programs, events and content tools that increases awareness and consumer engagement with our great sport.

Greyhound Racing Awareness

Key to growing engagement and connection with a brand is growing public awareness of it. Even before we ask people to come to a track or wager on greyhound racing we need them to know we exist. From a very low base greyhound racing has grown awareness and understanding amongst Victorians in three key areas;

- First mention of greyhound racing as a wagering and entertainment option grew from 0.5% to 5%
- Unprompted awareness of greyhound racing as a wagering and entertainment option grew from 22% to 29%
- Familiarity with and understanding of greyhound racing grew from 36% to 53%

Source: QANTUM Market Research, April 2014 Analysis

These are very encouraging numbers and suggest the strategy of embedding greyhound racing in mainstream sports discussions and channels is having the desired effect. The establishment of *'It's the best racing you've never seen'* as a positioning for greyhound racing is resonating with racing and sports fans and unlocking their curiosity about what a fantastic experience greyhound racing can be, whether you are an on-course patron, owner or punter.

Media and Promotion

Along with tremendous coverage by our industry media partners RSN and SkyRacing, we have continued to deliver greyhound racing content to new audiences. We have increased awareness across Victoria with partnerships connecting greyhound racing with AFL and other mainstream sport conversations. *Off The Leash* was broadcast across the summer on RSN Carnival and SEN1116 promoting key events and greyhound ownership as priorities. Our communications team developed terrific relationships with regional media and subsequently, greyhound racing media grew across the year. The move of Ricky Ponting to Victoria allowed us to develop a relationship with him and utilise his profile and enthusiasm for the sport to cut through into mainstream media on a number

of occasions. We continued to highlight our canine champions and industry participants to hero those that make our sport great through video content and feature articles.



Digital

The continued refinement of GRV's digital presence took another leap forward with the separation of *grv.org.au* and *fasttrack.grv.org.au*. The initiative to have two websites, one for the promotion and marketing of the sport to novice consumers as well as established fans and another as a data and operations portal for highly engaged participants and fans was significant. The all new *grv.org.au* allows the marketing and communications team to deliver content to a broader audience much more efficiently and cost effectively than ever before and delivers on consumer expectations of what a website should be like. We further developed our social media channels of Facebook, Twitter, YouTube and Google+ ensuring they are integrated and each playing a different role in our communications strategy. In FY15 our content offering will increase greatly and the ongoing cooperation of participants in promoting the sport is vital and greatly appreciated.



Crocmedia / Sportsday OB



Josh Robenstone - EGHAS exhibition

Events

The events team and our clubs continued to innovate and deliver bigger and better events throughout the year. The Girls Night Out initiative brought many new female patrons on course and gave them a unique racing experience. Country Cups were again very popular in local communities and gave clubs a chance to showcase their venues to an increasing number of people. We celebrated 40 years of the Greyhound Industry Awards Night (GIAN) and the ruby anniversary was a spectacular night enjoyed by over 500 people.

Community

GRV proudly delivers many terrific community initiatives across the year and in FY14 we added the Prostate Cancer Foundation of Australia (PCFA) to our growing list of community partners. For two years GRV will assist PCFA in growing awareness of prostate cancer and the need to test as well as raising much needed funds for research. The Blue No. 4 rug will carry the PCFA logo and each club will host a Big Aussie BBQ to raise money for this important cause.

Go The Pink Dog continued as a key initiative to grow awareness and understanding of breast cancer and once again we were proud to support The McGrath Foundation to the tune of \$69,000 taking the total raised in 5 years past \$400,000. Moving the initiative to April allowed for greater exposure and the support from clubs was significant and greatly appreciated by the McGrath Foundation.

Living Proof took out the Great Chase series and continues to race for Blind Sport Victoria (BSV) and again GRV will donate the equivalent of 10% of his earnings this year to BSV. The series receives great support from the State government as well as our joint-venture partner Tabcorp and delivers wonderful raceday experiences for those in the disability sector. The feedback from all involved is overwhelming and this is a long running initiative the industry should be very proud of.

Greyhound Adoption Program (GAP)

The marketing and communications team is very proud of the role it played in helping to drive a record number of adoptions through GAP in FY14. The development of *Every Greyhound Has A Story* as a positioning for the greyhound breed gave us tremendous opportunity to tell the unique stories of many of our adoptees and their families. A world-first photographic exhibition in March with Josh Robenstone was a highlight with mainstream media providing fantastic publicity for the breed and the adoption program. A record 14 greyhounds were adopted in one day at our first public adoption event at Flemington racecourse and we again had a wonderful GAP Xmas party for our GAP families. Getting these wonderful animals in front of as many people as possible will remain a focus for the team in FY15.

Ownership Ambassador Ricky Ponting



DATA & BUSINESS SYSTEMS



Andrew Gibson
General Manager
Data & Business Systems

The Data & Business Group is responsible for the support and maintenance of the core greyhound racing system (called FastTrack), assuring quality and delivery of racing/wagering data, and the maintenance/support of technology infrastructure.

As we come to the final straight after almost 4 years of a complex but successful FastTrack project, our department will now broaden our field of view, looking to support the business in many of the strategic initiatives that are part of the GRV 5-year strategic plan.

FastTrack - A solid foundation

GRV have now safely navigated the transition to the new FastTrack racing system. Replacing a core system is always a major upheaval to any organisation, and it is not unusual to find defects and missing functionality after it is put in place. Our project was no exception and, as you can see from figure 5, once the new application went 'live' in May 2013, it was four months until there were more defects resolved than raised. It has been over 12 months, and the focus of the team has now shifted from resolving defects, to creating new features in FastTrack as it adjusts to the evolving needs of the business.

In addition, FastTrack is now fully maintained by only GRV staff, as the technical transfer from external consultants to internal GRV staff has now fully completed.

It is expected that the number of new features needed for FastTrack application will continue to remain high over the next 12 months as we go through a number of planned business changes.

A New Outwardly-Focused Website

2014 also saw the introduction of a new GRV website that was separate from FastTrack. This was an essential tool for GRV to promote increased participation in the sport, whilst still maintaining the in-depth analysis and racing-specific data for our more involved participants with FastTrack.

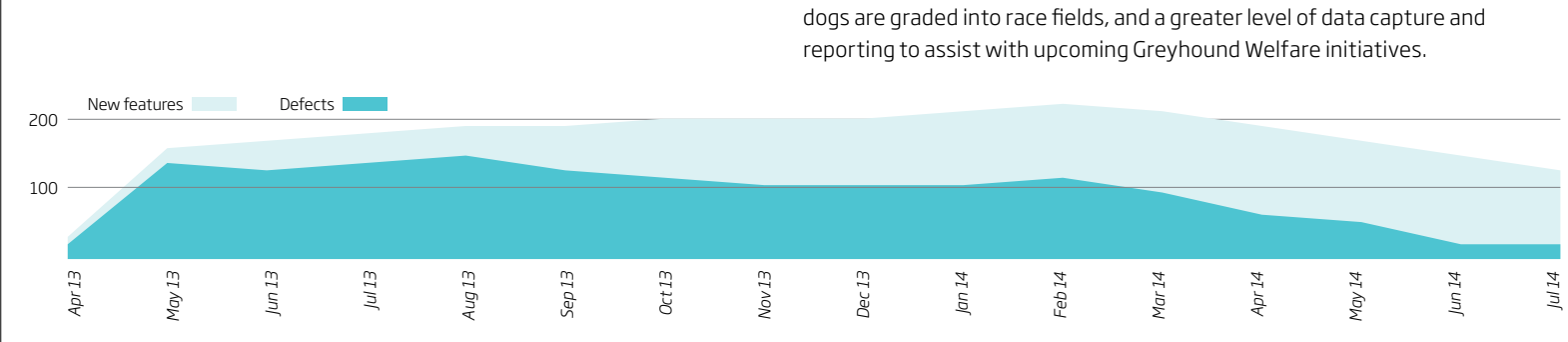


Figure 5: Fastrack New Features and Open Defects

Truly National Data

With the introduction of the National Data Repository, and with a great deal of cooperation and effort between the states, all states, now have access to each other's racing data which now incorporates Greyhound Racing New Zealand. The information passed back and forward now includes previously private information such as split times, breeding information and person penalties. This provides for better form for dogs, but more importantly a truly national view of the state of greyhound racing for the betterment of racing and the improvement of welfare for the greyhound.

Greater Public Access to Racing Data

As part of a policy change, Greyhound Racing Victoria has recently allowed easy and free access to race fields and race results for all Victorian meetings, and racing form for all greyhounds nationally. Of particular note in the introduction of our new GRV Vision channel on YouTube, which shows every single race every day without restriction. This race video is usually uploaded within 20 minutes of the all-clear and has been a huge hit with our participants.

Coursing

GRV continues to support National Coursing Association in running Coursing events in Victoria. This year saw the inclusion of coursing into the FastTrack application to ease the administrative burden on NCA. Coursing enthusiasts also benefit as they are able to directly nominate for coursing events through FastTrack, and view Coursing results for both Victorian and South Australian meetings.

Strategic Initiatives

Many of the strategic initiatives identified in the GRV 5-year strategic plan have components requiring the adaption of current business systems, the implementation of new business systems, or the availability of data in its many shapes and forms. The year ahead will see significant improvements and changes including improvements to the manner in which dogs are graded into race fields, and a greater level of data capture and reporting to assist with upcoming Greyhound Welfare initiatives.



PEOPLE & CULTURE



Donna King
General Manager
People & Culture

ORGANISATIONAL STRUCTURE

The development of the GRV Strategic Plan for 2014-19 saw the need to align the existing organisational structure to the strategic plan by identifying any additional resources needed to manage and co-ordinate the plans implementation over the next five years.

To achieve this alignment a review was carried out on the existing structure. The review identified the need to introduce new positions and departments across the organisation together with the need for changes to existing roles and reporting lines.

The following changes were implemented to allow for GRV to provide the correct skill capability across the organisation to manage and implement the outcomes of the strategic plan -

- creation of General Manager roles across the Leadership Team;
- creation of new Departments across the organisation;
- the movement of positions across the organisation to align correctly within a new departmental structure and
- the creation of new and review of existing position descriptions.

With the abovementioned structural changes across the organisation and continued job growth throughout 2013/14, GRV saw the recruitment of the following new and/or re-structured positions:

- General Manager Wagering Partners
- General Manager Clubs and Membership Development
- Business Analyst
- Junior Accountant
- Construction Manager

- Greyhound Welfare Compliance and Education Officer
- Greyhound Welfare Strategic Projects Co-ordinator
- Digital Marketing Manager
- Communications Designer

ORGANISATIONAL COMPLIANCE

The People and Culture department have continued to focus on compliance during the 2013/14 financial year. As part of this focus a complete review of GRV's policies and procedures and the education of such were carried out. These reviews will continue to be carried out on an annual basis to ensure documentation is up to date and aligned to legislative and business requirements.

The regular updating and education of policies and procedures will assist in ensuring GRV maintain a sound ethical operating environment and an ongoing professional approach in line with Public Sector Values and the newly implemented GRV operating principles.

It also assists GRV employees with the applying of ethical values, principles, codes and standards into its day to day requirements to assist with -

- the building of community trust in GRV and its racing code;
- the improvement of our services; and
- ensuring GRV are compliant with Victorian Government requirements.

People and Culture in partnership with the Data and Business Systems Department saw the development and introduction of a new intranet system which houses the latest copies of GRV policy and procedure and is a one stop

shop for access of the latest policy documentation for Managers and employees alike.

A complete review was also carried out on the GRV recruitment and on-boarding process, whereby it was identified for the need to incorporate compliance throughout the recruitment, on boarding and induction processes.

These changes included the imbedding of public sector values and compliance against GRV policy and process, ensuring staff are aware of these upon commencement at GRV.

THE NEXT 12 MONTHS

Over the next 12 months the People and Culture Department will continue to focus on the compliance and education areas of the business ensuring the maintenance and ongoing education of standards and behavioural expectations across the organisation.

The People and Culture Department will also conduct a review of the training needs for employees across the organisation. A Training Needs Analysis (TNA) will be carried out to identify performance gaps across the organisation and will assist GRV to set up training programs to further skill its employees to serve the needs of its members and assist in the improvement of personal and organisational performance.

GRV will also see the introduction of a new performance appraisal system which will align Strategic Plan initiatives into the individual's role through the setting of KPI's. The performance appraisal system will also concentrate on the individual's personal development and career expectations.



FINANCE COMPLIANCE & PROCUREMENT



Robert Shaw

General Manager

Finance, Compliance & Procurement

Key Results

- Net profit result \$7.8 million
- Stakemoney + \$4 million + 10.6 per cent
- Revenue Market Share + 0.92 per cent to 20.13 per cent
- Vic TAB Wagering Turnover +3.1 per cent
- Race Meetings + 5.6 per cent
- Attendances + 6.0 per cent

The key performance indicators shown are once again reflective of a very successful financial year for GRV. In particular GRV increased its participant returns by 10.6 per cent (\$4.0 million) and through Vic TAB greyhounds wagering growth of 3.1 per cent outperformed the other Victorian Racing Codes with a 0.92 per cent increase in market share to 20.13 per cent.

GRV also made a strong profit once again accentuated by infrastructure projects works delays that were materially under budget as a consequence of the implementation of stringent procurement processes. GRV however once again set aside most of its profits to appropriate reserve funds (including an extra \$3.0 million to the Infrastructure Reserve Fund) to ensure we can meet the increasing amount of outstanding works.

Victorian greyhound racing also increased attendances on-course by 6.0 per cent which was assisted by meeting growth of 5.6 per cent; however the result is a good one considering many of the additional meetings are often in time slots where it is difficult to increase patronage.

Net Result (and 5 Year Summary Trend)

In 2014 GRV made a profit of \$7.8 million (2013: \$8.6 million). This included an increase in income \$6.8 million or 9.6 per cent, that came mostly from a \$3.8 million, 6.8 per cent increase in TABCORP income as a consequence of:

- The Victorian Racing intercode agreement that provides GRV to be paid on its prior year's market share of 19.21 per cent (compared to 18.58 per cent applicable in 2012/13) which equates to a 3.4 per cent increase
- An overall increase in funding from the VRI joint venture with TABCORP who were required to provide a minimum performance obligation that generated extra income in this year

Also racefields fees increased by \$1.7 million or 12.2 per cent as well as other income growing by \$1.4 million or 57.5 per cent, which allowed for the increase in government VRIF funding towards infrastructure.

In 2014 total expenses grew by \$7.6 million compared to income growth of \$6.8 million. The majority of the expense increase (i.e. 52.6 per cent) pertained to the \$4.0 million increase in stakemoney. In particular this included:

- a 15 per cent increase in stakemoney for races 570 metres and above

- a 41.9 per cent increase in GOBIS bonuses assisted by the provision of Government and GRV Funding
- travel fees having increased by 16 per cent from \$60 to \$70 in May 2013
- a large boost to feature racing

Other expenses increased to \$3.8 million or 18.8 per cent and included in particular;

- \$1.4 million or 16.4 percent increase in Clubs expenses as GRV grew the number of meetings by 5.6 per cent, but also increased distributions to clubs in an effort to assist with increased costs of; utilities, need for improved administration support as well and GRV assisting with greater sponsorship support
- \$0.8 million or 49 per cent increase in advertising and promotion expense as GRV extended its event and promotional coverage
- \$0.7 million or 146 per cent increase in investment in animal welfare and the gap program in keeping with the Boards commitment to its current strategic direction, this also included additional support to kennel inspections
- Stewards expenses increasing \$0.59 million or 21 per cent as GRV increased the level of integrity staff, swabs and investigation related expenses

Codes Market Share of Wagering Revenue (since new Joint Venture)

As indicated in Figure 6 GRV's market share increased this year by approximately 0.92 per cent, noting the market share will apply in 2014/15. GRV grew its market share as a consequence its wagering turnover increasing by 3.1 per cent.

Key Industry Statistics

The following key indicators in Figure 7 are used by GRV to monitor the performance of the industry. Results at Clubs may vary depending on the number of meetings conducted each year and therefore total figures are usually a better indication of trends. It should be noted that (excluding coursing) in 2013/14 GRV conducted 56 more meetings (a 5.6 per cent increase) and:

- total wagering increased by 3.1 per cent
- attendances increased by 6.0 per cent
- on-course wagering increased by 16.5 per cent, which is consistent with strong attendance figures and was also assisted by growth in fixed odds betting.

Summary of Comprehensive Operating Statement for five years (\$'million)

	FY10	FY11	FY12	FY13	FY14	Var	Var %
Income from transactions							
Tabcorp Income	37.4	41.0	43.6	54.9	58.7	3.8	6.8%
Racefields Income	7.4	9.0	9.6	13.7	15.4	1.7	12.2%
Other Income	1.9	2.1	2.0	2.4	3.7	1.4	57.5%
Total Income	46.7	52.1	55.1	71.0	77.8	6.8	9.6%
Expenses from transactions							
Stakemoney/Starters/GOBIS	25.5	26.9	30.4	37.8	41.8	4.0	10.5%
Other Expenses (excluding infrastructure)	14.6	16.5	17.2	20.3	24.1	3.8	18.8%
Other Expenses (infrastructure)	5.4	6.7	9.8	4.5	3.6	(0.9)	-20.7%
Other economic flows	-	(0.9)	0.1	(0.2)	0.5	0.7	-367.5%
Total Expenses	45.5	49.2	57.5	62.4	70.0	7.6	12.2%
Net Result	1.2	2.9	(2.4)	8.6	7.8	(0.8)	-9.3%
Return to Industry Participants %/TAB Revenue	68.2%	65.6%	69.7%	68.8%	71.2%		
Other Operating Expenses/Total Revenue %	31.3%	31.7%	31.2%	28.6%	31.0%		

Figure 6: Market Share of Codes Wagering Revenue since New Joint Venture

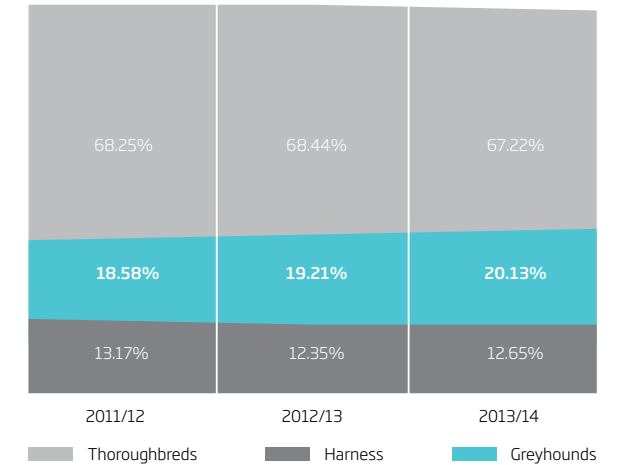


Figure 7: Clubs Indicators of Performance 2014 - Includes Comparison Percentage with 2013

CLUB	MEETINGS		ATTENDANCE		VIC TAB ON-COURSE TURN (Includes fixed odds)		ON COURSE BOOKMAKERS TURN		VIC TAB OFF-COURSE TURN (Includes Fixed Odds)		TOTAL TURNOVER		STAKEMONEY (INC START/TRAV FEES)	
	2013	2014		%	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%	(\$'000)	%
Melbourne	104	104	31,278	-2.3%	3,670	4.3%	424	23.3%	42,388	-1.8%	46,482	-1.7%	8,755	10.0%
Sandown	105	104	41,171	14.5%	5,307	69.5%	240	-2.4%	36,798	0.4%	42,345	0.4%	8,575	4.4%
Total Metro	209	208	72,449	6.6%	8,976	35.0%	664	12.6%	79,187	-0.8%	88,827	-0.7%	17,330	7.1%
Ballarat	67	106	12,926	43.5%	1,679	39.5%	-	-	28,771	49.1%	30,450	49.1%	2,670	62.2%
Bendigo	97	107	12,290	18.9%	1,421	25.5%	-	-	30,358	0.7%	31,779	0.7%	2,617	14.5%
Cranbourne	53	57	11,510	8.4%	538	-5.8%	8	-42.9%	16,265	0.1%	16,811	0.0%	1,859	15.8%
Geelong	103	104	12,353	18.1%	1,314	-16.8%	-	-	37,023	-13.1%	38,336	-13.1%	2,553	-0.8%
Healesville	56	52	5,665	-17.4%	518	-26.6%	-	-	8,508	-13.7%	9,027	-13.7%	1,082	1.3%
Horsham	49	52	5,502	3.4%	352	0.9%	-	-	17,756	-3.0%	18,108	-3.0%	1,578	12.6%
Sale	58	58	28,840	1.8%	1,182	-2.7%	-	-	15,259	0.7%	16,440	0.7%	1,812	4.7%
Shepparton	100	107	9,100	2.5%	1,187	8.2%	-	-	31,682	15.6%	32,869	15.6%	2,768	17.6%
Traralgon	54	50	4,627	-17.0%	337	-25.5%	-	-	13,550	-0.8%	13,886	-0.8%	1,469	-9.7%
Warragul	98	101	13,158	3.2%	937	12.7%	-	-	29,043	6.0%	29,980	6.0%	2,547	9.4%
Warrnambool	59	57	10,575	-9.6%	808	8.7%	-	-	12,908	-15.5%	13,716	-15.5%	1,848	1.4%
Total Country	794	851	126,546	5.6%	10,273	4.0%	8	-42.9%	241,121	2.5%	251,403	2.5%	22,803	11.5%
Total Interstate, International & Box challenge	-	-	-	-	-	-	-	-	486,540	4.1%	486,540	4.1%	-	-
G.O.B.I.S Bonus	-	-	-	-	-	-	-	-	-	-	-	-	1,481	41.9%
Coursing	12	12	-	-	-	-	-	-	-	-	-	-	153	51.1%
GRAND TOTAL	1,015	1,071	198,995	6.0%	19,249	16.5%	672	11.3%	806,848	3.1%	826,770	3.1%	41,767	10.6%

2013/14 HONOUR ROLL

Victorian Group 1 Winners

G1 Maturity, The Meadows

Marcus Joe (Barry Moloney)

G1 Topgun, The Meadows

Dyna Nalin (Paul Stuart)

G1 Hume Cup, The Meadows

Alpe D'Huez (Kelly Bravo)

G1 Melbourne Cup, Sandown Park

Black Magic Opal (Jason Thompson)

G1 Bold Trease, Sandown Park

Cheetah Zorro (Robert Britton)

G1 Sale Cup, Sale

Dyna Nalin (Paul Stuart)

G1 Silver Chief, The Meadows

Ollie Bale (Andrea Dailly)

G1 Temlee, The Meadows

Zelemar Fever (Linda Britton)

G1 Rookie Rebel, The Meadows

Hawk Alone (Andrea Dailly)

G1 Zoom Top, The Meadows

Cheetah Zorro (Robert Britton)

G1 Australian Cup, The Meadows

Buckle Up Wes (Edward Medhurst)

G1 SuperStayers, The Meadows

Destini Fireball (Emilio Rinaldi)

G1 Sandown Cup, Sandown Park

Sweet It Is (Darren McDonald)

G1 Sapphire Crown, Sandown Park

Oakvale Desinty (Jeffrey Britton)





2013/14 **HONOUR ROLL**

Victorian Country Cup Winners

G2 Shepparton Cup

Paw Licking (Kel Greenough)

G2 Healesville Cup

Frosty Jay Jay (Kel Greenough)

G2 Ballarat Cup

Ronan Izmir (Jason Thompson)

G2 Cranbourne Cup

Banjo Boy (Ken Virtue)

G2 Geelong Cup

Black Magic Opal (Jason Thompson)

G2 Bendigo Cup

Paw Licking (Kel Greenough)

G2 Horsham Cup

Crump (Troy Iwanyk)

G2 Warragul Cup

Walk Hard (Nicole McRae)

G2 Warrnambool Cup

Black Magic Opal (Jason Thompson)

2013/2014 COMMUNITY HIGHLIGHTS

Royal Melbourne Show

The Greyhound Adoption Program lived up to its promise of having a greater presence at this year's Royal Melbourne Show by being awarded first place in the 'Best Pet and Advance Dog Pavilion Exhibitor' (Commercial Exhibitor Awards).

The stand received many plaudits because of its open layout, complimented by some clever branding and synthetic grass flooring, which resembled a backyard.

And, as is tradition, people love the interactive aspect of the GAP stand because they can give the greyhounds a cuddle and search through the list of greyhounds available for adoption on GAP's mobile iPad stands.

Girls Night Out

The Girls Night Out (GNO) series was designed to encourage local female community members to come together to enjoy a night out at the races. Each of the 13 Victorian tracks were encouraged to find a local charity to support and help raise funds for during the event. The series began in February 2013 and concluded at the end of May 2014. Over \$35,000 was raised for local charities throughout the series.





The TAB Great Chase

The TAB Great Chase Series began in 2003 and offers community groups caring for the intellectually or physically disabled an opportunity to experience the thrill of greyhound racing whilst cheering on their very own greyhound. Each community group is invited to attend their local greyhound club where they are partnered with a greyhound that will run on their behalf throughout the series. The TAB Great Chase has distributed more than \$370,000 into Victoria's disability sector since it began in 2003.

Go the Pink Dog

Go The Pink Dog is a unique and engaging campaign that sees \$500 donated to the McGrath Foundation every time a greyhound wearing the pink number 8 rug wins a greyhound race at one of Greyhound Racing Victoria's 13 tracks throughout the month of April. All proceeds go directly to helping the McGrath Foundation achieve its objectives with the campaign also aimed at raising awareness of Breast Cancer and encouraging women to be 'breast aware'.

2014 marks the fifth anniversary of the successful campaign, with more than \$400,000 raised so far. The 2014 campaign contributed another \$69,000 to the McGrath Foundation.

GAP Afternoon Tea

A single day record of 14 retired racing greyhounds were adopted as pets into Victorian homes yesterday on the back of a brand new initiative held at Flemington racecourse.

A total of 220 people attended the 'Greyhound Adoption Program Afternoon Tea', including about 100 staff and volunteers from the Greyhound Adoption Program (GAP), along with potential adopters who had previously made enquires about greyhounds as pets.



STATUTORY INFORMATION

ESTABLISHMENT AND FUNCTIONS

Greyhound Racing Victoria (GRV) is a statutory body, established under the Racing Act 1958. The functions of GRV are:

- To control the sport of greyhound racing
- To carry out research into aspects of greyhound racing to assist in planning future development
- To promote the sport of greyhound racing
- To conduct greyhound races
- To register greyhounds for greyhound racing or for stud or other purposes and to regulate the breeding, kenneling 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 VISION

Our Vision is for Greyhound Racing Victoria to become the world's most respected greyhound racing body, widely regarded for the market position and reputation we have created for greyhound racing in Victoria.

ORGANISATIONAL STRUCTURE

The GRV board structure comprises a Chairman, and four other members. The Board is responsible for the overall policy and direction of GRV.

The Board appoints a CE who is responsible for the day to day affairs of GRV. The CE and Leadership Team (LT) implement strategies and manage operational aspects. The LT Departments are as follows, noting that each department's objectives are discussed within their Departmental reports:

Adam Wallish

Chief Executive

Robert Shaw

General Manager - Finance, Compliance & Procurement

Glen Canty

General Manager - Integrity, Racing & Welfare

Donna King

General Manager - People & Culture

Campbell Davies

General Manager - Marketing & Communications

Andrew Gibson

General Manager - Data & Business Systems

Craig Armstead

General Manager - Clubs & Membership Development

Stuart Laing

General Manager - Wagering Partners

GRV also has an Audit & Finance Committee that assists with the oversight of financial, audit, risk management and compliance issues. The Committee met four times in this year and is chaired by: Mr Charles Cutajar.

FULL-TIME EQUIVALENT STAFF

At the 30th June 2014, GRV employed the equivalent of 75.7 full-time staff (2013: 72.8). This also comprises casual and part-time staff (which includes casual stewards and kennel assistants at the GAP property and also noting GRV employs track data operators).

The number of FTE staff increased by 2.9 on the prior year, noting 2.0 additional persons were employed in the welfare area which included the new positions of: Strategic Projects Officer, Sean Stanton & the Compliance & Education Officer, Adam Evans. Additionally GRV employed a GM Clubs and Memberships role with Craig Armistead taking on the role in June 2014.

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

WORKFORCE DATA

GRV is committed to providing a safe and healthy workplace for its office located at:
46-50 Chetwynd Street,
WEST MELBOURNE,
VICTORIA, 3003,
Tel: (03) 8329 1100 Fax (03) 8329 1000

FREEDOM OF INFORMATION

Requests for access to documents under the Freedom of Information Act 1982 are directed to the Freedom of Information Officer, Mr. Dennis Timewell located at GRV's office. All records are kept at GRV's office or otherwise when no longer current, archived in storage for the required period. Documents subject to the request

will be considered by the Freedom of Information Officer. When access to the document is granted, the applicant is notified and the advice is given as to the charge payable (if any) under the Freedom of Information Act. Where the decision is made to withhold access, the applicant is advised.

During 2013/14, two freedom of information requests were received with one granted full access and the other request denied.

COMPETITION POLICY

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

PROTECTED DISCLOSURES ACT 2012

At the 30th June 2014, GRV complies with the protected disclosures act and guidelines in conjunction with IBAC.

OCCUPATIONAL HEALTH AND SAFETY

GRV has responsibility for OH&S at both the Chetwynd Street head office (West Melbourne) and Greyhound Adoption (Seymour) sites, and employs a Compliance & Risk Manager who works with various staff members to develop risk mitigation strategies. GRV also has a OH&S Committee comprised of GRV management and staff representatives, who meet regularly to consider and manage OH&S issues in the GRV workplace. The thirteen racing clubs are responsible for OH&S at each of their sites. At GRV, the General Manager Clubs & Memberships, together with the Projects Construction Manager and his maintenance staff, and the Compliance & Risk Manager work to assist the clubs with OH&S. These works includes supporting and advising the racing clubs to implement OH&S reforms and practices. This extends to the development of strategies for Clubs by providing information to assist in minimizing any associated OH & S risks. GRV commissioned independent OH&S Audits for all Clubs in 2014, which highlighted several improvement areas which are currently being addressed. Additionally updated information is provided to Clubs where changes occur with regulations. Clubs meetings and annual track maintenance manager forums are also used to both update Clubs on changes and review the adoption of improvements to current practices.

ENVIRONMENTAL POLICY

Further work has been implemented to continue the positive work initiated from the 'GRV Greening Team' working towards a green work environment to optimise energy efficiencies. Previous examples include water recycling irrigation systems at more than 50 per cent of Victorian greyhound tracks capturing approximately 70 per cent of water used to be recycled. An ongoing

outcome will be the inclusion of Environmentally Sustainable Design (ESD) in new facilities to improve building energy efficiency and lower energy use.

A recent initiative at the Traralgon Greyhound Club redevelopment was to fast track the inclusion of the dam within this development (initially proposed as Stage 2 of the project) to harvest rain water and utilise for the club's track irrigation, resulting in significant water savings and a positive environmental impact.

Another initiative being undertaken is a review of the 13 clubs track sand. While the project aims to provide sand uniformity and greyhound safety/welfare; a key consideration and aim of the study is to determine what sand type will be most water efficient. Current GRV track sands' irrigation requirements vary significantly, and a positive outcome is expected to be the identified water savings by the amendment in the sand profile and associated maintenance practices.

Figure 8: Consultancies

	2014		2013	
	\$000's	Number	\$000's	Number
Less than \$100,000	122	4	51	6
Greater than \$100,000	219	1	-	-

CONSULTANCY

The Board incurred the following consultancies in 2013/14 (Table 8.0):

- Growth Solutions Group (GSG) provided consulting services to GRV in development of GRV's 5 year strategic plan, being \$219,260.
- Strategic Project Partners (SPP) provided advice to the GRV Board and the Sale GRC in assessing the long-term potential relocation of the Sale GRC being, \$50,000.
- Hay Management Consultants provided a review of Clubs remuneration levels at a cost of \$17,530 and also GRV remuneration at a cost of \$28,150 being a total of \$45,680.
- 'Schutz Consulting' through Megan Schutz, assisted GRV with a number of greyhound council and planning matters, being \$14,140.
- 'Keith Farfor and Associates' through Keith Farfor provided OH & S advice to GRV by way of audits of Clubs, being \$12,588.

CONSULTATION SUMMARY

RACING & GAMING ACTS (AMENDMENT) ACT 2004

The Racing and Gaming Acts (Amendment) Act 2004 received Royal Assent on June 16, 2004. The provisions of the Act reflect on the Government's commitment to deliver reforms that will make the racing industry more competitive and participative, to ensure its long term viability and growth.

FORMAL STAKEHOLDER CONSULTATION

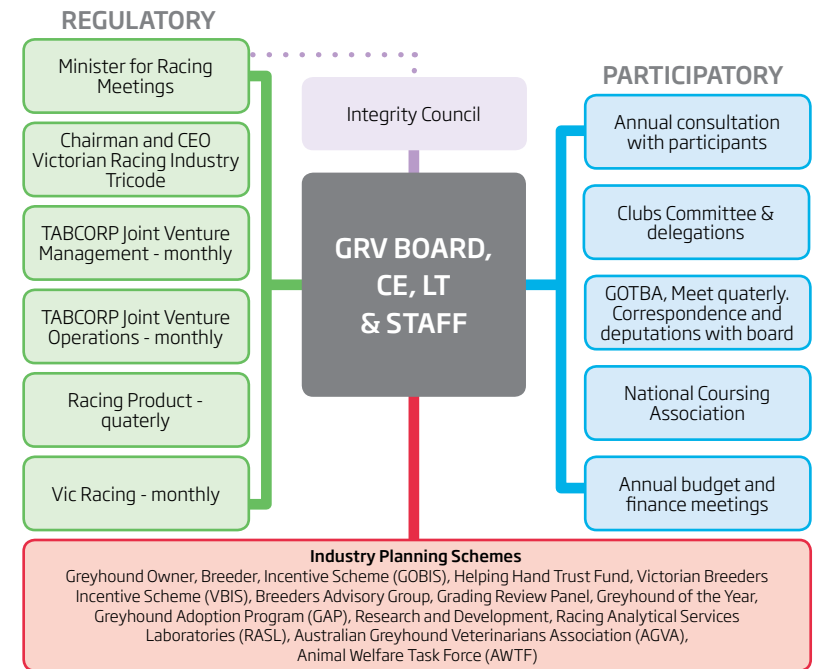
One important part of the Act involves stakeholder consultation. Building on similar reforms to the thoroughbred racing industry introduced in 2001, the Act delivers on a key election commitment to introduce formal stakeholder consultation across greyhound and harness racing.

Under GRV's functions under the Racing Act 1958, it is now required to consult with greyhound racing industry participants and facilitate consultation amongst greyhound racing industry participants. Greyhound Racing Victoria therefore consults with identified classes of industry participants including various Committees.

Throughout 2013/14 Greyhound Racing Victoria has undertaken the following consultation practices as part of these statutory requirements:

- The continuation of participant involvement in the following committees and task forces initiated by GRV to provide industry feedback - Greyhound Welfare Task Force (GWTF), Greyhound Owner and Breeder Incentive Scheme (GOBIS) through the COBIS Committee, Greyhound Breeders Advisory Committee (GBAC), Helping Hand Trust Fund (HHTF), and Grading Review Panel.
- Industry participants have the opportunity to contact the Grading department, and all queries are logged, reviewed by graders and GRV management, and responded to. A summary of grading queries received by GRV is reviewed by the Grading Review Panel and any subsequent changes to GRV's Grading Guidelines are published on the GRV website.
- Providing representative bodies of industry participants such as GOTBA with access to GRV leadership team and the Board to discuss important industry matters. Members of the GOTBA Committee met with GRV Board Members during the year and the GRV CE and GOTBA chairman also meet on a quarterly basis. These consultations assisted GRV in making us aware of a number of industry issues as well as giving GRV an opportunity to obtain input on important strategic initiatives.

- Public strategic consultation planning sessions were held from September 2013 where regional workshops provided participants an excellent opportunity to have direct input into the GRV strategic plan, having already provided extensive feedback through surveys. Additionally a specific session was held with the GOTBA to ensure they had direct input into the strategic plan.
- GRV has at least three meetings a year with Club Managers and Presidents in order to discuss Club and industry matters and provide an open forum of the exchange of information.





FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2014

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2014

		2014	2013
	Note	\$'000	\$'000
Continuing Operations			
Income from Transactions			
TABCORP Income	2(a)	58,699	54,944
Racefields Fees Income	2(b)	15,361	13,689
Other Income	2(c)	3,707	2,437
Total Income From Transactions		77,767	71,070
Expenses from Transactions			
Depreciation Expense	3	153	156
Other Expenses	4(a)	64,153	58,789
Industry Expenses	4(b)	5,171	3,704
Total Expenses From Transactions		69,477	62,639
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		8,290	8,431
Other Economic Flows Included in Net Result			
Amortisation of Intangible Assets	5(a)	(537)	(90)
Net Loss on Non-Financial Assets	5(b)	-	(1)
Net Gain/(Loss) on Financial Assets	5(c)	2	304
Total Other Economic Flows Included In Net Result		(535)	213
NET RESULT	13(f)	7,755	8,644
Other Economic Flows - Other Comprehensive Income			
Items that will not be reclassified to net result		-	-
Items that may be reclassified subsequently to net result		-	-
Total Other Economic Flows - Other Comprehensive Result		-	-
COMPREHENSIVE RESULT		7,755	8,644

The Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 32 to 58

Balance Sheet

As at 30 June 2014

		2014	2013
	Note	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	7(a)	5,131	2,636
Receivables	7(b)	7,923	7,161
Other Financial Assets	9	22,921	17,259
Prepayments		151	119
Total Current Assets		36,126	27,175
Non-Current Assets			
Other Financial Assets	9	2,493	2,876
Property, Plant and Equipment	8(a)	6,087	6,159
Intangible Assets	8(b)	4,739	5,276
Investment Property	8(c)	2,500	2,500
Total Non-Current Assets		15,819	16,811
TOTAL ASSETS		51,945	43,986
Current Liabilities			
Payables	11(a)	6,362	6,170
Provisions	10(a)	1,016	909
Other Liabilities	11(b)	150	246
Total Current Liabilities		7,528	7,325
Non-Current Liabilities			
Provisions	10(a)	231	234
Other Financial Liabilities	11(c)	-	-
Other Liabilities	11(b)	121	117
Total Non-Current Liabilities		352	351
TOTAL LIABILITIES		7,880	7,676
NET ASSETS		44,065	36,310
Equity			
Reserves	13	23,427	15,827
Contributed Capital	13(e)	1,924	1,924
Accumulated Surplus	13(f)	18,714	18,559
NET EQUITY		44,065	36,310
Commitments for expenditure	14		
Contingent assets	15(a)		

The Balance Sheet should be read in conjunction with the accompanying notes included on pages 32 to 58

Statement of Changes in Equity

For the Financial Year Ended 30 June 2014

	Notes	Distribution Reserve Fund	Greyhound Owners and Breeders Incentive Scheme Reserve	Infrastructure Reserve Fund	Asset Revaluation Reserve	Accumulated Surplus	Contributions by Owner	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2012		7,642	419	(15)	2,063	15,633	1,924	27,666
Net result for the year	13(f)	-	-	-	-	8,644	-	8,644
Transfer (to)/from accumulated surplus	13(a),13(b),13(c),13(f)	(2,642)	414	7,946	-	(5,718)	-	-
Transfer (to)/from another reserve		-	-	-	-	-	-	-
Balance at 30 June 2013		5,000	833	7,931	2,063	18,559	1,924	36,310
Net result for the year	13(f)	-	-	-	-	7,755	-	7,755
Transfer (to)/from accumulated surplus	13(a),13(b),13(c),13(f)	2,500	144	4,956	-	(7,600)	-	-
Transfer (to)/from another reserve		-	-	-	-	-	-	-
Balance at 30 June 2014		7,500	977	12,887	2,063	18,714	1,924	44,065

The Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 32 to 58

Cash Flow Statement

For the Financial Year Ended 30 June 2014

	Note	2014	2013
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Receipts in the Course of Operations		78,743	73,364
Interest Received		750	749
Total Receipts		79,493	74,113
<i>Payments</i>			
Payments to Suppliers, Employees and Industry		(71,639)	(63,597)
Total Payments		(71,639)	(63,597)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	12(b)	7,854	10,516
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(82)	(44)
Payment for Intangibles		-	(2,043)
Receipts from Redemption of Investments		13,723	8,649
Payments for Purchase of Investments		(19,000)	(15,048)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(5,359)	(8,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		-	(368)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		-	(368)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,495	1,662
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		2,636	974
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	12(a)	5,131	2,636

The Cash Flow Statement should be read in conjunction with the accompanying notes included on pages 32 to 58

Objectives and Funding

GRV is a statutory body and was established under the *Racing Act 1958* as The 'Greyhound Racing Control Board'. The functions of GRV are:

- 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 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 exercise such powers, functions and duties as are conferred on the Board by or under this or any other Act; and
- To conduct greyhound races.

GRV is predominately funded by TABCORP distributions as part of an agreement entered into between the Racing Codes in 1994 and 2012 and uses those funds to achieve the above stated objectives.

Reporting Entity

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

1. Summary of Significant Accounting Policies

The annual financial statements represent the audited general purpose financial statements of GRV for the year ended 30 June 2014.

The purpose of the report is to provide users with information about GRV's stewardship of resources entrusted to it.

Statement of Compliance

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). Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The financial statements were authorised for issue by the Greyhound Racing Control Board trading as Greyhound Racing Victoria ("GRV") on **5 September 2014**.

Accounting policies are selected and applied in a manner which ensures 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.

(a) Basis of Accounting Preparation and Measurement

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 the carrying values of assets and liabilities that are not readily apparent from other sources. The 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(ab).

The estimates and associated assumptions are reviewed on an ongoing basis. 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 the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment (refer to Note 1(k));
- the fair value of intangible assets (refer to Note 1(l));
- superannuation expense (refer to Note 1(r)(iv)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(r)(iii)).

These financial statements are presented in Australian dollars, the functional and presentation currency of GRV.

The financial statements have been prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss); and
- financial assets are recognised and derecognised on trade date where

purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. GRV assesses at each end of the reporting period whether a financial asset or group of financial assets is impaired.

Consistent with AASB 13 *Fair Value Measurement*, GRV determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, GRV has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, GRV determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Accounting policies are selected and applied in a manner which ensures 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.

(b) Reporting Entity

The financial statements cover GRV as an individual reporting entity.

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

(c) Scope and Presentation of Financial Statements

Comprehensive Operating Statement

The comprehensive operating statement comprises three components, being "net result from transactions" (or termed as "net operating balance"), "other economic flows included in net result", as well as "other economic flows - other comprehensive income". The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASB.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance Sheet

The classification between current and non-current is determined with reference to the operating cycle of GRV, which is presumed to be 12 months, even when they are not expected to be realised and settled within 12 months from reporting date. An exception to this is when GRV does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date, in which case, the liability would be classified as current.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet.

(d) Changes in Accounting Policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when GRV is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. GRV has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, GRV has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of GRV. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

AASB 119 Employee benefits

In 2013-14, GRV has applied AASB 119 *Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit

plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on GRV.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled **wholly** within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by GRV as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits.

This has not resulted in a significant change in the value of the annual leave provision, which is disclosed in Note 10 at an undiscounted amount.

(e) Income from Transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to GRV and it can be reliably measured at fair value. The amount of income is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. GRV bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Income is recognised for each of GRV's major activities as follows:

- TABCORP distributions and Racefields Fees are brought to account in the financial year that such amounts are earned by GRV.
- Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.
- Registration fees are recognised as income in the period for which the registration applies.
- Rental income is recognised on a straight-line basis over the lease term.

(f) Financial Instruments

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

*Categories of non-derivative financial instruments***Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(g)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all contractual payables, deposits held and advances received, and interest-bearing arrangements other than

those designated at fair value through profit or loss.

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.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, GRV has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(g) Financial Assets*Cash and Deposits*

Cash and deposits, recognised on the balance sheet 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 are readily convertible to known amounts of cash with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings on the balance sheet.

Loans to Clubs

GRV provides loans to clubs for various capital projects and for operating issues. Where interest is charged on outstanding loans the terms are consistent with the rate that GRV would otherwise receive. GRV reviews each year the interest rate charged to clubs and the collectability of the loans. Further details are set out in Note 9.

Investment in Radio 3UZ Pty Ltd

The investment in Radio 3UZ Unit Trust has been recognised at cost instead of fair value as required by AASB 139 *Financial Instruments: Recognition and Measurement* because the fair value of this investment cannot be determined and measured reliably. Radio 3UZ Unit Trust is an unlisted trust and its units are not readily traded in an

open market. The value of the Broadcasting licence (which is an intangible asset) owned by 3UZ Unit Trust is extremely difficult to measure reliably because of the infrequent sale of radio broadcasting licences. Accordingly, GRV's investment in Radio 3UZ Unit Trust has been recorded at cost. Refer to Note 9 for further details.

Receivables

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

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(f) for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Receivables consist mostly of unpaid revenue from Vic Racing Pty Ltd and Racing Products Pty Ltd which is paid on a regular basis. Other receivables generally have 30 day terms.

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.

Impairment of Financial Assets

At the end of each reporting period, GRV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor's credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad debts and doubtful receivables on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as "other economic flows" in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(h) Impairment of Non-Financial Assets

All of GRV's assets are assessed annually for indications of impairment, except for:

- investment properties that are measured at fair value (refer Note 1(i)); and
- financial assets (refer Note 1(g)).

If there is an indication of impairment, the assets concerned 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", except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated 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.

(i) Investment Property - William Street

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

Rental income from the leasing of investment properties is recognised in the comprehensive operating statement on a straight-line basis over the term of the lease.

(j) Finance Income/Costs

Finance income/costs are recognised as revenues/expenses in the period in which they are incurred and include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- the changes in fair value of financial assets;
- the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time; and
- finance lease charges.

(k) Property, Plant and Equipment

Property, plant and equipment are measured initially at cost, and subsequently revalued at fair value less accumulated depreciation and impairment. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical

assets are discussed in Note 8. *Property, Plant and Equipment*. 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 fair value of furniture, fittings and equipment is normally determined by reference to the asset's depreciated replacement cost. For furniture, fittings and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(h) *Impairment of non-financial assets*.

(l) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, and computer software and development costs (where applicable). Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to GRV.

(m) Revaluations of Non-Financial Physical Assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in "Other economic flows - other movements in equity" and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the

extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'Other economic flows - other movements in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows - other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

(n) Depreciation and Amortisation

Depreciation

All property, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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 \$1,000 (GST exclusive) but may, in its discretion, apply different thresholds depending on the nature and useful life of the asset.

The following are typical estimated useful lives for the different asset classes for current and prior years, and for Level 3 assets the unit costs for each class are also indicated.

Building -2.5% (40 years)

Track and GAP Equipment -10% (10 years); \$4,625

Office Furniture and Fittings -10% (10 years); \$8,785

Computer and Office Equipment -15%-33% (3-7 years); \$2,849

Amortisation

Intangible non-produced assets with finite useful lives are amortised

as an expense from transactions on a systematic (typically straight line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. On the other hand, the consumption of intangible non-produced assets with finite useful lives is not classified as a transaction, but as amortisation. Consequently, the amortisation is included as an 'other economic flow' in the net result.

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.

Intangible assets with indefinite useful lives are not depreciated or amortised, but are tested annually for impairment.

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

(o) Payables

Payables consist of:

- contractual payables, such as trade creditors and sundry creditors. Trade creditors represent liabilities for goods and services provided to GRV prior to the end of the financial year that are unpaid, and arise when GRV becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and pay-as-you-go payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(f)). Statutory payables 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 a contract.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost. The amounts are unsecured and are usually paid net 30 days.

(p) Deferred Revenue

These amounts include deferred revenue that is received in advance for person registrations, and Tabcorp price-caps sponsorship. These are deferred to future accounting periods in accordance with GRV's accounting policies.

(q) Financial Liabilities and Borrowings

Borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

(r) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are all recognised in the provision for employee benefits, classified as "current liabilities" because GRV does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of the settlement, liabilities for wages and salaries, and annual leave 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.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements 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; and
- 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.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an “other economic flow”.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. GRV recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF’s Annual Financial Statements for more detailed disclosures in relation to these plans.

(v) Employee benefits on-costs

Provisions for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(s) Recognition of Infrastructure Projects

GRV approves club infrastructure works based on submissions and quotations received from clubs. GRV accrues within its accounts, works invoiced to the end of the accounting period and when not paid, records these amounts as accounts payable.

(t) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating Leases

GRV as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive’s nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

GRV as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive’s nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating lease commitments are set out in Note 14(a).

(u) 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.

(v) Infrastructure and Maintenance

GRV incurs expenses for infrastructure and maintenance works which are treated as an expense within the accounts, shown in other expenses Note 4(a). These expenses are then applied against the Infrastructure Reserve Fund as shown in Note 13(c).

(w) Other Expenses

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

(x) Events After the Reporting Period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between GRV and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. 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.

GRV has no material or significant events occurring after the reporting date.

(y) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are

disclosed by way of a note (refer to Note 14) at their nominal value and inclusive of the GST payable. In addition, 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.

(z) Contingent Assets and Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 15) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(aa) Equity

Contributions by Owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

GRV contributed capital is detailed in Note 13(e).

Each year the Board at its discretion allocates surplus between reserve funds, having regard to the needs of each fund.

(ab) Significant Accounting Judgements, Estimates and Assumptions

Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed below.

Significant accounting judgements

Impairment of non-financial assets

GRV assesses impairment of all assets at each reporting date by evaluating conditions specific to GRV and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Despite the current uncertain

economic environment management considered that the indicators of impairment were not significant enough and as such these assets have not been tested for impairment in this financial period.

Valuation of investments in 3UZ Pty Ltd

The factors considered are outlined in Note 9 of the financial statements.

Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets are assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(ac) AAS Issued that are Not Yet Effective

Certain new AAS have been published that are not mandatory for the 30 June 2014 reporting period. DTF assesses the impact of these new standards and advises GRV of their applicability and early adoption where applicable.

As at 30 June 2014, the following AAS, that are applicable to GRV, have been issued by the AASB but are not yet effective for the financial year ended 30 June 2014. Standards and Interpretations that are not applicable to GRV have been omitted. GRV has not and does not intend to early adopt these standards. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Standard / Interpretation

AASB 9 Financial Instruments

Summary

This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).

Applicable for annual reporting periods beginning on

Beginning 1 January 2017

Impact on GRV's financial statements

The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.

While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed. In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.

2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements.

2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.

2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting.

2013-5 Amendments to Australian Accounting Standards - Investment Entities

2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements

2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders

2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

AASB Interpretation 21 Levies.

GRV does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on its financial statements.

Income From Transactions		2014	2013
	Note	\$'000	\$'000
2 (a) TABCORP Income			
Racing Products Program Fee		12,354	11,372
Racing Products Fees		20,896	18,947
Vic Racing VRIB		10,944	10,883
Racing Products Marketing Fee		-	94
Racing Products & Vic Racing On-Course Paid to Clubs		-	39
Vic Racing Joint Venture Profit		12,007	12,378
International Income		2,498	1,231
Total TABCORP Income		58,699	54,944
2 (b) Racefields Fees Income			
		15,361	13,689

GRV charges Interstate TABs and Corporate Bookmakers for the use of GRV racefields pursuant to section 2.5.19C of the *Gambling Regulation Act 2003 (Vic)* (Act) and regulation 5 of the *Gambling Regulation (Race Fields) Regulations 2008*. GRV also meets its share of fees paid for the 'old joint venture' to the 15 August 2012, for wagering on interstate race meetings through the Victorian TAB. These fees were on-charged by TABCORP to the Victorian Racing Codes by making deductions (third party charges) from product fees payable to Racing Products Victoria Pty Ltd in accordance with agreed arrangements. GRV share of these fees that Racing Products deducts from fees received to 15 August 2012 was \$0.413 Mil. After 15 August 2012 these fees are met through the new joint venture agreement whereby the Victorian Racing Codes as a 50% joint venture partner with TABCORP meet 50% of the costs within the joint venture.

2 (c) Other Income			
GOBIS Registrations & Interest	13(b)	229	218
GOBIS VRIF Contribution	13(b)	477	596
Infrastructure VRIF Contribution	13(c)	1,520	84
Registration Fees		378	378
Interest Received		718	733
Fines		46	45
Sponsorships		154	150
Sundry Income		2	-
Rent Received		183	233
Total Other Income		3,707	2,437
Total Income from Transactions		77,767	71,070

Expenses From Transactions

3. Depreciation Expense			
Buildings		66	66
Track and GAP Equipment		11	11
Office Furniture and Fittings		29	28
Computer and Office Equipment		47	51
Total Depreciation		153	156

4. (a) Other Expenses

	2014	2013
Note	\$'000	\$'000
Administration Expenses		
Employees Wages & Associated Costs	2,242	2,487
Board Wages & Expenses	224	232
Audit Fees- External Audit of Financial Report	14	14
Audit Fees- Internal	87	121
Bank Charges & Payroll Processing	55	52
Maintenance & Rental Property Costs	145	131
e-Business & Technology Costs	1,622	1,155
Insurance Allocation	39	35
Industry Training, Memberships and Subscriptions	8	6
Legal & Consultancy	360	237
Postage, Printing & Stationery	72	93
Telephone & Membership Nomination Freeline	61	54
Fringe Benefits Tax	188	204
Sundry Expenses	5	5
Total Administration Expenses	5,122	4,826
Stewards Expenses		
Wages & Associated Costs	2,395	2,016
Swab Analysis	654	588
Legal Appeals Expenses	317	172
Sundry Expenses	22	25
Total Stewards Expenses	3,388	2,801
Stakemoney, Travel & Starters Fees	40,287	36,730
Clubs Expenses		
On-Course Tote	1,050	900
Clubs Distribution, Consultancy & Legal	6,164	5,091
Insurance Allocation	162	183
Clubs Computer Development & Support	72	70
Cup Promotions	896	766
Club Sky Channel Linking & Video Costs	893	825
RSN; Landlines, Race Callers, Deficit Funding	952	921
Total Club Expenses	10,189	8,756

4. (a) Other Expenses (cont.)

	2014	2013
Note	\$'000	\$'000
Greyhound Owners and Breeders Incentive Scheme		
GOBIS Expenses (incl. Ready2Race)	118	93
GOBIS Bonuses	1,481	1,044
Total Greyhound Owners and Breeders Incentive Scheme	13(b) 1,599	1,137
Infrastructure & Maintenance	13(c) 3,568	4,529
Total Other Expenses	64,153	58,789

4. (b) Industry Expenses

Advertising, Promotions, Industry Awards, Market Research & Publications	2,431	1,632
Animal Welfare & GAP	1,171	476
Costs of Registrations, Ear Branding & Micro Chipping	242	231
Costs of Racing Analytical Services Laboratory & Research	253	138
Racing Industry Costs	34	79
Newspaper Fields & Pricing & Form Guides	1,040	1,148
Total Industry Expenses	5,171	3,704

5. Amortisation, Revaluation and Gain/(Loss) on Financial and Other Assets

	2014	2013
Note	\$'000	\$'000
5 (a) Amortisation of Intangible Assets		
Amortisation Expense	537	90
Total Amortisation of Intangible Assets	537	90
5 (b) Net Loss on Non-Financial Assets		
Loss on Disposal of Assets	-	1
Total Net Loss on Non-Financial Assets	-	1

5 (c) Net Gain/(Loss) on Financial Assets

Finance revenue and costs arise on re-stating loans to their fair value allowing for assumption as to likely repayments, using 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.

	2014	2013
Finance Revenue	2	304
Finance Costs	-	-
Total Net Gain/(Loss) on Financial Assets	2	304

6. Financial Instruments

Financial Risk Management Objectives and Policies

This note presents information about GRV's financial instrument risk management objectives, policies and processes for measuring and managing risk and the management of capital. The GRV Board 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, price risk, 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.

Significant accounting policies:

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, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements. GRV's financial instruments are limited to the following:

Categorisation of financial instruments

			2014	2013
Financial assets	Note	Category	\$'000	\$'000
Cash and cash equivalents	7 (a)	Contractual financial assets - Loans and receivables	5,131	2,636
Receivables (a)	7 (b)	Contractual financial assets - Loans and receivables	7,733	7,006
Other financial assets - loans	9	Contractual financial assets - Loans and receivables	2,388	2,386
Investments (c)	9	Contractual financial assets - Available for sale	23,026	17,749
Financial liabilities				
Payables (b)	11 (a)	Contractual financial liabilities at amortised cost	5,814	5,444

Note:

(a) The amount of receivables disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

(b) The amount of payables disclosed here exclude statutory amounts (e.g. GST payables).

(c) The investment is recorded at cost, less impairment.

Net holding gain/(loss) on financial instruments by category

	2014	2013
Contractual financial assets - Loans and receivables	2	304
Contractual financial assets - Available for sale	718	733
Total	720	1,037
Contractual financial liabilities at amortised cost	-	-
Total	-	-

The net holding gains or losses disclosed above are determined as follows:

- 1) for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income and minus any impairment recognised in the net result;
- 2) for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- 3) for financial assets and liabilities that are held for trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

Credit Risk

Credit risk arises from the contractual financial assets of GRV, which comprised cash and deposits, non-statutory receivables, available-for-sale contractual financial assets.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to GRV. GRV has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

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. For debtors other than Tabcorp, it is GRV's policy to only deal with entities assessed as being credit worthy and to obtain sufficient collateral or credit enhancements where appropriate. 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 assets, 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 of impairment for contractual financial assets is calculated based on past experience or 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 which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents GRV's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired:

	Financial institutions		Government agencies	Other	Total
	Triple-A credit rating	AA- credit rating	Triple-A credit rating		
	\$'000	\$'000	\$'000	\$'000	\$'000
2014					
Financial assets					
Cash and cash equivalents	-	5,131	-	-	5,131
Loans receivable	-	-	-	2,388	2,388
Investments	-	2,000	20,500	526	23,026
Receivables	-	-	-	7,733	7,733
Total contractual financial assets	-	7,131	20,500	10,647	38,278
2013					
Financial assets					
Cash and cash equivalents	-	2,636	-	-	2,636
Loans receivable	-	-	-	2,386	2,386
Investments	-	10,723	6,500	526	17,749
Receivables	-	-	-	7,006	7,006
Total contractual financial assets	-	13,359	6,500	9,918	29,777

Note: (a) The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently GRV does not hold any collateral as security nor credit enhancements relating to any of its financial assets other than a registered mortgage on the Sale Greyhound racing loan and has a caveat on the property held by MGRA. As at the reporting date, there is no event to indicate that any of the financial assets were impaired. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

The following table discloses the ageing only of contractual financial assets that are past due but not impaired:

Credit risk exposure is as follows:

	Weighted Average Interest Rate	Carrying Amount	Interest Rate Exposure			Not past due and not Impaired	Past due but not impaired					Impaired Financial Assets
			Fixed interest rate	Floating interest rate	Non Interest bearing		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014												
Financial assets												
Cash and cash equivalents	2.50%	5,131	-	5,131	-	N/A	-	-	-	-	-	-
Loans receivable	2.72%	2,388	2,388	-	-	2,388	-	-	-	-	-	-
Investments	2.72%	23,026	22,500	-	526	23,026	-	-	-	-	-	-
Receivables	0.00%	7,733	-	-	7,733	7,733	-	-	-	-	-	-
Total Financial Assets		38,278	24,888	5,131	8,259	33,147	-	-	-	-	-	-
2013												
Financial assets												
Cash and cash equivalents	2.50%	2,636	-	2,636	-	N/A	-	-	-	-	-	-
Loans receivable	3.79%	2,386	2,386	-	-	2,386	-	-	-	-	-	-
Investments	3.79%	17,749	17,223	-	526	17,749	-	-	-	-	-	-
Receivables	0.00%	7,006	-	-	7,006	7,006	-	-	-	-	-	-
Total Financial Assets		29,777	19,609	2,636	7,532	27,141	-	-	-	-	-	-

Note: (a) Ageing analysis of financial assets excludes statutory amounts (e.g. GST input tax credit recoverable).

Liquidity Risk

Liquidity risk arises when GRV is unable to meet its 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 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. GRV's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet. The following table discloses the contractual maturity analysis for GRV's contractual financial liabilities:

Liquidity risk exposure is as follows:	Weighted Average effective interest rate	Carrying Amount \$'000	Interest rate exposure			Contractual Cash Flows \$'000	Maturity Dates				
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest bearing \$'000		Fixed Less than 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000
2014											
Financial Liabilities											
Payables	0.00%	5,814	-	-	5,814	5,814	5,814	-	-	-	-
Other Financial Liabilities	0.00%	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities		5,814	-	-	5,814	5,814	5,814	-	-	-	-
2013											
Financial Liabilities											
Payables	0.00%	5,444	-	-	5,444	5,444	5,444	-	-	-	-
Other Financial Liabilities	0.00%	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities		5,444	-	-	5,444	5,444	5,444	-	-	-	-

Note: (a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities
(b) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables)

Market Risk

GRV's exposures to market risk are primarily through interest rate risk and some exposure to price risk by virtue of its investment in the 3UZ Unit Trust. 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

GRV's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is limited to assets bearing variable interest rates. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. GRV holds a number of term deposits, which are held to maturity. Interest rate risk exposure is provided under the trading Credit Risk and Liquidity Risk Management.

Other price risk

GRV is exposed to a low level equity price risk through its investments in 3UZ, which is an unlisted entity. Given that the investment's classification as a strategic asset central to the business strategy to GRV's operation, it is not traded and has been recognised at cost due to the factors outlined in Note 9.

GRV actively monitors the financial performance of the underlying business by reviewing financial information of the underlying business as well as liaising with other investors and management of the underlying business in order to keep track of the performance and value of the underlying business.

Fair Values

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

- Level 1 - the fair value of financial instrument 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 considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

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 country clubs and the investments in 3UZ. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Fair value	2014				2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash & cash equivalents	5,131	-	-	5,131	2,636	-	-	2,636
Loans receivable	-	-	2,388	2,388	-	-	2,386	2,386
Investments - term deposits	22,500	-	-	22,500	17,223	-	-	17,223
Investments - units in 3UZ	-	526	-	526	-	526	-	526
Receivables	7,733	-	-	7,733	7,006	-	-	7,006
Financial liabilities:								
Payables	(5,814)	-	-	(5,814)	(5,444)	-	-	(5,444)
Loans Payable	-	-	-	-	-	-	-	-
Total	29,550	526	2,388	32,464	21,421	526	2,386	24,333

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

Cash & cash equivalents; Investments- term deposits; and Receivables

These assets are valued at fair value with reference to a quote (unadjusted) market price from an active market. GRV categorise these instruments as Level 1.

Investments - Units in 3UZ

In the absence of an active market, the fair value of GRV's units in 3UZ are valued using observable inputs such as cost. To the extent that the significant inputs are observable, GRV categorise these investments as Level 2.

Loans to clubs

The fair value of loan balances to clubs is based on the discounted cash flow method. Significant inputs in applying this technique include expected repayment schedule applied for future cash flows and discount rates utilised. To the extent that the significant inputs are unobservable, GRV categorises these investments as Level 3.

Reconciliation of Level 3 fair value movements

	2014	2013
Loans receivable	\$'000	\$'000
Opening balance	2,386	2,082
Additional loan	-	-
Amounts repaid	-	-
Transfers in (out) of Level 3	-	-
Total gains or losses recognised in:		
Net results	2	304
Other comprehensive income	-	-
Closing balance	2,388	2,386
Total gains or losses for the period included in profit or loss for assets held at the end of the period	-	-

The significant unobservable inputs used to determine the fair value of the loan included: average weighted discount rate of 6.91% (2013: 7.84%), with varying repayment patterns. Sensitivity of fair value to changes in significant unobservable inputs are as follows: 1% increase/decrease in discount rate would result in a decrease/increase in fair value of (\$70k)/\$104k. Change in repayment pattern would affect the fair value materially.

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management knowledge and experience of financial markets the following table provides an analysis of GRV's sensitivity to a shift in interest rates and the exposure based on management's best estimate of the possible effects of changes in interest rates as at 30 June 2014 and 2013.

	Carrying Amount	Interest Rate Risk			
		-1% (100 basis points)		1% (100 basis points)	
		Equity	Net Result	Equity	Net Result
	\$'000	\$'000	\$'000	\$'000	\$'000
2014					
Financial assets					
Cash and cash equivalents	5,131	-	-	-	-
Loans receivable	2,388	-	-	-	-
Investments	23,026	(225)	(225)	225	225
Receivables	7,733	-	-	-	-
Financial liabilities					
Other financial liabilities	-	-	-	-	-
Payables	(5,814)	-	-	-	-
Total increase/(decrease)		(225)	(225)	225	225
2013					
Financial assets					
Cash and cash equivalents	2,636	-	-	-	-
Loans receivable	2,386	-	-	-	-
Investments	17,749	(172)	(172)	172	172
Receivables	7,006	-	-	-	-
Financial liabilities					
Other financial liabilities	-	-	-	-	-
Payables	(5,444)	-	-	-	-
Total increase/(decrease)		(172)	(172)	172	172

7 (a) Cash and Cash Equivalents	2014	2013	
	Note	\$'000	\$'000
Current			
Cash on hand and at bank		5,131	2,636
Total cash and cash equivalents		5,131	2,636
7 (b) Receivables			
Current			
Contractual			
Sundry Debtors		2,097	1,710
Trade Debtors		5,635	5,296
Statutory			
GST Recoverable		191	155
Total receivables		7,923	7,161

Ageing analysis of contractual receivables

Please refer to Note 6 for the ageing analysis of contractual receivables.

Nature and extent of risk arising from contractual receivables

Please refer to Note 6 for the nature and extent of credit risk arising from contractual receivables.

The average credit period of sales of goods and services & other receivable is 14 days. No interest is charged for the first 30 days.

8 (a) Property, Plant and Equipment	2014			2013		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	At fair value	Accum Depn	Written down value	At fair value	Accum Depn	Written down value
Assets at Fair Value						
Land - Chetwynd Street	3,065	-	3,065	3,065	-	3,065
Land - Seymour GAP	225	-	225	225	-	225
Buildings - Chetwynd Street	1,995	(150)	1,845	1,995	(100)	1,895
Buildings - Seymour GAP	640	(48)	592	640	(32)	608
Track and GAP Equipment	133	(89)	44	109	(77)	32
Furniture and Fittings	353	(121)	232	334	(92)	242
Computer & Office Equipment	584	(500)	84	548	(456)	92
Total	6,995	(908)	6,087	6,916	(757)	6,159

Reconciliations

Reconciliations of the carrying amounts for each class of asset is set out below:

	2014	2013
	\$'000	\$'000
Land		
Balance at the Beginning of Year	3,290	3,290
Balance at the End of Year	3,290	3,290
Buildings		
Balance at the Beginning of Year	2,503	2,569
Depreciation	(66)	(66)
Balance at the End of Year	2,437	2,503
Track and GAP equipment		
Balance at the Beginning of Year	32	39
Additions	23	5
Disposals	-	(1)
Depreciation	(11)	(11)
Balance at the End of Year	44	32
Office Furniture and Fittings		
Balance at the Beginning of Year	242	268
Additions	19	2
Depreciation	(29)	(28)
Balance at the End of Year	232	242
Computer and Office Equipment		
Balance at the Beginning of Year	92	105
Additions	40	42
Disposals	(1)	(4)
Depreciation	(47)	(51)
Balance at the End of Year	84	92
Total Property Plant & Equipment	6,087	6,159

Fair value measurement hierarchy for assets as at 30 June 2014

	Written down value as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1(i)	Level 2(i)	Level 3(i)
	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value				
Land - Chetwynd Street (1)	3,065	-	3,065	-
Land - Seymour GAP (2)	225	-	225	-
Buildings - Chetwynd Street (1)	1,845	-	1,845	-
Buildings - Seymour GAP (2)	592	-	592	-
Track and GAP Equipment	44	-	-	44
Furniture and Fittings	232	-	-	232
Computer & Office Equipment	84	-	-	84
Total	6,087	-	5,727	360

Notes: (i) Classified in accordance with the fair value hierarchy, see Note 1(a).

There have been no transfers between levels during the period.

Non-specialised land, and non-specialised buildings

The land and buildings situated at Chetwynd Street and 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.

Valuation details:

(1) 46-50 Chetwynd Street- Independent Valuation

In June 2011, GRV had an independent valuation performed by the Valuer General Victoria of its Chetwynd Street land and building based on its fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is determined by direct comparison on an active and liquid market basis for land and buildings of comparable size and location. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2011. GRV has planned to perform the next formal valuation in 2016 based on the Department of Treasury & Finance's policy. Further, a current assessment of the value indicated that the 2011 valuation reflects the current fair value.

(2) Greyhound Adoption Property ("GAP") Seymour- Independent Valuation

In June 2011, GRV had an independent valuation performed by the Valuer General Victoria of its land and buildings at Seymour incorporating a: house, kennel block and administration office based on its fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is determined by direct comparison on an active and liquid market basis for land and buildings of comparable size and location. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2011. GRV has planned to perform the next formal valuation in 2016 based on the Department of Treasury & Finance's policy. Further, a current assessment of the value indicated that the 2011 valuation reflects the current fair value.

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.

Plant and equipment

Plant and equipment is held 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 depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2014.

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

Reconciliation of Level 3 fair value

	Plant and Equipment		
	Track and GAP Equipment	Furniture and Fittings	Computer and Office Equipment
	\$'000	\$'000	\$'000
2014			
Opening balance	32	242	92
Purchases (sales)	23	19	39
Transfers in (out) of Level 3	-	-	-
Gains or losses recognised in net result:			
Depreciations	(11)	(29)	(47)
Impairment loss	-	-	-
Subtotal	44	232	84
Gains or losses recognised in other economic flows - other comprehensive income:			
Revaluation	-	-	-
Subtotal	-	-	-
Closing balance	44	232	84
Unrealised gains/(losses) on non-financial assets	-	-	-

Description of significant unobservable inputs to Level 3 valuations

Plant and equipment

Valuation technique: Depreciated replacement cost

Significant unobservable inputs: Cost per unit; and useful life of plant and equipment (refer Note 1(n))

Sensitivity of fair value measurement to changes in significant unobservable inputs: A significant increase in cost per unit and/or the estimated useful life of the asset would result in a significantly higher or lower valuation.

8 (b) Intangible Assets

GRV engaged SMS Consulting to write and deploy a new racing management system for the greyhound racing industry. This system, known as FastTrack, was released on May 1, 2013. At 30th June, 2014, the carrying amount of FastTrack net of amortisation was \$4.739 Mil (2013: \$5.276 Mil).

	2014			2013		
	\$'000 At fair value	\$'000 Accum Amtn	\$'000 Written down value	\$'000 At fair value	\$'000 Accum Amtn	\$'000 Written down value
Assets at Fair Value						
Intangible Assets - FastTrack	5,366	(627)	4,739	5,366	(90)	5,276
Total	5,366	(627)	4,739	5,366	(90)	5,276

	2014	2013	
	Note	\$'000	\$'000
Balance at the Beginning of Year		5,276	3,323
Additions		-	2,043
Balance In Progress		-	-
Asset at Fair Value		5,276	5,366
Amortisation		(537)	(90)
Written Down Value		4,739	5,276

8 (c) Investment Property - William Street

Balance at the Beginning of Year	2,500	2,500
Balance at the End of Year	2,500	2,500

Amounts recognised in the comprehensive operating statement for Investment Property

Rental income	292	336
Direct operating expense from property that generated rental income	(59)	(50)
Direct operating expense from property that did not generate rental income	(50)	(53)
	183	233

Lease arrangements

GRV's rental properties are leased to tenants under a long-term operating lease with rentals payable monthly. Minimum lease payments receivable from leases on properties under non-cancellable operating leases not recognised in the financial statements are as follows:

	2014	2013
Note	\$'000	\$'000
Within 1 year	261	302
Later than 1 year but not later than 5 years	243	490
	504	792

The amounts recognised in the comprehensive operating statement for Investment Property and lease arrangements above also include those amounts derived from the rental of Level 1 of GRV's Chetwynd St property.

Fair Value hierarchy

	Written down value as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1(i)	Level 2(i)	Level 3(i)
	\$'000	\$'000	\$'000	\$'000
Investment property	2,500	-	2,500	-

Notes:

(i) Classified in accordance with the fair value hierarchy, see Note 1(a).

There have been no transfers between levels during the period. There were no changes in valuation techniques during the period to 30 June 2014.

For investment property measured at fair value, the current use of the asset is considered the highest and best use.

Valuation details:

438 William Street - Independent Valuation

In June 2011, GRV had an independent valuation performed by the Valuer General Victoria of its William Street investment property. The valuation was performed on a fair value basis. As a consequence of the revaluation the property's value was increased by \$0.5 Mil to \$2.5 Mil. The valuation, which conforms to Australian Valuation Standards, was determined by reference to market evidence of transaction prices for similar properties. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2011. A current assessment of the value indicated that the 2011 valuation reflects the current fair value.

9. Other Financial Assets

	2014	2013
Note	\$'000	\$'000
Current - Investments		
Term Deposits	22,500	17,223
Sale GRC Land Purchase (1)	421	36
Total Current Other Financial Assets	22,921	17,259
Non-Current		
Sale GRC Land Purchase (1)	387	812
Melbourne Greyhound Racing Association (2)	1,580	1,538
Shares in Radio 3UZ Pty. Ltd.	1	1
Units in Radio 3UZ Unit Trust at Cost	525	525
Total Non-Current Other Financial Assets	2,493	2,876

Loans

They 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 loans and where interest is charged on outstanding loans the terms are consistent with the rate that GRV would otherwise receive on funds invested:

1) The Sale Greyhound Racing Club (SGRC) - on 1st July 2011 a loan was provided to the SGRC for the purchase of a parcel of land (lot 6) which is in reasonable proximity of the Club. Also on the 1st July 2011 GRV registered a mortgage over the land. Subject to the purchase of further land (contingent on available finance, approval of GRV and Wellington Shire Council deliberations) the SGRC may, in the long term, be in a position to re-locate and rebuild its operations, should that become necessary. For the purposes of complying with the requirements of AASB 139 the amount has been valued at fair value as disclosed in Note 1(f).

2) The Melbourne Greyhound Racing Club ("MGRA") - the loan was advanced to assist MGRA with the purchase of a parcel of land, which was intended to be used for the building of a TABARET with no repayment terms or interest rate agreed to, however

GRV entered into a caveat over the property with MGRA. MGRA is currently assessing opportunities for sale and/or development. For the purposes of complying with the requirements of AASB 139 the amount has been valued at fair value as disclosed in Note 1(f).

Investment in Radio 3UZ Pty Ltd

Radio 3UZ Pty Ltd acts as Trustee for Radio 3UZ Unit Trust. GRV's investment in Radio 3UZ Pty Ltd comprises of 875 shares at \$1 each. In 1997 GRV wrote down the value of its investment in Radio 3UZ Unit Trust. With the adoption of A-IFRS in 2006, GRV reviewed the value of its investment in the trust and elected to measure its investment at cost as the unit holders were unable to reliably determine the fair value of the units due to a lack of available market data. Accordingly, GRV determined that it was appropriate to write back the previous decrement of \$193,000 to comply with the requirements of AASB 139.

It is GRV's policy to assess its adopted accounting policy in respect of the units in the trust as well as the carrying value of its investment in the trust on an annual basis to ensure that the amount is not overstated. In 2014, GRV evaluated and assessed that it was appropriate and in compliance with the requirements of AASB 139 to continue to value its investment in Radio 3UZ Unit Trust at cost, due to the lack of available market data as to the value of the units.

10. Provisions

(a) Employee Benefits	2014	2013
Note	\$'000	\$'000
Current Provisions		
<i>Employee Benefits- Annual leave (i) (Note 10(b)):</i>		
Unconditional and Expected to Settle Within 12 months	260	202
Unconditional and Expected to Settle After 12 months (ii)	87	67
<i>Employee Benefits- Long Service Leave (Note 10(b)):</i>		
Unconditional and Expected to Settle Within 12 months	154	147
Unconditional and Expected to Settle After 12 months (ii)	360	308
	861	724
<i>Provision Relating to Employee Benefits On-Costs (Note 10(b) and Note 10(c)):</i>		
Unconditional and Expected to Settle Within 12 months	74	89
Unconditional and Expected to Settle After 12 months (ii)	81	96
	155	185
Total Current Provisions	1,016	909
Non-Current Provisions		
Employee Benefits (i) (Note 10(b))	195	191
Employee Benefits On-Cost (Note 10(b) and 10(c))	36	43
Total Non-Current Provisions	231	234
Total Employee Benefits	1,247	1,143
<i>Notes:</i>		
(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.		
(ii) Amounts are measured at present values.		
(b) Employee Benefits and Related On-costs (i)		
Current		
Annual Leave Entitlements	347	269
Long Service Leave Entitlements	514	455
Total Current	861	724
Non-Current Employee Entitlements		
Long Service Leave Entitlements	195	191
Total Non-Current	195	191
Total Employee Benefits	1,056	915
Current On-Costs	155	185
Non-Current On-Costs	36	43
Total On-Costs	191	228
Total Employee Benefits and Related On-Costs	1,247	1,143
Number of Employees at Year End	76	73

Notes:

(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(c) Movement In Provisions - oncost	2014	2013
Note	\$'000	\$'000
Opening Balance	1,143	1,205
Additional Provisions Recognised	326	504
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits	(165)	(524)
Unwind Of Discount and Effect of Changes In Discount Rate	(57)	(42)
Closing Balance	1,247	1,143

11 (a) Payables

Current

Contractual	2014	2013
Trade Creditors	681	518
Sundry Creditors	5,133	4,825
Statutory		
GST Payable	429	726
PAYG Tax Payable	119	101
Total payables	6,362	6,170

The average credit period is 30 days and no interest is charged on the sundry creditors balances.

Maturity analysis of contractual payables

Please refer to Note 6 for the maturity analysis of contractual payables.

Nature and extent of risk arising from contractual payables

Please refer to Note 6 for the nature and extent of risks arising from contractual payables.

11 (b) Other Liabilities

Deferred Revenue

Current	2014	2013
Other	150	246
Total Current	150	246
Non-Current		
Other	121	117
Total Non-Current	121	117
Total Deferred Revenue	271	363

12. Notes to the Cash Flow Statement

12 (a) Reconciliation of Cash and Cash Equivalents

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

		2014	2013
	Note	\$'000	\$'000
Cash and cash equivalents	7(a)	5,131	2,636
12 (b) Reconciliation of Net Result for the Period			
Net Result for the Period		7,755	8,644
Add Non-Cash Items			
Depreciation, Impairment of Assets, Loss on Disposal	3, 5(a), 5(b)	690	247
Net Loss/(Gain) on Financial Assets	5(c)	(2)	(304)
Net Cash Provided by Operating Activities before change in Assets and Liabilities:		8,443	8,587
Change in Assets and Liabilities			
(Increase) Decrease in Receivables & Prepayments		(793)	(541)
Increase (Decrease) in Payables		192	2,584
Increase (Decrease) in Employee Benefits		104	(62)
(Decrease) Increase in Other Liabilities		(92)	(52)
Net Cash Flows From / (Used In) Operating Activities		7,854	10,516

13. Reserves

	Note	2014 \$'000	2013 \$'000
Distribution Reserve Fund	13(a)	7,500	5,000
Greyhound Owners and Breeders Incentive Scheme Reserve	13(b)	977	833
Infrastructure Reserve Fund	13(c)	12,887	7,931
Asset Revaluation Reserve	13(d)	2,063	2,063
		23,427	15,827

13 (a) Distribution Reserve Fund (DRF)

The Board monitors the fund to ensure we have a sufficient level of reserves to meet a temporary disruption to its revenue base that could threaten the sustainability of current stakeholder levels. In 2014, the fund balance has been increased by a \$2.5 Mil transfer from accumulated surplus (decreased 2013: \$2.642 Mil) to \$7.5 Mil given GRV's increasing income base and potential difficulties in maintaining revenues through the VRI Joint Venture.

Opening Balance		5,000	7,642
Transfer from Accumulated Surplus	13(f)	2,500	(2,642)
Closing Balance		7,500	5,000

13 (b) Greyhound Owners and Breeders Incentive Scheme Reserve (G.O.B.I.S)

In 1994 GRV commenced the operation of the greyhound owners and breeders incentive scheme (G.O.B.I.S). GRV has set aside the fund to provide for payment of bonuses to registered persons. In 2014, GRV provided an allocation of \$0.737 Mil (2013: \$0.737 Mil) to assist in the payment of bonuses. In 2014 the fund was increased by a \$0.3 Mil transfer from accumulated surplus to improve the sustainability of the fund (2013:Nil).

Opening Balance		833	419
Revenue from Ordinary Activities- Registrations & Interest	2(c)	229	218
Victorian Racing Industry Fund Contribution	2(c)	477	596
Expenses from Ordinary Activities- Bonuses & Other	4(a)	(1,599)	(1,137)
Net Result		(893)	(323)
Annual Transfer from Accumulated Surplus		737	737
Add Additional Transfer from Accumulated Surplus		300	-
Transfer (to) from Accumulated Surplus	13(f)	144	414
Closing Balance		977	833

13 (c) Infrastructure Reserve Fund (IRF)

In 2002 GRV agreed to establish a reserve fund in order to provide for the on-going need to replace and maintain infrastructure within Victoria. In 2014, \$4.004 Mil (2013: \$3.391 Mil) was allocated to the fund, and an additional \$3.0 Mil (2013: \$9.0 Mil) was transferred from accumulated surplus to assist in the long-term sustainability of the fund.

Opening Balance		7,931	(15)
Expenses from Ordinary Activities	4(a)	(3,568)	(4,529)
Net Result		(3,568)	(4,529)
Victorian Racing Industry Fund Contribution	2(c)	1,520	84
Annual Transfer from Accumulated Surplus		4,004	3,391
Additional Transfer from Accumulated Surplus		3,000	9,000
Transfer from (to) Accumulated Surplus	13(f)	4,956	7,946
Closing Balance		12,887	7,931

	Note	2014 \$'000	2013 \$'000
13 (d) Asset Revaluation Reserve			
The asset revaluation reserve arises on the revaluation of land and buildings.			
Opening Balance		2,063	2,063
Closing Balance		2,063	2,063
The reserve comprises :			
Land		2,063	2,063
Closing Balance		2,063	2,063

13 (e) Contributed Capital

In accordance with the requirements of the 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.

13 (f) Accumulated Surplus/(Deficit)

Accumulated surplus/(deficit) at the Beginning of the Financial Year		18,559	15,633
Net Result		7,755	8,644
Total Available for Appropriation		26,314	24,277
Transfer from/(to) Reserves			
Distribution Reserve Fund	13(a)	(2,500)	2,642
Greyhound Owners and Breeders Incentive Scheme	13(b)	(144)	(414)
Infrastructure Reserve Fund	13(c)	(4,956)	(7,946)
Accumulated Surplus/(Deficit) at the End of the Financial Year		18,714	18,559

14. Commitments

GRV is required to fund the following commitments (inclusive of GST):

	2014	2013
14 (a) Operating Lease Commitments	\$'000	\$'000
At 30 June 2014, GRV had committed to fund the following lease payments for vehicles. The rental is payable on a monthly basis and each lease has an average life of 25.6 months (2013: 23.5 months).		
Within One Year	312	266
Later than One Year but not Later than Five Years	130	75
	442	341

14 (b) Infrastructure Commitments

At 30th June 2014 GRV is obligated in the next year (2015) to meet commitments of \$5.916 Mil for infrastructure works comprising; the Traralgon Greyhound Racing Club \$5.479 Mil; the Cranbourne Greyhound Racing Club \$0.085 Mil; the Warrnambool Greyhound Racing Club \$0.132 Mil; the Melbourne Greyhound Racing Club \$0.040 Mil; and the Sandown Greyhound Racing Club \$0.042 Mil. At 30th June 2013, GRV's commitment for the 2014 year was \$0.433 Mil comprising; the Traralgon Greyhound Racing Club \$0.433 Mil.

Within One Year	5,916	433
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14 (c) Other Commitments

In 2013 GRV committed 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 below are based on the current racing calendar and take into account current and future prices in accordance with the agreement.

Within One Year	1,434	1,298
Later than One Year but not Later than Five Years	4,387	5,191
Total	5,821	6,489
Total Commitments	12,179	7,264

15 Contingent Assets

The Victorian Racing Codes (VRI) represented through Vic Racing Pty Ltd, receives 25% of profits from the Joint Venture with TABCORP from the pre-16 August 2012 Joint Venture Agreement ("Old JV"). The majority of profits earned within the joint venture were from gaming activities. In May 2013 the Victorian Government through the State Treasurer applied a Health Benefit Levy on TABCORP's gaming business for an amount of \$42.1 Mil (full year charge) for Financial Year 2012-13. TABCORP believed that the levy should have been applied on a pro rata basis as the TABCORP gaming business ceased to operate gaming machines on 15 August 2012. TABCORP successfully appealed the Government's determination of the levy in the Supreme Court of Victoria on 24 June 2013. The Government has subsequently appealed the decision and given this, GRV in 2013 accrued its share of the reduction in joint venture profits given that the Government may be successful with its appeal. On the 1 July 2014 the court of appeal ruled in favour of the Government, subsequently resulting in GRV having to meet its share of those costs on 14 August 2014 that it had accrued for, therefore eliminating the need for GRV to allow for a contingent asset for any potential refund that may occur.

	-	1,981
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16. Responsible Persons

In accordance with Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period:

Responsible Minister:

The Minister for Racing The Hon. Dr Denis Napthine, MLA

The remuneration of the Minister is reported in the financial statements of the Department of Premier and Cabinet.

Governing Board:

Chairman	Mr. P.H. Caillard
Member	Dr. S.P. Silk
Member	Mr. G.J. Miles
Member	Ms. J.M. Coustley
Member	Mr. J. Tripodi

Accountable Officer:

Mr. A.L. Wallish

The total remuneration received or receivable by the accountable officer for 2014 in connection with the management of GRV during the reporting period was in the range of: \$300,000 to \$309,999 (\$260,000 to \$269,999 in 2013).

16 (a) Remuneration of Responsible Persons

The number of responsible persons are shown below in their relevant income bands:

	Total Remuneration		Base Remuneration	
	2014	2013	2014	2013
Income Band	No.	No.	No.	No.
\$0 to \$9,999	-	4	-	4
\$10,000 to \$19,999	-	4	-	4
\$20,000 to \$29,999	4	-	4	1
\$40,000 to \$49,999	-	1	-	1
\$50,000 to \$59,999	1	-	1	-
\$150,000 to \$159,999	-	1	-	-
\$260,000 to \$269,999	-	1	-	1
\$280,000 to \$289,999	-	-	1	-
\$300,000 to \$309,999	1	-	-	-
Total Numbers	6	11	6	11
Total Remuneration - \$'000	438	541	419	414

Base remuneration include superannuation, motor vehicles and car parking but is exclusive of any bonus payments, long service leave payments, redundancy payments and retirement benefits.

16 (b) Retirement Benefits of Responsible Persons

No retirement benefits were paid by GRV in connection with the retirement of responsible persons.

16 (c) Other Transactions of Responsible Persons and their Related Entities

No other transactions were paid by GRV in connection with responsible persons and their related entities.

16 (d) Other Receivables from and Payables to Responsible Persons and their Related Parties

No transactions of the above nature occurred.

16 (e) Amounts Attributable to other Transactions with Responsible Persons and their Related Parties

No transactions of the above nature occurred.

16 (f) Executive Officers Remuneration

The number of executive officers, other than responsible persons, whose total remuneration exceeded \$100,000 is shown below in their relevant bands. Base remuneration includes superannuation, motor vehicles and car parking, but is exclusive of any bonuses, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Total Remuneration		Base Remuneration	
	2014	2013	2014	2013
Income Band	No.	No.	No.	No.
\$130,000 to \$139,999	-	1	-	-
\$150,000 to \$159,999	-	1	-	1
\$160,000 to \$169,999	1	-	1	-
\$170,000 to \$179,999	2	-	2	-
\$180,000 to \$189,999	-	1	1	1
\$190,000 to \$199,999	1	-	-	-
\$210,000 to \$219,999	-	1	-	1
\$220,000 to \$229,999	-	-	1	-
\$240,000 to \$249,999	1	-	-	-
Total Numbers	5	4	5	3
Total Remuneration - \$'000	947	887	919	830
Total Annualised Employee Equivalent (i)	5.0	5.7	5.0	5.7

Note:

(i) Annualised employee equivalent is based on paid working hours of 40 ordinary hours per week over the 52 weeks for a reporting period.

16 (g) Payments to other personnel (i.e. contractors with significant management responsibilities)

The following disclosures are made in relation to other personnel of GRV, i.e. contractors charged with significant management responsibilities.

Payments have been made to a number of contractors with significant management responsibilities, which are disclosed in the \$10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, of GRV's activities.

The change in the total expenses from 2013 to 2014 was due to a change in the employment status of the role from contractor to permanent.

	Total expenses (exclusive of GST)	
	2014	2013
Expense Band	No.	No.
\$0 to \$9,999	-	-
\$120,000 to \$129,999	-	1
Total expenses - \$'000 (exclusive of GST)	-	125
Total number	-	1

17. Superannuation

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

GRV does not recognise any defined benefit liability in respect of the plans because it has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

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 expensed in relation to the major employee superannuation funds and contributions made by GRV are as follows:

Fund	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Defined benefit plans:				
State Superannuation Fund - revised and new	7	23	-	-
Other	-	-	-	-
Defined contribution plan:				
VicSuper	266	248	-	-
Other	247	187	-	-
Total	520	458	-	-

Notes:

(a) The basis for contributions are determined by the various schemes.

(b) The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

18. Subsequent Events

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of GRV, the results of its operations, or the state of affairs of GRV in future years.

19. Remuneration Of Auditors

	Note	2014 \$'000	2013 \$'000
Victorian Auditor-General's Office			
Audit of the financial statements		17	14
Non-audit services		-	-
		17	14
Internal Audit			
Audit services		87	121
Non-audit services		-	-
		87	121
Total Audit Services		104	135

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
Ministerial Directions	
Report of Operations - FRD Guidance	
<i>Charter and purpose</i>	
FRD 22E	Manner of establishment and the relevant Minister
FRD 22E	Objectives, functions, powers and duties
FRD 22E	Nature and range of services provided
<i>Management and structure</i>	
FRD 22E	Organisational structure
<i>Financial and other information</i>	
FRD 8B	Budget portfolio outcomes
FRD 10	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22E, SD 4.2(k)	Operational and budgetary objectives and performance against objectives
FRD 22E	Employment and conduct principles
FRD 22E	Occupational health and safety policy
FRD 22E	Summary of the financial results for the year
FRD 22E	Significant changes in financial position during the year
FRD 22E	Major changes or factors affecting performance
FRD 22E	Subsequent events
FRD 22E	Application of operation of <i>Freedom of Information Act 1982</i>
FRD 22E	Compliance with building and maintenance provisions of <i>Building Act 1993</i>
FRD 22E	Statement of National Competition Policy
FRD 22E	Application and operation of the <i>Protected Disclosure Act 2001</i>
FRD 22E	Application and operation of the <i>Carers Recognition Act 2012</i>
FRD 22E	Details of consultancies over \$10,000
FRD 22E	Details of consultancies under \$10,000
FRD 22E	Statement of availability of other information
FRD 24C	Reporting of office-based environmental impacts
FRD 25B	Victorian Industry Participation Policy disclosures
FRD 29	Workforce Data disclosures
SD 4.5.5	Risk management compliance attestation
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation
SD 4.2(g)	Specific information requirements
SD 4.2(j)	Sign-off requirements

Legislation	Requirement
Financial Statements	
<i>Financial statements required under Part 7 of the Financial Management Act 1994</i>	
SD 4.2(a)	Statement of changes in equity
SD 4.2(b)	Operating statement
SD 4.2 (b)	Balance Sheet
SD 4.2 (b)	Cash Flow Statement
<i>Other requirements under Standing Direction 4.2</i>	
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements
SD4.2(c)	Compliance with Ministerial Directions
SD4.2(d)	Rounding of amounts
SD4.2 (c)	Accountable officer's declaration
SD4.2 (f)	Compliance with Model Financial Report
<i>Other disclosures as required by FRDs in notes to the financial statements</i>	
FRD 9A	Departmental disclosure of administered assets and liabilities by activity
FRD 11A	Disclosure of ex-gratia expenses
FRD 13	Disclosure of parliamentary appropriations
FRD 21B	Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report
FRD 102	Inventories
FRD 103D	Non-current physical assets
FRD 104	Foreign currency
FRD 106	Impairment of assets
FRD 107	Investment properties
FRD 109	Intangible assets
FRD 110	Cash flow statements
FRD 112D	Defined benefit superannuation obligations
FRD 113	Investments in subsidiaries, jointly controlled entities and associates
FRD 114A	Financial Instruments - General government entities and public non-financial corporations
FRD 119A	Contributions by owners
Legislation	
<i>Freedom of Information Act 1982</i>	
<i>Building Act 1983</i>	
<i>Protected Disclosure Act 2001</i>	
<i>Carers Recognition Act 2012</i>	
<i>Victorian Industry Participation Policy Act 2003</i>	
<i>Financial Management Act 1994</i>	

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 Standing Directions 4.2 of 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 2014 and financial position of Greyhound Racing Victoria at 30 June 2014.


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 5 September 2014.


.....
Adam Wallish

Chief Executive Officer

Date: 5 September 2014


.....
Robert Shaw
Chief Finance and Accounting Officer
CPA, MBA

Date: 5 September 2014


.....
Peter Caillard
Chairman

Date: 5 September 2014



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Greyhound Racing Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of Greyhound Racing Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of Greyhound Racing Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Greyhound Racing Victoria as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Greyhound Racing Victoria for the year ended 30 June 2014 included both in Greyhound Racing Victoria's annual report and on the website. The Board Members of Greyhound Racing Victoria are responsible for the integrity of Greyhound Racing Victoria's website. I have not been engaged to report on the integrity of Greyhound Racing Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

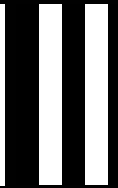
MELBOURNE
8 September 2014

T. Doyle

for

John Doyle
Auditor-General





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