

2015 - 16 Victorian Greyhound of the Year - 'Fernando Bale'

GRV Board Members



(L-R) CEO Alan Clayton, Rob Greenall, Judith Bornstein, Bernie Carolan, Peita Elkhorne, Ken Lay

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Bernie Carolan - Chairperson

Bernie Carolan has extensive senior executive experience and held other Board positions for a number of years. Mr Carolan was the CEO of Metlink Victoria, the Transport Ticketing Authority and was Managing Director at M>Tram. Recently, Mr Carolan has been running his own consultancy, caroPlan that offers consulting and advisory services on management, stakeholder and government relations and transport projects generally. Mr Carolan commenced his role as GRV Chairperson in July 2015.

Judith Bornstein - Deputy Chairperson

Judith Bornstein is a Melbourne barrister with extensive experience in industrial and employment relations across the public and private sectors and has been a member of boards, committees and groups advising Commonwealth and Victorian Governments and organisations. As a Commissioner of the former Industrial Relations Commission of Victoria, Ms Bornstein has been closely involved in Victorian greyhound racing through her responsibility for industrial relations within the industry. She is a member of the Victorian Bar and a member of the Australian Institute of Company Directors. Ms Bornstein was appointed to the Board in March 2015.

Ken Lay - Board Member

Ken Lay has more than 40 years' experience with the Victoria Police after joining the force in 1974 and was Victoria's Chief Police Commissioner from 2011-14. In addition to his position on the GRV Board, Mr Lay also leads the National Ice Taskforce that has been set up by the Federal Government to tackle the issue of the use of the drug ice in Australian society. He has also been appointed the Chairman of Ambulance Victoria. Mr Lay was appointed to the Board in March 2015.

Peita Elkhorne - Board Member

Peita Elkhorne is a former director of the Melbourne Greyhound Racing Association (MGRA), which runs The Meadows facility. Ms Elkhorne has previously been involved in the industry as a greyhound owner. She has extensive experience in business development, marketing and management and is currently a director of Xcelerate Consulting. Ms Elkhorne was appointed to the Board in October 2015.

Rob Greenall - Board Member

Rob Greenall is a registered veterinarian who has worked for over 25 years in private practice, higher education/research, the public sector (in animal welfare and agvet chemicals regulatory roles) and consulting to animal industries. Mr Greenall has a Masters degree in Veterinary Studies and is highly experienced in strategic project leadership, management and evaluation, and is currently the Managing Director of AgVet Projects Pty Ltd. Mr Greenall was appointed to the Board in October 2015.



GRV Chairperson's Foreword

Greyhound racing in Australia has a long and rich heritage, both as a sport and as an important part of many local and regional communities. However community standards and expectations have changed over the past decades and the code must change too if it wants to enjoy a sustainable and thriving future.

A clear brief for fundamental and lasting change was given by the Minister for Racing to the Greyhound Racing Victoria (GRV) Board, which was fully constituted on 6 October 2015 with the appointments of Peita Elkhorne and Robert Greenall and three year terms announced for Deputy Board Chair Judith Bornstein and Ken Lay.

The industry reform and cultural change now underway is unprecedented in the sport's history in Victoria and it will not be quick or easy. But it is necessary and it will take place progressively over the next two years or so. Much has already been achieved over the past 12 months and GRV has a clear roadmap to deliver the needed changes through the 68 recommendations in the Reports by the Office of Racing Integrity Commissioner (ORIC) and Chief Veterinary Officer (CVO) released in June 2015.

The first step in implementing the recommendations was the establishment of a Greyhound Industry Taskforce which is chaired by the Executive Director of Liquor, Gaming and Racing. It includes representatives from GRV, the Department of Justice and Regulation's Office of Racing, Department of Economic Development, Jobs, Transport and Resources and Department of Environment, Land, Water and Planning.

In August, 2015 the GRV board installed a new CEO to lead the reform agenda. Alan Clayton came to GRV with a long and strong record of driving major change in complex organisations. The GRV Board put in place six strategic priorities to guide the implementation of the recommendations and to position both GRV and the sport for the long term with animal welfare and integrity at the centre of all decision-making and operations. The biggest challenges are still ahead, especially the need to better manage greyhound numbers to ensure their best possible quality of life. However GRV has set out the priorities and tasks to meet these challenges, the people, resources and capabilities to do so are now in place and real progress has already been made in implementing the ORIC and CVO recommendations, with the Bittar report acknowledging work GRV has done to boost its integrity measures.

I would like to thank the team at GRV, the Clubs and their members and the Victorian greyhound racing community for their strong commitment to reform and for the hard work done so far. I am confident that if GRV and all participants and other stakeholders continue to work together as we have done this year, the sport will be well positioned to grow in future decades as open, accountable and responsible, a vital part of Victorian communities, a world leader in animal welfare, integrity and racing best practice while making Victoria the state where greyhounds always come first, on the track and in the community.



Bernie Carolan
GRV Chairperson

GRV'S Strategic Priorities

GRV's 2016-19 Strategy is driven by six priorities that aim to position greyhound racing in Victoria for long term growth as a leader in animal welfare, integrity and racing and as a trusted and respected member of communities across the State.

1. Animal Welfare

GRV is committed to providing a racing industry environment in which the safety and welfare of greyhounds is fundamental. Every greyhound will have the opportunity to live its whole life with quality care provided, meeting positive physical and psychological requirements by:

- a. Reducing the premature injury and death of racing greyhounds;
- b. Preventing excessive breeding (reducing litter numbers);
- c. Optimising the use of the racing greyhound population;
- d. Improving outcomes for re-homing greyhounds;
- e. Operating an incentives framework that promotes animal welfare at all stages of the greyhound lifecycle;
- f. Making informed decisions about GRV's infrastructure investments to maximise animal welfare; and
- g. Providing training to industry participants to improve greyhound welfare at every stage of the dog's lifecycle.

2. Regulatory standards

Recognising the industry needs to change, GRV will practice an evidence-led and ethically driven approach to its regulatory role. It will support and encourage the industry to improve greyhound welfare by:

- a. Implementing the Minister-approved recommendations of Perna and Milne reports;
- b. Introducing an evidence-led regulatory and licensing framework for all premises and persons involved in the rearing, education, breaking-in and training of greyhounds;
- c. Assuming greater responsibility for race day operations to remove the potential for conflict of interest and ensure consistency of race day standards and practice;
- d. Introducing non-regulatory approaches to encourage industry self-regulation and continuous improvement; and
- e. Establishing and enhancing a separate Integrity function to oversee all GRV's regulatory responsibilities.

3. GRV's capabilities, culture and financial sustainability

Recent events have brought into focus the need to strengthen GRV's resourcing of its animal welfare function and the monitoring and enforcement of industry standards and integrity to lead the industry in regaining its social licence. GRV will establish a culture to ensure it effectively balances animal welfare, industry integrity and sustained wagering and commercial growth by:

- a. Assessing potential impacts on GRV of interstate greyhound racing authorities' commission reviews;
- b. Reorienting its organisational structure, capacity and capability to strengthen industry and organisational leadership and better support its new strategic direction;
- c. Developing a proactive 'can-do' internal culture;
- d. Developing a culture where conflict of interest is understood, declared and managed appropriately;
- e. Developing and implementing plans to ensure GRV remains financially sustainable and responsible; and
- f. Developing an information management capability that strengthens evidence-led decision-making.

4. Social Responsibility

This priority addresses community expectations on GRV and participants to follow contemporary rules, laws and ethical behaviours. It recognises the complexity and variety of community and participant attitudes to greyhound racing and to GRV as the industry's regulator. GRV will assist the industry to maintain its social licence by:

- a. Ensuring OHS compliance for GRV staff and club employees, and safe infrastructure for participants and consumers;
- b. Maintaining constructive relationships with the Office of Racing, the RSPCA and other key external bodies;
- c. Providing information and education to increase participants' awareness of community expectations to maintain a social licence;
- d. Developing an industry culture of compliance with GRV's rules, laws and ethical standards;
- e. Strengthening strategic communications and issues management;
- f. Maintaining effective industry engagement via the Industry Consultative Group (ICG);
- g. Advocating responsible gambling by consumers; and
- h. Attracting new participants into the industry, respecting diversity and equity.

5. Club support

Clubs are the industry's primary interface with local communities. GRV will provide advice, governance, management and corporate services support as well as help desk services to clubs. It will support clubs in Victoria to be an indispensable part of their local communities and assist clubs to strengthen their commercial and operational effectiveness by:

- a. Supporting clubs to be proactive in dealing with animal welfare;
- b. Ensuring clubs are meeting minimum operating standards including OHS compliance for racing and event purposes;
- c. Enabling clubs to support GRV's objectives;
- d. Building the capability of clubs by broadening their skills base;
- e. Assisting clubs with meeting the requirements of their constitutions, funding and registration agreements, governance arrangements and operating standards;
- f. Supporting clubs to improve engagement with local communities; and
- g. Providing training and development to support clubs to develop their management; and operational capabilities.

6. Industry growth

The industry will face increased future competition from other gambling products. To ensure continued industry growth requires careful management of wagering and broadcasting partnerships, developing industry relationships and sustainable business growth strategies. GRV will position the industry for sustained wagering and commercial growth by:

- a. Increasing the fan and participation-base for the sport;
- b. Improving media content and distribution to further promote greyhound racing;
- c. Working collaboratively with joint venture and wagering partners to improve wagering participation; and
- d. Developing strategies to optimise the utilisation of the greyhound racing population.

CEO'S Report

GRV has been substantially transformed during 2015-16. The watershed reviews undertaken by Sal Perna, the Racing Integrity Commissioner and the Chief Veterinarian, Dr Charles Milne provided a road map for the reform of greyhound racing in Victoria. Importantly, the Integrity and Animal Welfare departments have been made fit for purpose with significant expansion of the resources made available to these areas, together with the recruitment of professional expertise as it is these areas that are driving the cultural change so necessary to ensure the sustainability of the industry.

During 2015-16, GRV's six strategic priorities were developed through an internally inclusive process involving many staff and senior managers. Following intensive Board review and input, the draft priorities were widely circulated throughout the industry and to key stakeholders for comment.

There is now a clear separation between the animal welfare, integrity and racing functions which are more appropriately staffed and funded. The new leadership team positions of General Counsel, General Manager of Animal Welfare and Senior Investigations Manager have been filled by thoroughly qualified and experienced people. A new Chief Steward has been appointed and more specialist staff have been brought on board in areas such as animal welfare, integrity, and data analysis. GRV has further boosted its integrity resources with the appointment of a General Manager for Integrity.



The Animal Welfare Inspection team has quadrupled in size, the number of swabs taken for drug testing has more than doubled and a new Investigations Unit relying on intelligence gathering and risk assessment has been established. Policy decisions are now evidence-based and data-driven and new industry engagement and education and training initiatives are now in place and will be developed further in coming years.

GRV's financial position is also strong with a \$5.3 million profit for 2015-16 that will be invested in improving animal welfare and integrity outcomes and in a new \$37 million five-year capital works plan commencing in 2016-17 focused on improving greyhound welfare, track safety, racing operations, staff amenities and visitor experiences at greyhound racing clubs.

In 2015-16, GRV made significant progress in implementing the ORIC and CVO recommendations for which it has responsibility, and will continue to do so in 2016-17 and beyond. However, the absolute key priority for the sport in the 21st century is to make sure that every racing greyhound registered in Victoria will have the opportunity to live out its life in full, whether it makes it to the track or not, and with euthanasia only considered appropriate on justifiable medical or behavioural grounds.

Far from burying our head in the sand or avoiding scrutiny, we welcome being held accountable for our reform agenda. This is a very big challenge and one we do not shy away from.

We will be open and honest with our key stakeholders and the wider community who are expecting us to provide transparent and accurate data. It is only by taking this approach that this industry can secure its future in the community.

Significant progress was made in reducing greyhound breeding during 2015-16. The number of pups whelped in Victoria fell more than 1700, or just over 30%, compared to the previous year, driven by a 31% reduction in litters from 926 in 2014-15 to 634 in 2015-16. While the number of litters will need to be reduced even further, the impact of the significant reduction is not yet visible in the euthanasia numbers published in this report. GRV is committed to re-homing all racing and non racing greyhounds that have been bred in Victoria (subject to medical, behavioural and legal requirements) by 2018-19. Changes will be put in place progressively over the next couple of years including a revamped regulatory framework by the end of 2016-17, further reductions in breeding and new strategies to achieve additional re-homing by industry participants, GAP and other re-homing organisations.

I have been very heartened to see how participants, stakeholders, clubs and staff have embraced the need for reform, providing invaluable input and proposals for change at all levels through forums like the Stakeholder Engagement Workshops and Industry Consultative Group and in formal and informal dialogue with GRV's leadership team. I believe this commitment, which is driving the hard work of all key stakeholders in the sport, will secure a strong, well planned and positive future for every Victorian greyhound and so for the code itself.


Alan Clayton
 GRV CEO

Progress on Reform Recommendations

Recommendations made in the reports on Victoria's greyhound racing by the Office of Racing Integrity Commissioner and the State of Victoria's Chief Veterinary Officer. This chart shows recommendations that are now fully implemented where GRV has the lead responsibility for implementing them. Recommendations not covered here are still being implemented either by GRV or under the lead of other Government agencies or are being dealt with through a whole of Government approach. It is expected that all recommendations will have been implemented by 30 June, 2017 other than the establishment of a new Integrity entity which is being implemented under the direct management of the Department of Justice and Regulation.

Recommendation	Action
Animal Welfare	
GRV to have a statutory requirement for animal welfare.	Statutory requirement in place through Racing and Other Acts Amendment. (Greyhound Racing and Welfare Reform) Act (ROAAA) which received Royal Assent on 19 April 2016.
GRV Board to include a member who is an expert on animal welfare and/or ethics.	Rob Greenall, a registered veterinarian with a strong background in animal welfare, appointed to GRV Board in October 2015.
Code of Practice for the Operation of Greyhound Establishments (the Code) comprehensively revised to include animal welfare standards that reflect contemporary community expectations and industry best practice.	GRV funding DEDJTR code review. Draft code being developed by DEDJTR for public consultation in October 2016 and implementation in April 2017.
Prevention of Cruelty to Animals Act 1986 (POCTAA) amended to strengthen the offences for baiting and luring and to improve the enforceability offences.	POCTAA amended and new penalties in effect from 23 December 2015.
Domestic Animals Act 1994 (DAA) amended to ensure that all greyhounds in the industry are captured by the Code.	Implemented through ROAAA.
The current constraint around 'reasonable hours' for inspection under the Racing Act 1958 (RA) amended to reflect common hours of operation in the industry.	Implemented through ROAAA.
Responsibilities of the Office of the Racing Integrity Commissioner to include powers to audit animal welfare compliance and greyhound racing industry and provide a mechanism for reporting of animal welfare complaints and info.	Implemented through ROAAA.
Greyhound Racing Victoria Local Rules amended to specifically require members to comply with all relevant animal welfare and management legislation and to: <ul style="list-style-type: none"> ban all animals as lures and prohibit the keeping of animals by any registered participant for the purpose of use as a lure (live or dead); avoid transfer of greyhounds as a means to avoid effective penalties; place sanctions on a greyhound proven to be 'blooded'; and ensure only synthetic lures be allowed. And that penalties are, and seen to be, of substantial effect to act as a deterrent.	<ul style="list-style-type: none"> Greyhound Racing Victoria Local Rules amended 14 June 2016. POCTAA amendments effective from 23 December 2015.
GRV Local Rules be reviewed and revised to make them consistent with community expectations, including the penalty guidelines.	Partially addressed in amendments to the Local Racing Rules implemented on 14 June 2016 and to be considered further through GRV's Penalties Project.
Statutory time limitation to initiate a prosecution extended to three years for POCTAA live baiting and luring related offences including aiding and abetting of such offences.	Implemented through ROAAA.
GRV formalise agreements with relevant animal welfare and law enforcement groups.	<ul style="list-style-type: none"> GRV is progressing the development of information sharing and collaboration memorandums of understanding with relevant animal welfare and law enforcement groups. GRV Integrity department works collaboratively with its law enforcement stakeholders, including the RSPCA and Victoria Police.
<ul style="list-style-type: none"> GRV identify and monitor all greyhound establishments that are potentially 'Domestic Animal Businesses' under the existing DAA and notify them to the relevant council to be assessed for registration. GRV educate its members about the legal requirements to register as 'Domestic Animal Businesses' with local councils. 	<ul style="list-style-type: none"> DAA amended to exempt greyhound establishments from the definition of Domestic Animal Business. GRV's care and standards website includes information to support participant compliance with the Code of Practice as a minimum standard under GRV's rules.
Integrity	
GRV nominate an appropriately trained and qualified Law Enforcement Liaison Officer to liaise with relevant law enforcement agencies.	GRV's Investigations Manager has been designated to perform this function.
GRV supports and encourages stewards' intelligence gathering and assistance to support animal welfare enforcement.	GRV has implemented a new case management system to support intelligence gathering and animal welfare enforcement.
Rules of Racing, appropriate GRV policies and GRV processes are amended to require members to comply with all relevant animal welfare and management legislation and to report prima facie criminal offences to the relevant law enforcement body such as Victoria Police and RSPCA Victoria.	Greyhound Racing Victoria Local Rules amended 14 June 2016. Similar offences in POCTAA are in effect.
GRV's Animal Welfare Compliance and Education Officers and Investigators be designated as Stewards for the purposes of the Rules of Racing and their powers of entry and inspection increased and clarified.	<ul style="list-style-type: none"> Changes to entry and inspection powers implemented through ROAAA. Animal Welfare and Integrity Officer authorisations and powers currently being reviewed.
Greyhound Racing Victoria optimise use of existing sanctions, particularly registration, suspension and disqualification powers, to enforce compliance with Local Rules, Codes of Practice and other relevant legislation.	<ul style="list-style-type: none"> GRV's Integrity Department has been significantly strengthened which is ensuring the optimisation of existing standards. GRV is also developing a Compliance Strategy which will provide transparency in relation to GRV risk based compliance approach.
GRV amend the Local Rules so that a breach of section 13 of the POCTAA (and any other relevant provision) is automatically considered to be a breach of the Rules of Racing; and	Greyhound Racing Victoria Local Rules amended 14 June 2016.
All Controlling Bodies implement a rigorous and consistent approach to documenting the reason for retirement or exports of all registered greyhounds and making it an offence to fail to lodge a retirement or export notification.	<ul style="list-style-type: none"> It is currently an offence under the GRV Rules to fail to lodge retirement outcomes. Each state jurisdiction has agreed to assist other states to verify transfers. GA National Rule confirming Owner's responsibility to report outcomes was rule was adopted by Victoria on 1 December 2015. The unauthorised export of greyhounds is under active consideration in the context of discussions between State and Federal governments.
Operations	
GRV implement a case management system that enables lifetime monitoring of greyhounds with capabilities for complex reporting, analysis and review of the industry.	Case Management system, Redshift, is operational.
GRV reviews FastTrack system to contain a secure, access controlled and encrypted information management system. Failing this possibility, that GRV identifies a non-FastTrack system.	Case Management system, Redshift, is operational.
GRV introduce the requirement that all policies be in writing and recorded on the GRV website for easy access by industry participants and the wider community.	GRV's new website "Care and Standards" was launched on 17 March 2016 with GRV policies published in written form and online for easy access by industry participants and the wider community.

2015-16 STAKEHOLDER ENGAGEMENT WORKSHOP PROGRAM AND OUTCOMES

TRAINING FACILITIES AND TRIAL TRACKS

10 May 2016- Sandown Greyhound Racing Club

One of the key points raised at this workshop was the need to improve access to training facilities where the properties, owners and workers would be registered and licensed in accordance with GRV regulations. Also discussed was the need for participants to have better access to early education and skills development opportunities such as apprenticeships for rearers and breakers, along with more access to specialised veterinary services. Solutions for better tracking of greyhounds throughout their training were also proposed.

TRACK DESIGN, TRACK SAFETY AND LURES

22 May 2016 - The Meadows

Track injury data presented at this workshop generated constructive proposals by participants to minimise on-track injuries such as replacing heavy catching pen gates with canvas gates and light harrowing with plenty of watering between races to provide softer running surfaces. The workshop also identified the need for more research into track transitions, surfaces and overall track designs to help reduce track injuries and Traralgon Greyhound Racing Club put itself forward as a host to test new track solutions.

BREEDING AND BREEDING CONTROLS

28 May 2016- Sandown Greyhound Racing Club &

4 June 2016- Geelong Greyhound Racing Club

Data presented at the breeding and breeding controls workshop made it clear that an unacceptable number of dogs are not making it to the track and too many dogs are being euthanised. Constructive discussion and proposals looked at measuring breeder performance, incentives to encourage quality breeding and better regulation and more information and education to improve the quality of Victoria's breeding system.

REARING AND PRE-RACE TRAINING

19 June 2016- The Meadows

A key issue at this workshop was the importance of socialising greyhounds during rearing, including more interaction with other breeds. The shrinking number of rearers and educators was also raised as an issue along with appropriate pay for those working in early greyhound education and stronger and more transparent tracking of greyhound health and well-being during the early education process.

IMPROVING THE RACING CAREER OF GREYHOUNDS

25 June 2016- Sandown Greyhound Racing Club

This workshop focused on incentives to provide a longer and healthier racing career for greyhounds. Among the proposals were increasing the minimum racing age to 20 months to ensure that greyhounds were mature enough to race, offering a first win bonus or a milestone bonus after a certain number of starts, extra money for maidens, paying fourth place prizemoney, increasing Tier 3 prizemoney to 60-70 per cent of Provincial Full Stake and increasing racing opportunities for veterans.



(L-R) Daniel Nugent, Barbara Backhoy, Marg Long, CEO Alan Clayton, Peter Craig, Tracey Corneille, Judith Bornstein (Chair) Leanne Crawford, Sandra Reed, Steven Clarke
(Absent: John Martin, Duane Dalton)

Consultation Summary

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

During 2015-16, GRV had regular meetings with all club managers and committee presidents to discuss a wide range of matters including animal welfare, racing schedules and operations, track safety and club governance, events management and GRV's new capital works programs. Other industry stakeholders consulted during the year included the Greyhound Owners Trainers and Breeders Association (GOTBA) Victoria, Racing Analytical Services Laboratories, RSPCA Victoria, Greyhound Safety Net, the Australian Greyhound Veterinarians Association, the Australian Greyhound Racing Association, Greyhounds Australasia and our peer organisations in other states.

Management of GRV's social media resources was much improved during 2015-16 and is now an important part of how GRV engages with participants on many issues.

Two major new consultation initiatives were launched this year - the Stakeholder Engagement Workshops and the Industry Consultative Group.

Stakeholder Engagement Workshops

This series of workshops was a very significant step forward for both GRV and participants in developing a truly collaborative approach to a range of issues with a particular focus on animal welfare as the number one priority for everyone involved in Victorian greyhound racing.

The four-hour workshops were based on a panel style Q&A format that included many leading breeders, rearers and trainers and members of GRV's Leadership team. More than 350 people attended the six workshops held at Sandown and Geelong Greyhound Racing clubs and

The Meadows from 10 May to 25 June 2016. A workshop feedback page at www.greyhoundcare.grv.org.au/workshops provided video coverage and the opportunity for those unable to attend to have their say on the issues under discussion.

The workshops provided a forum for open and comprehensive discussion led by industry participants and developed constructive proposals and ideas which are now informing GRV's reform process, future policy, information and education initiatives and capital works program.

Further workshops will be held in 2016-17 covering GRV's racing program and grading, opportunities for smaller scale participants and industry education and training. Following the success of the first series, GRV will now also host more workshops on topics such as breeding, rearing and breaking, training, racing and re-homing in key regional locations such as Warrnambool, Shepparton and Traralgon.

Industry Consultative Group

An Industry Consultative Group (ICG) was established by GRV in early 2016 to provide more broad-based input into GRV's planning and to give the industry a clearer insight into GRV's decision-making process. The 11-person group is chaired by GRV Board Deputy Chair, Judith Bornstein, includes regional and metropolitan owners, trainers, breeders, greyhound clubs and a greyhound veterinarian, and meets every six to eight weeks.

ICG members at 30 June 2016:

- | | |
|---------------------------|--|
| • Judith Bornstein | ICG Chair and GRV Board representative |
| • John Martin | Clubs nominee |
| • Marg Long | Clubs nominee |
| • Barbara Backhoy | Veterinarian nominee |
| • Sandra Reed | GOTBA Victorian nominee |
| • Peter Craig | Participant nominee |
| • Leanne Crawford | Participant nominee |
| • Daniel Nugent | Participant nominee |
| • Steven Clarke | Participant nominee |
| • Tracey Corneille | Participant nominee |
| • Duane Dalton | Participant nominee |

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

	FY12	FY13	FY14	FY15	FY16	Var	Var %
Income from transactions							
Tabcorp Income	43.6	54.9	58.7	62.4	60.7	(1.7)	-2.7%
Racefields Income	9.6	13.7	15.4	21.4	25.8	4.4	20.4%
Other Income	2.0	2.4	3.7	4.9	4.1	(0.8)	-17.1%
Total Income	55.1	71.0	77.8	88.7	90.6	1.9	2.1%
Expenses from transactions							
Stakemoney/Starters/GOBIS	30.4	37.8	41.8	42.6	43.8	1.2	2.7%
Other Expenses (excluding infrastructure)	17.2	20.3	24.1	28.1	36.2	8.1	28.9%
Other Expenses (infrastructure)	9.8	4.5	3.6	13.4	4.8	(8.6)	-64.3%
Other economic flows	0.1	(0.2)	0.5	(0.7)	0.5	1.2	-175.9%
Total Expenses	57.5	62.4	70.0	83.4	85.3	1.9	2.3%
Net Result	(2.4)	8.6	7.8	5.3	5.3	(0.0)	-0.2%
Return to Industry Participants %/TAB Revenue	69.7%	68.8%	71.2%	68.3%	72.0%		
Other Operating Expenses/Total Revenue %	31.2%	28.6%	31.0%	31.7%	40.0%		





Leadership Team (L - R): Craig Armstead, Gavin Goble, Donna King, Alan Clayton, Robert Shaw, Stuart Laing, Shane Gillard, Terrie Benfield, Louise Martin

The New GRV

GRV has been comprehensively restructured to best implement the ORIC and CVO recommendations, meet new statutory responsibilities and to deliver on its Strategic Priorities.

Animal Welfare is now a major priority for the Board and the administration. GRV is committed to regulating and promoting a racing industry culture in which the safety and the welfare of greyhounds is paramount throughout their life. It also recognises the need to meet community expectations and contemporary approaches to animal welfare, which will mean significant and substantial change. GRV aims to ensure that all greyhounds have an opportunity to have the best quality of life.

GRV's new structure is built around four core areas: welfare and regulatory accountabilities; racing operations; clubs and member development and corporate governance and services.

A dedicated Animal Welfare department focuses on lifelong greyhound welfare, with a much expanded inspection team and new training, education and research initiatives and a new Professional Standards and Integrity Department handles regulatory, compliance and assurance functions.

The new Club Development and Member Services Department supports members and works to strengthen clubs' commercial and operational capabilities while a Racing, Wagering Partnerships and Business Development Department deals with scheduling, grading and coordinating race activities, manages GRV's wagering and broadcasting partnerships and develops business strategies for future industry growth. A Strategic Communication and Marketing Department has been established to communicate the reform agenda and improve communication with participants and a new People and Culture Department deals with staff development and ethical, probity and conflict of interest standards.

Finances, IT and facilities are key responsibilities of the reformed Corporate Services Department and new governance, project management and executive office functions support the GRV Board and CEO on strategic planning, legal, audit and risk issues, data analysis and major projects. GRV's financial sustainability remains strong and the capability is in place to fund major reform according to the new GRV strategic priorities and capital works programs while maintaining a full racing program and current prize money levels.

Every Greyhound Comes First

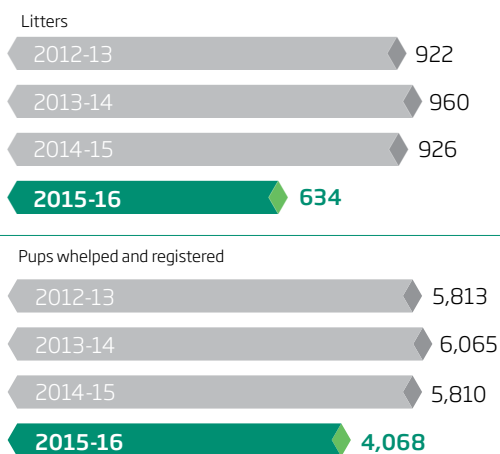
The welfare of the greyhounds must be paramount for the code. All GRV's policy development, program delivery and operations have this as the first and overriding priority.

GRV's reform program was very much focused on animal welfare in 2015-16 and a range of initiatives were implemented which are beginning to deliver positive outcomes. However, the biggest and most important challenge is to ensure that every greyhound enjoys a full life on the track and in the community.

In 2015-16, 3012 greyhounds registered in Victoria were euthanased in the State and interstate according to euthanasia certificates supplied by veterinarians. Reasons provided included injury, illness, aggressive behaviour, owners unable to find homes and end-of-career decisions by owners. GRV considers this figure completely unacceptable and is committed to ensuring Victorian greyhounds associated with the sport are re-homed, whether they make it to the track or not, through a wide range of breeding control, injury reduction and re-homing initiatives.

However, while the number of litters has been significantly reduced during 2015-16 (Table A), this will not impact on the oversupply of dogs until 2016-17 and 2017-18. It is clear that to achieve the re-homing of all greyhounds bred in Victoria (subject to medical, behavioural and legal requirements), GRV will need to further reduce breeding, increase the extent of greyhounds re-homed and at the same time, increase the racing opportunities for greyhounds and not just for the elite racing greyhounds. Increasing the racing opportunities for greyhounds will enable a further reduction in breeding levels. As these changes are implemented, GRV will progressively move towards re-homing all greyhounds bred in Victoria (subject to medical, behavioural and legal requirements) by 2018-19.

Table A: Number of litters and pups registered with GRV in Victoria



GRV has already been working with participants to improve breeding and ensure more dogs get to race. In 2015-16 the number of litters reduced significantly, while there was an increase in the number of starts by individual greyhounds.

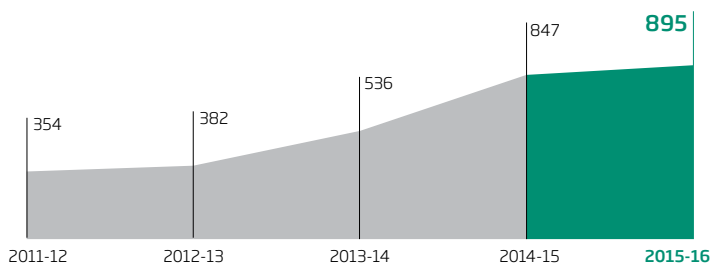
In 2016-17, new participant training and education initiatives along with improved tracking of greyhounds throughout their life cycles will help ensure that all owners fully understand their responsibilities and develop whole of life plans for every dog. Further proposals to ensure more greyhounds make it to the track and have longer racing careers will also be developed in 2016-17.

Finding homes for greyhounds that have finished racing or never made it to the track is also critical in ensuring every greyhound is re-homed. GRV believes that the greatest opportunity is for participants to keep retired dogs themselves where appropriate, and use their networks of friends and family to re-home. In 2015-16, more than 1000 greyhounds were re-homed this way.

GRV significantly expanded its re-homing initiatives in 2015-16 with support being provided to re-homing group Greyhound Safety Net and the ongoing development of GRV's Greyhound Adoption Program (GAP) as Australia's largest greyhound adoption agency.

GAP celebrated its 20th Anniversary with a record 895 adoptions (809 individual dogs) in the 2015-16 financial year (Table B) and has found homes for nearly 7000 dogs since its inception. GAP Adoption Days were held at The Meadows on 5 July 2015, 28 February 2016 and 1 May 2016, at Sandown Greyhound Racing Club on 9 April 2016 and GAP Seymour on 18 October 2015, which together found new homes for more than 240 dogs.

Table B: GAP adoptions (incl. re-adoptions): 2011-12 to 2015-16



During the year, a new veterinary clinic, funded by the Victorian Government, was opened at GAP's Seymour headquarters so that all required veterinary procedures, including de-sexing and dental work is now performed onsite, further improving animal welfare outcomes. Planning also began for a major expansion of GAP Seymour in 2016-17 and a property was leased at Mount Mercer in Central Victoria to be developed as another GAP assessment centre with capacity for an additional 60 dogs.

GAP also released a series of videos based on its 'Every Greyhound Has a Story' photographic exhibition, which toured Victoria in 2014-15. The nine-part video series attracted much attention and boosted public awareness of greyhounds as great pets and companion animals.

Looking ahead to 2016-17, GRV has committed an additional \$3.5 million to further expand the GAP Seymour property, providing more places for dogs and funding new marketing campaigns to promote greyhounds as pets. In addition, GAP is restructuring its processes to give every dog the best possible chance of being re-homed.

GAP will also work with behaviour experts to ensure GAP's pre-assessment and assessment processes are robust. GAP's fostering program will also expand significantly to give dogs more socialisation opportunities to improve assessment outcomes and re-homing opportunities.

To help drive this cultural change and generally improve animal welfare outcomes, a new Greyhound Care and Standards website was launched by GRV in March 2016 at www.greyhoundcare.grv.org.au. It is a comprehensive and continually updated resource that supports both professional greyhound racing participants and those starting out in achieving best practice in breeding, rearing and training and in developing whole of life plans. The site covers proper nutrition, exercise, vaccinations, dealing with common health problems, required kennel and facility specifications and retirement and re-homing options. It also provides a detailed guide to participant rights and responsibilities in areas like the code of practice, permits and registration and inspection of premises and kennels.

Also included are FAQs, updates on rules and regulations, profiles of leading people in the sport and the latest news from GRV. As well as improving animal welfare outcomes, Greyhound Care and Standards also supports the professional development of many of the small businesses and participants working directly in the sport.

Reducing race track injuries is another key focus for GRV in improving animal welfare and reducing euthanasia. In 2015-16 reporting requirements for race day veterinarians were strengthened and the capture and analysis of race injury data was significantly improved (Table C).

Track injury data is being supplied to all clubs to help them develop new plans to reduce racing injuries. GRV will also be participating in leading-edge research on safer track design and will fund infrastructure needed to implement plans identified by both the clubs and this research.

Table C: Number of injury incidents, injury rates and severity in Victorian race meetings between 1 July 2014 and 30 June 2016

Rating	Veterinary stand-down period	Injury incidents per 1000 starters	
		2014-15	2015-16
Minor - I	0 days	4.2	4.3
Minor - II	1 to 10 days	29.6	25.5
Medium	11- 21 days	8.3	8.3
Major	Greater than 21 days	3.5	3.6
Catastrophic	Deceased or euthanased immediately	1.1	1.0

GRV also began trialing Hoop (arched) Lure Arm and Finish-On-Lure systems at seven Victorian tracks over the past year with the aim of significantly reducing injury rates by decreasing the bunching of dogs that leads to interference, and to encourage greyhounds to consistently chase the lure and perform at their best. The hoop arm design encourages greyhounds to race more towards the centre of the track and therefore reduces interference in races. This is especially relevant in the early stages of races, where severe crowding towards the rail and interference are most prevalent with the traditional straight arm lure in the run to the first turn. A reduction in interference in races is likely to lead to fewer injuries in the long run especially as greyhounds become more accustomed to the hoop arm. Race day trials of the new systems will be held in 2016-17 and data from these races will be used in the development of future lure systems.

The welfare of dogs living in greyhound facilities is another key focus for GRV and in 2015-16 it substantially expanded its animal welfare team from two to eight Authorised Animal Welfare Inspectors now led by a dedicated and experienced manager, and with at least 10 more inspectors to be appointed in 2016-17. The team is continuing to work with breeders, trainers, breakers and owners to ensure compliance and support best practice in greyhound care and housing. The team also plays a key role in the Animal Welfare Department's work on developing a whole-of-life greyhound welfare strategy for all participants.

Improving animal welfare at race meetings and trials is another key priority for GRV. On 26 December 2015, GRV reviewed its Hot Weather Policy which takes into account the high summer temperatures often experienced across Victoria. The revised policy allows trainers to scratch greyhounds without penalty if the temperature is forecast to be 32 degrees Celsius or above. At 38 degrees Celsius or above, GRV will cancel race meetings and will endeavor to reschedule meetings where possible. Following changes to the policy, 11 Victorian greyhound race meetings were cancelled or abandoned throughout 2015-16 with cancellation fees paid to all competing trainers at these meetings. While these cancellations had an obvious short-term financial implication for GRV, it was the importance of the welfare of the greyhound that took precedence over the racing program.

The format for Qualifying Trial Meetings has also been changed to improve animal welfare and professional racing standards. These meetings are conducted under full race conditions, managed by GRV Stewards and a full complement of club staff. All greyhounds now undergo the full race day kenneling procedure with veterinary examinations, weighing and recording of handler information, standard sampling procedures and with stewards enforcing greyhound racing rules.

The welfare of greyhounds racing in Victoria is GRV's prime responsibility. GRV therefore opposes the export of greyhounds to any country lacking strong animal welfare controls and greyhound racing regulations. In 2015-16, Victorian participants were reminded of Greyhounds Australasia (GA) Rule 124 covering greyhound exports and GRV's Investigation Unit identified 50 participants involved in exporting Victorian greyhounds to Macau and other poorly regulated jurisdictions. These matters are currently being considered by legal advisors as to the next steps. Since these actions, it is believed that no more registered Victorian greyhounds have been exported to Macau.

GRV also wrote to relevant federal government authorities to urge tighter regulation of greyhound exports and strongly supported the decisions by Qantas and Cathay Pacific to stop flying greyhounds to Asia.

GRV was also extremely concerned by reports over the year about greyhounds being used in medical training and research and contacted brokers who were providing dogs for these purposes, indicating to them to immediately desist.



Towards a New Regulatory Framework

New legislation and rules, a new Investigations Unit, increased swabbing, training and education initiatives ensure GRV is a national leader in racing integrity.

To implement and enforce key recommendations in the ORIC and CVO Reports, the Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016 was gazetted in Victoria on 4 May 2016. The Act introduced new statutory animal welfare requirements for GRV, strengthens penalties for live baiting and other animal cruelty and increases the powers of GRV animal welfare inspectors. The Act also allows the Minister for Agriculture to make a code of practice for keeping GRV registered greyhounds and creates an offence for non-compliance.

In 2015-16, GRV introduced new Local Rules following industry consultation, many in direct response to recommendations from the ORIC and CVO Reports, to further emphasise animal welfare and integrity as the key priorities for the code. Under the new Local Rules, participants must make every effort to re-home fit and healthy greyhounds and report details of any emergency euthanasia.

The new rules also ban any lures that contain animal materials, stipulating that only synthetic or artificial materials can be used.

Prescribed categories of greyhound training properties will also need to comply with certain conditions and be registered with GRV and these categories and conditions will be finalised in 2016-17 following industry consultation.

Under new Greyhounds Australasia (GA) Rules, Victorian participants must now register female breeding greyhounds with GRV to ensure they are eligible to breed and that they are micro-chipped and have up-to-date C5 vaccination records and DNA results recorded before service. Other new GA rules coming into force in 2016-17 will increase animal welfare powers for Stewards, expand the list of approved drug testing facilities, clarify threshold levels for various substances and permanently ban the use of Anabolic Androgenic Steroids.

The Bittar Review of the Integrity Structures of the Victorian Racing Industry released on 19 May 2016 recommended further integrity measures for the three racing codes including a new Victorian Racing Integrity Unit. This has been accepted in principle by the Victorian

Government and GRV will work with the government and other racing control bodies to develop the best possible integrity outcomes. The Bittar Review also noted that GRV had significantly improved its integrity measures since 2014-15 and was now a leader in key areas.

A key step in implementing ORIC and CVO recommendations for a new mandatory Code of Practice for the Keeping of Racing Greyhounds was the work undertaken in 2015-16 on new statewide planning provisions covering greyhound facilities to balance opportunities for new investment in the sport with animal welfare and local amenity concerns. This planning framework is being overseen by a cross-government Greyhound Racing

TOORADIN LIVE BAITING CASE UPDATE

Victorian greyhound industry participants involved in live baiting at the Tooradin Trail Track in February 2015 were thoroughly dealt with during 2015-16. GRV Stewards and Investigators prosecuted the cases before the independent Racing Appeals and Disciplinary Board, charging 18 people under greyhound racing rules. Seventeen received penalties including life bans and disqualifications of up to 10 years and none of them are now involved in greyhound racing in Victoria. One participant was found not guilty.

GRV worked with RSPCA Victoria in investigating the incident and the RSPCA brought 125 criminal charges against 15 of these individuals who could face two-year jail terms and/or fines of up to \$30,000 under the Victorian Prevention of Cruelty to Animals Act 1986. Their cases are before the Magistrates Court.

and Welfare Reform Implementation Task Force to ensure that they are consistent with a proposed new animal welfare code of practice and public consultations on the draft provisions will take place in 2016-17, led by the Department of Environment, Land, Water and Planning.

To ensure compliance with all legislation and racing rules and maintain the highest possible integrity and ethical standards across the code, GRV established a new Investigations Unit in 2015-16.

Charlie Bezzina (centre) and the Investigations Unit



Charlie Bezzina, one of Victoria's most experienced, respected and commended police detectives, was appointed to the role of Senior Investigations Manager, along with a team of investigators and intelligence analysts who also have a strong police background and no previous involvement with greyhound racing. The Unit is also supported by the new position of Principal Solicitor, Prosecution and Discipline.

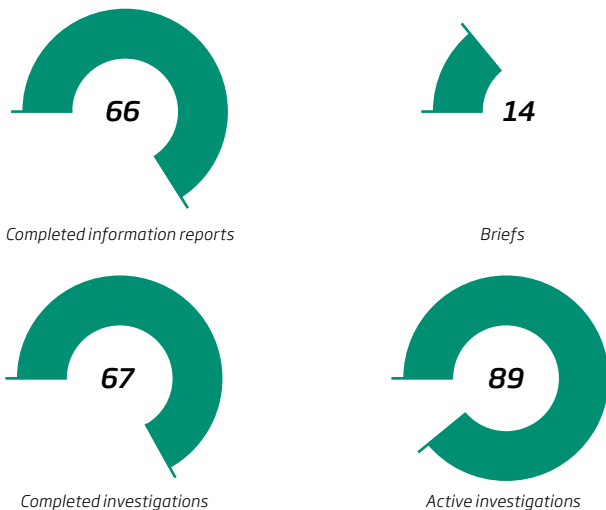


Ken Waixel, Compliance Manager, Animal Welfare (2nd from left), and some of his team

The Unit uses a case management system and identifies and monitors issues through a comprehensive risk framework that drives preventive measures and triggers proactive investigations into matters including animal welfare, live baiting, prohibited substances, greyhound exports, unethical euthanasia, criminal activities, internal corruption and unethical behaviour. It is also responsible for reviewing new participants and disqualified persons and for ensuring GRV's own integrity, investigating any possible conflicts of interest and illegal or unethical behaviour by GRV and club employees.

The Unit works closely with GRV's Welfare Unit and Stewards, Victoria Police Sports Intelligence Integrity Unit, the Office of the Racing Commissioner, municipal and shire rangers, Veterinary Board investigators and the RSPCA and other animal welfare organisations.

Investigations Unit Outcomes

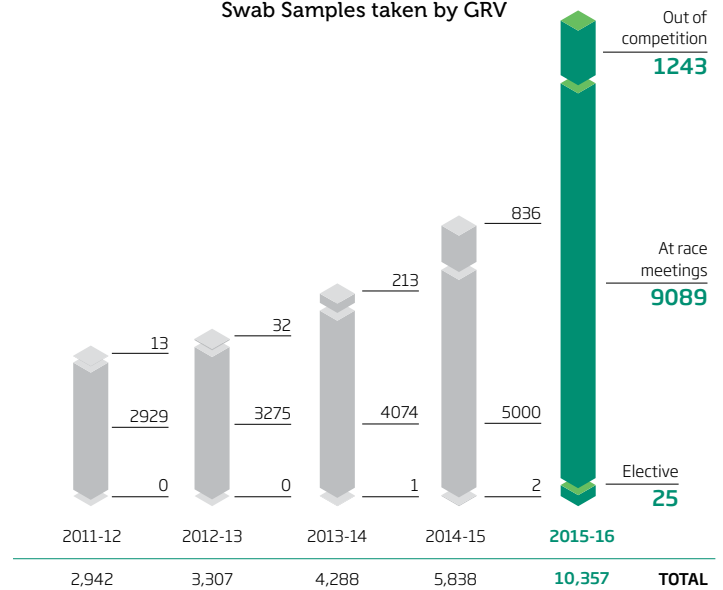


In 2015-16, the Unit undertook 236 pieces of work including but not limited to evaluating, assessing, analysing and investigation reports relating to suspicious activity or corruption. An online form for confidentially reporting suspicious activity to the Unit was set up in March 2016 and received nearly 5,000 visits and has provided valuable information acted upon by the Investigations Unit. Around a third of these reports have involved animal welfare matters with the rest covering issues such as prohibited substances, disqualified people and unethical euthanasia. In 2016-17, a 24 hour, seven day a week telephone hotline will also become operational, giving people a platform to confidentially report unlawful and suspicious activity to GRV's Investigations Unit.



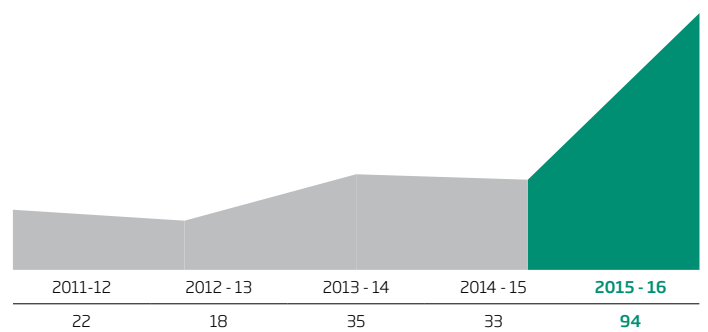
In 2015-16, GRV stepped up testing for prohibited substances by nearly doubling the number of samples taken from greyhounds both on and off track, to a record 10,357 for the year compared to 5,838 in 2014-15, to ensure that greyhounds are free from any prohibited substances that may affect their welfare or performance and to further strengthen the integrity of Victoria's greyhound racing code.

Swab Samples taken by GRV



GRV will introduce a new testing program in 2016-17 that will continue to randomly sample greyhounds at all race meetings while also including a more advanced risk assessment process based on form and betting movements, managed by GRV's Stewards Department and Betting and Form Analysts. This will mean a significant increase in the number of samples taken at all meetings as GRV Stewards will be tasked with collecting 17,000 samples over 2016-17.

Returned Swabs - Positive and Irregular



To help Racing Analytical Services Laboratory deal with this expanded testing program, GRV has invested in new refrigeration units that can store more samples for up to 10 years, compared to only three years in the past.

To help ensure participants understand and be compliant with all relevant legislation and Codes of Practice, GRV appointed three Industry Advisory and Support Officers (ASOs) in 2015-16. The ASOs are working on the ground with rearers, breeders, educators, trainers and others involved in the day-to-day care and education of greyhounds, providing information and practical solutions to improve facilities and offer support on greyhound care, permits, domestic animal business registration and local council matters.

On the Track

GRV and the clubs continued to deliver Australia's biggest racing calendar which has also driven a strong wagering performance.

The racing year featured many highlights on the track including some of the greatest racing careers yet seen in Australia. In October 2015, Fernando Bale, trained at Anakie by Andrea Dailly, became the first Australian greyhound to surpass \$1 million in prize money, eventually retiring in December with \$1,299,370 won in career stakes.

Two other greyhounds followed Fernando Bale's lead in surpassing the million dollar mark in the 2015-16 financial year - Sweet It Is and Dyna Double One - who retired with respective racetrack earnings of \$1,019,945 and \$1,160,316.

The world's richest greyhound race, the \$600,000 TAB Melbourne Cup (Group 1), produced arguably the greatest highlight on the 2015-16 greyhound racing year. Held at Sandown Park over 515 metres in November 2015, Dyna Double One came from behind to score a thrilling last stride win over his more fancied kennelmate Fernando Bale in a performance that sent the 4000 strong Melbourne Cup crowd into a frenzy.

The champion duo also shared the spoils in Victoria's other most prominent Group 1 sprint events, the 2015 Sky Racing Topgun (won by Fernando Bale) and the 2016 Meadows Conference & Events Australian Cup (won by Dyna Double One), both held at The Meadows in October and March respectively.

Rounding out Victoria's richest Group 1 greyhound racing events for the year was the world's richest greyhound race for stayers - the \$250,000 RSN Sandown Cup in May - in which Bells Are Ringin' delivered Gippsland hobby trainer Gerard O'Keefe his first win at group level.

To offer a pathway into the sport for those that haven't owned a greyhound before or have limited funds, the fourth annual Ready 2 Race (R2R) Sales were held at Lords Raceway in Bendigo on 28 November 2015. The event was presented by GRV and hosted by the Bendigo Greyhound Racing Association with experienced trainers attending to provide advice and information for prospective owners. 57 greyhounds were auctioned on the day at an average sale price of just under \$5000. This was about \$1000 below that of last year, but can be attributed to the fact that there were a greater percentage of younger and unraced greyhounds at this year's R2R.

Victorian greyhound racing continues to be the most popular greyhound racing product for wagering in the country and GRV has achieved

sustained national wagering growth for the past four years, driven primarily by an expanded racing program.

Total national wagering on Victorian greyhound racing continues to grow strongly. In 2015-16 Australians wagered a record \$1.83 billion nationally on Victorian greyhound races, up \$212 million (13.1%) on the prior year. The majority of this growth was achieved through wagering with Corporate Bookmakers and Betfair, which as a collective recorded another year of phenomenal growth, increasing turnover by 30% on 2014-15.

All Victorian greyhound races are covered by the Victorian TAB and all other TABs around Australia and internationally by agreement. The races were broadcast by our critical partners at SKY Racing, RSN 927 in Victoria and through the national racing radio network.

Wagering on all greyhound racing with the Victorian TAB Joint Venture declined 1.2% on the prior year, dropping \$11 million to \$864 million. This was partially due to a decline in interstate meetings, particularly out of NSW where meetings conducted were down 6 per cent and races were down 3 per cent on the prior year.

Greyhound racing's share of 3-code Vic TAB turnover increased to 21.34% in 2015-16. This is the fifth consecutive year in which greyhound racing managed to achieve record market share.

Despite a downturn in turnover and revenue performance by the Victorian TAB Joint Venture, GRV's revenue from wagering continues to grow as a result of growth in Race Fields Revenue collected from interstate TABs, Corporate Bookmakers and Betfair. The continued growth in turnover on greyhound racing has translated directly to GRV's annual revenue from wagering, which grew by \$4 million to \$84 million for the 2015-16 financial year.

GRV's share of Tabcorp Joint Venture revenue declined by \$2.5 million to \$58.1 million while revenue from Race Fields Fees increased from \$21.4 million to \$25.8 million. Tabcorp Joint Venture Revenue distributions between the codes are determined based on a combination of fixed and variable revenue shares in each financial year. GRV's share of the variable portion continues to increase as a direct consequence of greyhound racing's growing annual share of 3-code net wagering revenue.

Industry Indicators Of Performance

TAB TURNOVER

	MEETINGS		ATTENDANCE		ON-COURSE (Includes fixed odds)		OFF-COURSE (Includes Fixed Odds)		TOTAL		STAKEMONEY	
	2014-15	2015-16		VAR%	(\$'000)	VAR%	(\$'000)	VAR%	(\$'000)	VAR%	(\$'000)	VAR%
Melbourne	105	106	30,300	11.9%	3,928	7.0%	39,322	-7.0%	43,250	-5.9%	9,132	3.8%
Sandown	103	103	41,787	7.3%	4,596	-15.8%	36,256	-2.5%	40,852	-4.2%	9,075	2.8%
Total Metro	208	209	72,087	9.2%	8,524	-6.6%	75,578	-4.9%	84,102	-5.1%	18,207	3.3%
Ballarat	111	107	10,140	-12.0%	1,334	-14.0%	29,780	-3.9%	31,114	-4.3%	2,752	-1.8%
Bendigo	116	102	11,046	-13.6%	1,422	0.2%	32,666	-9.9%	34,088	-9.5%	2,618	-7.9%
Cranbourne	77	65	8,600	-13.1%	966	5.9%	18,585	-15.8%	19,551	-14.9%	2,118	-13.2%
Geelong	103	104	9,909	-13.1%	1,006	-17.0%	35,543	-4.6%	36,549	-5.0%	2,588	1.3%
Healesville	55	52	6,426	-6.3%	507	-18.6%	9,456	-13.1%	9,963	-13.4%	1,123	-1.6%
Horsham	68	51	5,139	-22.2%	315	-26.0%	16,485	-25.0%	16,800	-25.0%	1,567	-18.9%
Sale	62	68	32,180	6.8%	1,237	-2.3%	17,648	8.4%	18,885	7.7%	2,140	10.5%
Shepparton	115	106	16,867	5.2%	1,135	-18.8%	32,530	-7.7%	33,665	-8.1%	2,745	-6.5%
Traralgon	-	93	9,568	100.0%	789	100.0%	25,459	100.0%	26,248	100.0%	2,397	100.0%
Warragul	108	105	13,740	-2.4%	859	-12.8%	30,378	-5.7%	31,237	-5.9%	2,592	-3.9%
Warrnambool	66	66	12,660	-3.4%	822	-10.3%	16,643	2.9%	17,465	2.2%	2,100	2.0%
Total Country	881	919	136,275	2.9%	10,392	-3.0%	265,173	2.3%	275,565	2.1%	24,740	6.0%
TAB Turnover, Total Interstate, International & Box challenge	-	-	-	-	-	-	504,434	-1.9%	504,434	-1.9%	-	-
G.O.B.I.S Bonus	-	-	-	-	-	-	-	-	-	-	638	-55.7%
Coursing	14	13	-	-	-	-	-	-	-	-	181	-7.2%
GRAND TOTAL	1,103	1,141	208,362	5.0%	18,916	-4.6%	845,185	-1.2%	864,101	-1.2%	43,766	2.7%

National Turnover on Vic Greyhounds (\$ million)

	2012-13	2013-14	2014-15	2015-16	Var (\$M)	Var%
Vic TAB	334	340	360	360	-1	(0.2%)
Interstate TABs	692	700	731	787	56	7.6%
Corp Bookmakers & Betfair	286	384	524	682	157	30.0%
Total	1,312	1,424	1,616	1,828	212	13.1%

Vic TAB Turnover (\$ million)

	2012-13	2013-14	2014-15	2015-16	Var (\$M)	Var%
Vic Greyhounds	334	340	360	360	(1)	(0.2%)
Other Greyhounds	467	485	514	504	(10)	(1.9%)
All Greyhounds	801	825	875	864	(11)	(1.2%)

GRV Wagering Revenue (\$ million)

	2012-13	2013-14	2014-15	2015-16	Var (\$m)	Var%
Tabcorp JV Revenue	54.9	58.7	60.6	58.1	-2.5	(4.1%)
Race Fields Revenue	13.7	15.4	21.4	25.8	4.4	20.6%
Total	68.6	74.1	82.0	83.9	1.9	2.3%

Vic TAB 3-code Turnover Market Share

	2012-13	2013-14	2014-15	2015-16
Thoroughbred	67.77%	66.56%	66.17%	66.18%
Greyhounds	19.38%	20.57%	21.20%	21.34%
Harness	12.85%	12.87%	12.63%	12.48%

In the Community

Greyhound racing in Victoria provides thousands of jobs and many volunteer opportunities and makes a significant contribution to local communities and Victoria's economy.

Greyhounds have been racing in Victoria for nearly 90 years and today the sport provides more than 3000 full time equivalent jobs, many in regional Victoria, and generates more indirect jobs in supplying goods and services to clubs, race meetings and other events as well as to owners, breeders and trainers. Greyhound racing's economic contribution is worth more than \$315 million annually which includes more than \$200 million in direct expenditure in regional Victoria.

Greyhound racing also plays an important role in fostering a sense of worth and place for many people, particularly in rural and regional areas, bringing communities together.

While Victoria's 13 greyhound racing clubs are central to delivering Victoria's racing calendar they are also community hubs with facilities used for non-racing activities and functions.

For example, all Victorian greyhound racing clubs hosted Little Big Day Out events over summer and autumn in 2015-16. These family day events attracted 7800 people, including around 4000 children, who enjoyed a range of free activities and entertainment for all ages, including animal shows and exhibits, live music and films and the opportunity to meet GAP greyhounds and discover more about adopting them. In 2016-17, GRV and the clubs will work together to further improve what they offer their communities.

In 2015-16 GRV worked closely with the clubs to improve governance, develop professional management and event management skills and improve animal welfare, racing operations and visitor experiences.

As part of GRV's \$37 million infrastructure program, work started on a \$1.8 million redevelopment of the Warrnambool Greyhound Racing Club which includes a new judges tower, upgraded electrical systems and fire services and refurbished hospitality areas, judge's facilities and amenities. Healesville Greyhound Racing Club received a new transporter bus to take trainers and handlers the long distances to and from the starting boxes at this particular track while all other clubs will also undergo major upgrades in 2016-17 and beyond as the infrastructure rolls out.

A major OHS review of all clubs was carried out in 2015-16 which has led to better emergency evacuation planning, significant upgrades to facilities and electrical systems and improved first aid processes with dedicated defibrillator units installed at every club - including the coursing clubs.

While infrastructure and procedures are important, the true heart of Victoria's greyhound racing clubs lies with its people. Sadly, last year, Warrnambool Greyhound Racing Club lost its much-respected General Manager, Matthew (Matt) Ansell, who passed away suddenly on 17 January 2016. Matt managed the Club from 2006-12 when he oversaw the redevelopment of Wannan Park greyhound track and the growth of the May Racing and Christmas Seaside Carnivals before returning as

general manager in 2015. Matt's knowledge, experience and enthusiasm are greatly missed by both Warrnambool and the Victorian industry in general.

As part of its commitment to give back to the Victorian community, GRV also works with community organisations and charities to support a number of worthy causes. In the week leading up to the 2016 ANZAC Day, GRV partnered with the RSL to raise \$12,000 for the 2016 ANZAC Appeal through the Red Dog Run campaign. From 19-25 April, GRV donated \$250 to the RSL every time a greyhound out of the red no.1 box won any race at a Victorian race meeting.

All greyhound starting from the no.1 box carried the ANZAC Appeal logo on their red rugs, as did the vests for the dog handlers while volunteers who sold ANZAC Appeal badges at race meetings and all RSL members received free entry, a free drink and a free five dollar bet at all clubs across the state during the week.

Now in its 13th year, the TAB Great Chase has raised hundreds of thousands of dollars for the Victorian disability sector and given hundreds of community groups the opportunity to enjoy the excitement of greyhound racing. In 2015 community groups shared \$17,500 in prize money. The final on 19 October 2015 at The Meadows was attended by more than 600 clients and carers from 60 community organisations.

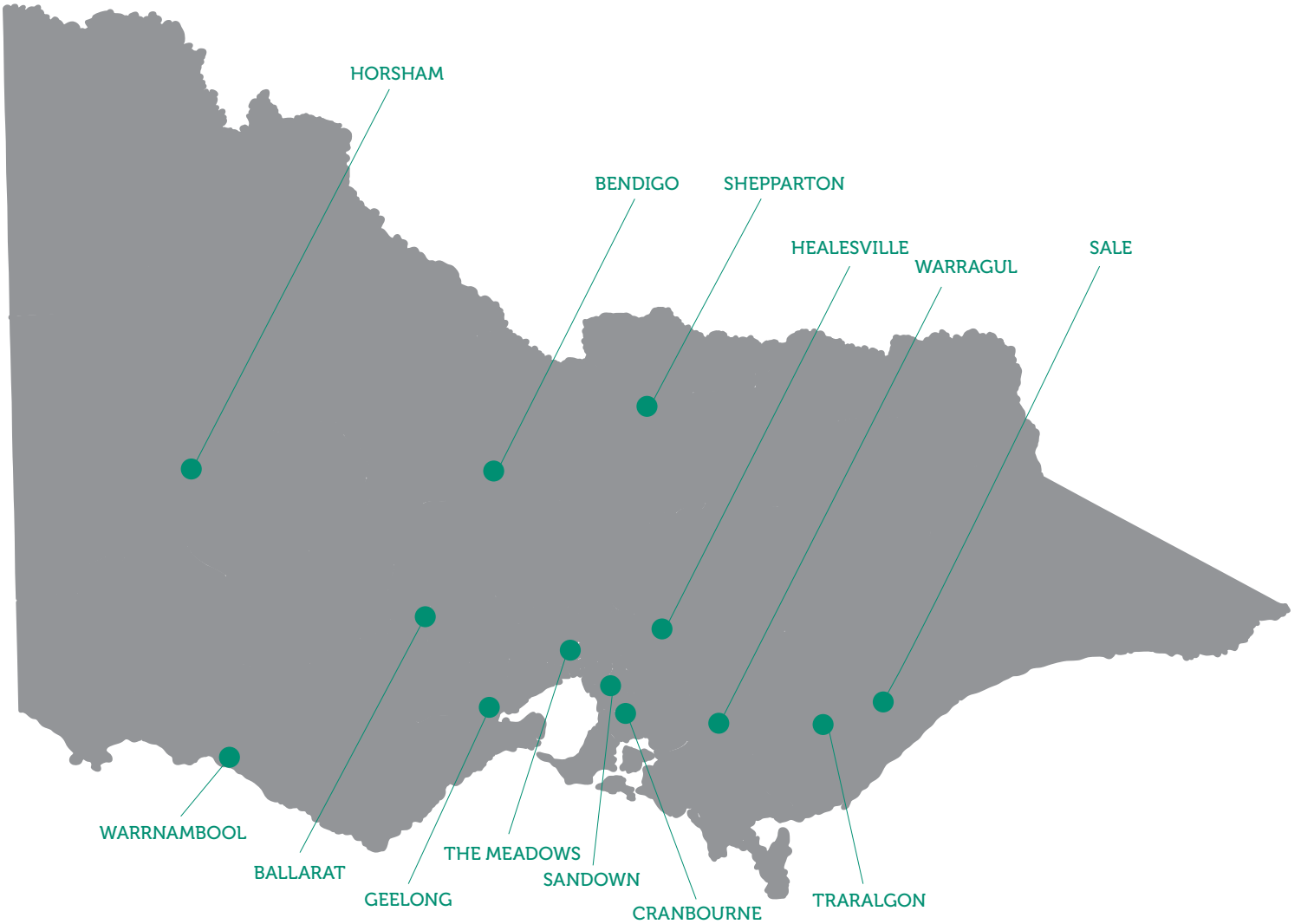
In 2016, GAP celebrated its 20th anniversary by donating \$20,000 - \$1000 for every year - to the annual Royal Children's Hospital Good Friday Appeal. GRV also donated \$6500 to the Starlight Children's Foundation which funds wishes for seriously ill children and their families.

Five Girls Night Out events were held in 2015-16, hosted by the Meadows, Sandown, Cranbourne, Traralgon and Sale greyhound racing clubs. These events promoted more involvement in greyhound racing by younger females, offered networking opportunities and raised funds for important local causes and charities which this year included the White Ribbon Campaign, the Leukemia Foundation and Monash Health's breast oncology unit.

GRV held its inaugural Go The Blue Dog campaign in 2015, with \$500 raised for the Prostate Cancer Foundation of Australia every time a greyhound wearing the blue number four rug won a race in Victoria during September.

The initiative was spearheaded by AFL legend and prostate cancer survivor David Parkin, with more than \$75,000 raised for the PCFA.

Victoria's 13 greyhound race clubs also threw their support behind the campaign, with each club hosting a 'Man Up' event to help raise awareness about prostate cancer, which sadly claims the lives of 3,000 Australian men each year.



Greyhound Racing's statewide Economic Contribution

Annual Total Investment in the Victorian Economy

\$315m

2 metro and 11 regional clubs contribute more than

3000

direct full time jobs

\$200m

direct expenditure in regional Victoria

Mallee
\$0.7m

Loddon
\$14.7m

Goulburn
\$14m

Ovens-Murray
\$0.7m

Wimmera
\$4.7m

Central Highlands
\$17.1m

Western District
\$10.4m

Barwon
\$17.1m

Gippsland
\$19.6m

East Gippsland
\$17.4m

Melbourne Metro
\$199.5m

Statement of Expectations

Victoria's Minister for Racing issues an annual Statement of Expectations which sets out actions and targets for GRV's contribution to the Government's Regulation Reform Program to reduce red tape and improve regulatory practices.

REPORT ON 2014-15 AND 2015-16 STATEMENT OF EXPECTATIONS

IMPROVEMENTS AND TARGETS	MEASURE OF SUCCESS	ACTIVITIES
Implement the FastTrack system that delivers efficiencies	Implement the FastTrack system.	Complete. The FastTrack system was implemented in May 2013. Refinements and improvements have continued to occur as is the case with any major system development.
	Substantially reduce the time required to complete the naming, registration and transfer of greyhound ownership by up to nine days.	Complete. All completed applications are processed in "real time". Applications are completed on line or via phone contact with a Member Services officer who will complete the application while they are on the phone. The application is processed automatically when the payment is accepted (also online).
	Provide an online nomination and scratching system.	Complete. Online nomination and scratching system implemented through FastTrack
	Automate box draws.	Complete. Box draws are automated in the FastTrack system. While the automated process can be amended by a user with the appropriate security access, any such amendment is logged and displayed.
Continue to modernise and simplify regulatory systems to reduce red tape	Enable the online notification and payment of fines and penalties by industry participants.	Complete. All participants fines and penalties are notified through the FastTrack system. Participants are also able to pay fines online.
	Contribute to the implementation of harmonised national rules to provide consistency for participants operating across jurisdictions.	Complete. GRV actively participates in the development of National Rules of Racing through Greyhounds Australasia, an initiative of all state and territory controlling bodies. A number of key issues including registration, naming and prohibited substance have been addressed through this forum.
Reduce the costs of licensing and registration for participants	Work with other jurisdictions to develop a national data model that would eliminate the need for a participant to be registered in multiple states and reduce the requirement for greyhound governing bodies to reformat or seek interstate data.	Complete. Participants that are registered in one state are able to race in other states utilising their home state registration. The development of FastTrack and similar systems in other states facilitates the overnight sharing of data eliminating the need for a participant to be registered in multiple states.
	Reduce the time participants take to complete licensing and registration application processes.	All completed applications are processed in "real time". Applications are completed online or via phone contact with a Member Services officer who will complete the application while they are on the phone. The application is processed automatically when the payment is accepted (also online). In the context of the implementation of recommendations from ORIC and CVO reports, registration processes and requirements are being reviewed, as part of the Licensing Initiative. This will lead to a more rigorous registration process ensuring participants are fully aware of and educated as to the regulatory requirements that must be met by participants.
	Continue to reduce the approval time required for less complex applications to be determined.	In the context of the implementation of recommendations from ORIC and CVO reports, registration processes and requirements are currently being reviewed, as part of the registration project.
Engage stakeholders to identify opportunities	Simplify the process for new entrants into the industry (e.g. owners).	In the context of the implementation of recommendations from ORIC and CVO reports, registration processes and requirements are being reviewed, as part of the Licensing Initiative.
	Develop a program to assist new trainers to understand their obligations under the GRV regulatory system.	FastTrack functionality includes a program to assist new trainers to understand their obligations under the GRV regulatory system. This functionality will be enhanced as part of GRV's review of registration processes and requirements, as part of the registration project.
	Develop multiple communication channels including face-to-face and social media to engage participants and make services more accessible across the state.	GRV has developed a number of communications with the industry and public including the GRV, FastTrack and Greyhound Care websites, implementation of a Facebook page and active use of twitter. GRV also communicates with participants via email, text and the Victorian industry group Greyhound Owners Trainers and Breeders Association (GOTBA) and through the Industry Consultative Group (GRV Board Sub Committee).
	Develop a 'shared services' model for greyhound clubs to achieve administrative and cost efficiencies.	GRV has increased resources and support to clubs through a dedicated Club Accountant. A review of club support will be further considered through GRV's club governance project.
Data Collection	Collect data to determine the cost efficiencies and red tape reduction achieved through the implementation of the above measures.	Data collected in relation to implementation of FastTrack and the take up of participants using on line processes has identified participant time efficiencies (as identified above) as well as GRV staff savings of 1.75 FTE (down from 6 FTE to 4.25 FTE).



2016-17 STATEMENT OF EXPECTATIONS

IMPROVEMENTS AND TARGETS	MEASURE OF SUCCESS	ACTIVITIES
Promote and improve animal welfare in the greyhound racing industry	Work with Department of Economic Development, Jobs, Transport and Resources (DEDJTR) to implement the new Domestic Animals Act Code of Practice for the Keeping of Racing Greyhounds.	Recruitment of General Manager - Animal Welfare Code of Practice for the Keeping of Racing Greyhounds published and implemented.
	Develop animal welfare research strategy and priorities.	Strategy developed and published. Research partners engaged.
	Publish injury data.	Injury data published in annual report and other relevant publications.
	Engagement with stakeholders to develop animal welfare strategy. Publish educational material.	Increase in number of workshops and formal engagement interactions with stakeholders. Increase on animal welfare educational welfare publications on GRV websites.
Implement a risk based approach to regulation	Develop a regulatory approach and compliance strategy. Complete recruitment of key regulatory roles.	Publication of regulatory approach on GRV website. Recruitment of General Manager - Integrity.
	Provide education and training for GRV staff on risk based regulation.	Training program for GRV staff and risk based regulation guide produced for staff.
	Enhanced reporting to the Leadership Team and GRV Board to drive evidence led decision making.	Updated policies and procedures for Authorised Animal Welfare Inspectors and Stewards.
	Improved stakeholder engagement.	Reporting developed, implemented and evidenced in decisions recorded in relevant minutes. Establish and manage advisory groups to the GRV Board.
Reduce the regulatory burden on small business	Greater access to information for participants to assist in informed choices.	Increase in GRV website hits.
	Utilisation of technology to assist participants with transactional activities.	Increase in online transactions.
	Work with Planning to develop Statewide Planning Scheme for Greyhound Establishments.	Adoption of the Statewide Planning Scheme for Greyhound Establishments.
Strengthen governance and integrity in the greyhound racing industry	Implementation of regulatory approach and compliance strategy.	Increase of 25 per cent in swabbing numbers with a targeted program. Restructure of the GRV stewarding function to drive robust oversight of racing, including the appointment of six senior stewards.
	Establish complaints framework.	Establishment and implementation of an enhanced GRV complaints framework.
	Enhance conflicts of interest policy and procedures.	Conflict of interest training completed for all staff and embedded in GRV training and induction programs.
	Move integrity related race day operations from Clubs to GRV.	Successful transfer of race day operations to GRV.
	Enhance Clubs registration and governance arrangements.	Develop suite of operational standards for clubs including those related to good governance, record keeping, financial operations and track maintenance.



Statutory Information

Establishment and Functions

Greyhound Racing Victoria (GRV) is a self-funded statutory body that receives no direct funding from the Victorian Government. Established under the Racing Act 1958, the functions of GRV are:

- To control the sport of greyhound racing
- To promote animal welfare
- 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, kennelling and verification of lineage of greyhounds for greyhound racing or for stud or other purposes
- To consult with greyhound racing industry participants and facilitate consultation amongst greyhound racing industry participants
- To exercise such powers functions and duties as are conferred on the Board by or under this or any other Act

GRV functions and responsibilities are also defined under the:

- Racing and Gaming Acts (Amendment) Act 2004

GRV's head office is located at 46-50 Chetwynd Street, West Melbourne, Victoria, 3003, Tel: (03) 8329 1100 Fax (03) 8329 1000.

Organisational Structure

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

GRV Board (at 30 June 2016)

- Chair: Bernie Carolan
- Member and Deputy Chair: Judith Bornstein
- Member: Peita Elkhorne
- Member: Robert Greenall
- Member: Ken Lay

GRV Leadership Team (at 30 June 2016)

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

- Alan Clayton: Chief Executive Officer
- Craig Armstead: General Manager, Club and Membership Development
- Terrie Benfield: General Counsel
- Gavin Goble: General Manager, Animal Welfare
- Donna King: General Manager, People & Culture
- Stuart Laing: General Manager, Racing, Wagering Partnerships and Business Development.
- Louise Martin: General Manager, Strategic Communication and Marketing
- Robert Shaw: Chief Operating Office, Corporate Services
- Dennis Timewell: Manager, Board Secretariat

GRV also has the following committees and advisory bodies.

- Integrity Council
- Audit & Risk Committee
- Welfare Committee
- Industry Consultative Group
- Promotion and Marketing Committee
- Remuneration Committee

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 at GRV's office. All records are kept at GRV's office.

Documents subject to the request will be considered by the Freedom of Information Officer. When access to 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 2015-16, three freedom of information requests were received by GRV with one granted full access, one granted partial access and one not yet finalised.

National Competition Policy

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

Protected Disclosures Act 2012

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

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

GRV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

At the 30th June 2016, GRV complies with the protected disclosures act and guidelines in conjunction with IBAC.

2014-15 to 2015-16 Ongoing, fixed term and casual FTE numbers.

	Ongoing employees				Fixed term and casual
	Number (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE	FTE
	June 2015	119	53	7	57.48
June 2016	155	86	5	84.3	43.7

	June 2015				June 2016			
	Ongoing		Fixed term and Casual		Ongoing		Fixed term and Casual	
	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE
Gender								
Male	32	32	40	21.19	52	51.6	36	24.4
Female	28	25.48	19	8.55	34	32.7	33	19.3
Age								
Under 25	6	5.95	8	3.06	1	1	5	2.7
25-34	12	11.6	8	5.04	21	21	7	5.1
35-44	20	19.21	11	7.26	23	21.9	14	10.4
45-54	13	13	15	8.67	24	24	19	13.2
55-64	6	5.4	14	5.13	15	14.4	19	10.5
Over 64	3	2.32	3	0.58	2	2	5	1.76

Workforce Data

As at 30 June 2016, GRV employed 155 full-time and casual and part-time staff such as stewards, kennel assistants at GAP properties and track data operators.

The number of staff increased by 30% over 2014-15, driven by a very significant expansion in GRV's animal welfare, integrity and corporate management functions.

Equal Employment Opportunity

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

Occupational Health and Safety (OHS)

GRV has responsibility for OHS at its Chetwynd Street head office and Greyhound Adoption Program sites and events and employs a Compliance & Risk Manager who works with various staff members to develop risk mitigation strategies. GRV also has an OHS Committee comprised of GRV management and staff representatives, who meet regularly to consider and manage OHS issues in the GRV workplace.

The 13 racing clubs are primarily responsible for OHS at each of their sites with GRV sharing OHS responsibilities for race meetings. At GRV, the General Manager Clubs & Memberships, together with the Projects Construction Manager and maintenance staff, and the Compliance & Risk Manager work to assist the clubs with OHS. These works include continuing to support clubs in implementing safe work practices through training and assistance and development of compliant OHS procedures. In 2015 GRV contracted an experienced OHS consultant to independently review club OHS practices and identify opportunities to further strengthen safety at clubs. This consultant is now working with GRV and clubs to implement the recommended changes and further mitigate the risk of potential injuries.

Environmental Policy

The expansion of GAP's Seymour headquarters will see all building works comply with the Building Code of Australia Section J - Energy Efficiency and all fitments and products installed in the new buildings will meet internationally recognised Green Star sustainability requirements. Locally sourced products are being used, reducing the carbon footprint generated by road transportation. An evaporative air conditioning system, rather than an energy intensive refrigerated one, is being installed in the new 100 dog capacity kennel block. Roof mounted solar panels will provide domestic hot water and trees and plants are being selected to reduce in-ground salinity.

GRV's new capital works program includes \$200,000 for environmentally focused projects to reduce energy and water consumption and feasibility studies are underway for replacing energy-intensive halogen lighting at racing tracks with energy efficient LED lighting.

To improve conditions for greyhounds in cars and trailers at racing track car parks, shade sails are being installed to reduce temperature build-up along with a special paint treatment for the concrete surface of car parks and pathways to reduce heat gain.

Building standards

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

Risk Management Framework

I, Bernie Carolan certify that GRV has partly complied with the Victorian Government's Risk Management Framework and Processes and will achieve full compliance in 2016-17. The GRV Audit & Risk Committee will be providing oversight of the compliance process.

Chair, GRV Board

Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the Victorian Industry Participation Policy Act 2003, which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

There were no contracts commenced to which VIPP applied.
There were no contracts completed to which VIPP applied.

Consultancies

	2016		2015	
	\$000's	Number	\$000's	Number
Less than \$100,000	394	15	488	12
Greater than \$100,000	628	4	-	-

GRV incurred the following consultancies in FY16:

- The Victorian Public Sector Commission (VPSC) provided a review on GRV's key conflict of interest risks and recommended strategies for improving the management of these risks, being \$22,278.
- IEDEX Pty Ltd assisted GRV in strategic planning and conducted an organisation functional analysis & review, being \$159,660.
- Pitcher Partners provided risk advisory services to GRV, being \$12,700.
- O'Connor Marsden & Associates Pty Ltd provided probity services to GRV, being \$26,035.
- Direct Focus Consulting Pty Ltd delivered the GRV transition plan, being \$55,500.
- Strategic Questions compiled the tactical plan for Integrity at GRV, being \$5,500.
- Eyres & Associates conducted workshops to facilitate GRV business planning, being \$22,200.
- Desmond Gleeson provided a integrity review on GRV race meetings, being \$8,250.
- Sense of Security Pty Ltd conducted a security audit on GRV's system and network, being \$19,250.
- Strategic Project Partners (SPP) assisted GRV with the development of capital works prioritisation framework, being \$22,290.
- IR Results Pty Ltd provided industrial relations advice including EBA negotiations, being \$61,206.
- JWS Research conducted benchmarking study on industry views and values, being \$115,091.
- Royce (VIC) Pty Ltd assisted GRV in communications services related to ongoing welfare and integrity issues, being \$5,312.
- Civic Group provided communication, stakeholder engagement and education assistance, being \$190,860.
- Robert Masters and Associates Pty Ltd provided research and information assistance, being \$22,704.
- Contributed to a KPMG model to study the movement of greyhounds throughout their lifecycle, facilitated through Greyhounds Australasia Ltd, being \$65,202.
- SCEC Pty Ltd conducted series of prohibited substance research to validate thresholds and improve doping detection, being \$162,475.
- Graham John Trout provided assessment on the effectiveness of blood/urine testing, being \$5,500.
- Keith Farfor and Associates provided OH & S advice to GRV by way of audits of Clubs, being \$40,529.

Carers Recognition Act

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

Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016

The Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016 received Royal Assent on 19 April 2016. The provisions of the Act reflect the Government's commitment to deliver reforms that will ensure stronger animal welfare and integrity in the greyhound racing industry.

Financial Statements

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Continuing Operations			
Income from Transactions			
TABCORP Income	2(a)	60,745	62,382
Racefields Fees Income	2(b)	25,771	21,371
Other Income	2(c)	4,060	4,899
Total Income From Transactions		90,576	88,652
Expenses from Transactions			
Integrity & Welfare Expenses	3(a)	11,597	7,424
Stakemoney, Travel & Starters Fees	3(b)	43,128	41,167
GOBIS	3(c)	720	2,176
Clubs Expenses, Infrastructure and Maintenance	3(d)	17,407	24,773
Industry Expenses	3(e)	4,026	3,231
Administrative Expenses	3(f)	7,640	5,165
Depreciation Expense	3(g)	239	199
Total Expenses From Transactions		84,757	84,135
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		5,819	4,517
Other Economic Flows Included in Net Result			
Amortisation of Intangible Assets	4(a)	(537)	(536)
Net Gain on Non-Financial Assets	4(b)	(25)	1,107
Net Gain on Financial Assets	4(c)	31	147
Total Other Economic Flows Included in Net Result		(531)	718
NET RESULT		5,288	5,235
Other Economic Flows - Other Comprehensive Income			
Net Gain on Revaluation of Non-Financial Assets	13(d)	1,340	2,210
Total Other Economic Flows - Other Comprehensive Result		1,340	2,210
COMPREHENSIVE RESULT		6,628	7,445

The Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 27 to 51

Balance Sheet

As at 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	6(a)	4,828	4,946
Receivables	6(b)	10,684	9,729
Other Financial Assets	8	30,500	24,879
Prepayments		362	258
Total Current Assets		46,374	39,812
Non-Current Assets			
Other Financial Assets	8	2,126	2,115
Property, Plant and Equipment	7(a)	10,183	9,474
Intangible Assets	7(b)	3,666	4,203
Investment Property	7(c)	4,300	3,500
Total Non-Current Assets		20,275	19,292
TOTAL ASSETS		66,649	59,104
Current Liabilities			
Payables	10	6,520	5,864
Provisions	9(a)	1,524	1,346
Other Liabilities	11	105	118
Total Current Liabilities		8,149	7,328
Non-Current Liabilities			
Provisions	9(a)	297	201
Other Liabilities	11	65	65
Total Non-Current Liabilities		362	266
TOTAL LIABILITIES		8,511	7,594
NET ASSETS		58,138	51,510
Equity			
Reserves	13	27,239	18,807
Contributed Capital	13(e)	1,924	1,924
Accumulated Surplus	13(f)	28,975	30,779
NET EQUITY		58,138	51,510
Commitments for expenditure	14		

The Balance Sheet should be read in conjunction with the accompanying notes included on pages 27 to 51

Statement of Changes In Equity

For the Financial Year Ended 30 June 2016

	Notes	Distribution Reserve Fund	Greyhound Owners and Breeders Incentive Scheme Reserve	Infrastructure Reserve Fund	Physical Asset Revaluation Reserve	Accumulated Surplus	Contributed Capital	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014		7,500	977	12,887	2,063	18,714	1,924	44,065
Net result for the year	13(f)	-	-	-	-	5,235	-	5,235
Transfer (to)/from accumulated surplus	13(b), 13(c), 13(f)	-	(703)	(6,127)	-	6,830	-	-
Other comprehensive income	13(d)	-	-	-	2,210	-	-	2,210
Balance at 30 June 2015		7,500	274	6,760	4,273	30,779	1,924	51,510
Net result for the year	13(f)	-	-	-	-	5,288	-	5,228
Transfer (to)/from accumulated surplus	13(b), 13(c), 13(f)	-	(274)	7,366	-	(7,092)	-	-
Other comprehensive income	13(d)	-	-	-	1,340	-	-	1,340
Balance at 30 June 2016		7,500	-	14,126	5,613	28,975	1,924	58,138

The Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 27 to 51

Cash Flow Statement

For the Financial Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts in the Course of Operations		97,484	94,393
Interest Received		729	630
Total Receipts		98,213	95,023
Payments			
Payments to Suppliers, Employees and Industry		(92,298)	(92,506)
Total Payments		(92,298)	(92,506)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	12(b)	5,915	2,517
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from Redemption of Investments		13,500	11,000
Proceeds from Borrowings		400	567
Payment for Property, Plant and Equipment		(433)	(1,269)
Payments for Purchase of Investments		(19,500)	(13,000)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(6,033)	(2,702)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(118)	(185)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		4,946	5,131
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	12(a)	4,828	4,946

The Cash Flow Statement should be read in conjunction with the accompanying notes included on pages 27 to 51

Notes to the Financial Statements

For the Year Ended 30 June 2016

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 predominantly funded by TABCORP distributions as part of an agreement entered into between the Racing Codes in 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-financial 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 2016.

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 30 August 2016.

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 AAS 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)(ii)).

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 through relevant data sources to determine whether revaluation is required. GRV also monitors changes in the fair value of its liabilities to determine whether revaluation is required.

(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 represents the net result.

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

"Other economic flows" are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets;
- remeasurement arising from defined benefit superannuation plans; and
- fair value changes of financial instruments.

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.

Rounding

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

Comparative Information

Where applicable, comparatives have been restated to conform with current year disclosures or to ensure consistency of presentation.

(d) Changes in Accounting Policies

There have been no changes to accounting policies or adoption of new Accounting Standards in the 2015-16 reporting period.

(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 deferred income.

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.
- All other income is recognised as income in accordance with AASB 118.

(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.

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(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 8.

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 8 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 and racefields fees from Wagering Service Providers which are 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 7 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 comprehensive income' 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 comprehensive income' 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 \$1,500 (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:

- Building -2.5% (40 years)
- Track and GAP Equipment -10% (10 years)
- Office Furniture and Fittings -10% (10 years)
- Computer and Office Equipment -15%-33% (3-7 years)

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.

All intangible assets with indefinite useful lives are not depreciated or amortised, but are tested for impairment by comparing its recoverable amount with its carrying amount:

- (a) annually; and
- (b) whenever there is an indication that the intangible asset may be impaired (refer to Note 1(h)).

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. 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, quotations and tenders received. 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 3(d). 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.

Events subsequent to June 30, 2016 that are material are disclosed in Note 17.

(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 (if applicable) 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 8 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 2016 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 2016, the following AASs, that are applicable to GRV, have been issued by the AASB but are not yet effective for the financial year ended 30 June 2016. 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	Summary	Applicable for Annual Reporting Periods Beginning On	Impact on GRV's Financial Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	The 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.
AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-17 (Exposure Draft 263 - potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet.	1-Jan-19	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1-Jan-18	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i>	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1-Jan-16	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 <i>Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1-Jan-16	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2014-10 <i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]</i>	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	1-Jan-16	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]</i>	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1-Jan-16	The amending standard may result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

Income from Transactions

	2016	2015
Note	\$'000	\$'000
2 (a) TABCORP Income		
Racing Products Program Fee	12,814	13,218
Racing Products Fees	21,710	22,401
Vic Racing VRIB	9,975	10,896
Vic Racing Joint Venture Profit	11,481	12,474
International Income	4,765	3,393
Total TABCORP Income	60,745	62,382
2 (b) Racefields Fees Income		
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.	25,771	21,371
2 (c) Other Income		
GOBIS Registrations & Interest	13(b) 8	237
GOBIS VRIF Contribution	13(b) 106	477
Infrastructure VRIF Contribution	13(c) 2,145	1,180
Other VRIF Contributions	(6)	1,051
Registration Fees	417	431
Interest Received	787	793
Fines	60	67
Sundry Income	480	351
Rent Received	63	312
Total Other Income	4,060	4,899
Total Income from Transactions	90,576	88,652

Expenses from Transactions

3 (a) Integrity, Welfare & Racing Expenses		
<i>Integrity Expenses</i>		
Stewards & Integrity Employee Expenses	3,452	2,595
Swab Analysis	2,350	1,087
Legal and Appeals Expenses	925	788
Racing Appeals and Disciplinary Board	313	206
Contribution to Research	221	206
Ear Branding & Micro Chipping	140	161
Integrity Initiatives	356	56
Sub Total	7,757	5,099
<i>Welfare Expenses</i>		
Welfare Employee Expenses	1,723	566
Greyhound Adoption Program incl. Employee Expenses	1,526	1,155
Sub Total	3,249	1,721
<i>Racing Wages</i>	591	604
Total Integrity, Welfare & Racing Expenses	11,597	7,424
3 (b) Stake money, Travel & Starters Fees	43,128	41,167
3 (c) Greyhound Owners and Breeders Incentive Scheme		
GOBIS Expenses (incl. Ready2Race)	82	123
GOBIS Registration Refunds	-	614
GOBIS Bonuses	638	1,439
Total Greyhound Owners and Breeders Incentive Scheme	13(b) 720	2,176

Expenses from Transactions (cont.)

	2016	2015
Note	\$'000	\$'000
3 (d) Clubs Expenses, Infrastructure and Maintenance		
On-Course Tote Commission	1,040	1,096
Distributions to Clubs	7,738	7,140
Insurance Allocation	149	159
Clubs Technology Development & Support	80	80
Marketing and Promotions	1,473	816
Club Sky Channel Linking & Video Costs	1,080	1,015
RSN Broadcasting and Deficit Funding	1,066	1,016
Infrastructure & Maintenance	13(c) 4,781	13,451
Total Club Expenses	17,407	24,773
3 (e) Industry Expenses		
Advertising, Promotions, Industry Awards, Market Research & Publications	3,267	2,427
Registration Expenses	105	94
Racing Industry Costs	-	90
Fields & Form Guides	654	620
Total Industry Expenses	4,026	3,231
3 (f) Administrative Expenses		
Board Wages & Expenses	367	212
Administrative Employee Expenses	3,533	2,367
Technology Costs & Employee Expenses	1,881	1,534
Audit, Legal & Consultancy	565	275
Fringe Benefits Tax	345	267
Insurance	263	199
Other Administrative Expenses	686	311
Total Administration Expenses	7,640	5,165
3 (g) Depreciation		
Buildings	175	131
Track and GAP Equipment	32	31
Office Furniture and Fittings	-	5
Computer and Office Equipment	32	32
Total Depreciation	239	199
Total Expenses from Transactions	84,757	84,135
4. Amortisation, Revaluation and Gain/(Loss) on Financial and Other Assets		
4 (a) Amortisation of Intangible Assets		
Amortisation Expense	(537)	(536)
Total Amortisation of Intangible Assets	(537)	(536)
4 (b) Net (Loss) Gain on Non-Financial Assets		
Revaluation of Land and Buildings	7(a) (825)	107
Revaluation of Investment Property	7(c) 800	1,000
Total Net (Loss) Gain on Non-Financial Assets	(25)	1,107
4 (c) Net Gain on Financial Assets		
Finance income and costs arise on re-stating loans to their fair value allowing for assumptions 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.		
Finance Revenue	31	147
Total Net Gain on Financial Assets	31	147

5. 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			2016	2015
Financial assets	Note		\$'000	\$'000
Cash and deposits	6 (a)	Contractual financial assets - Loans and receivables	4,828	4,946
Receivables (a)	6 (b)	Contractual financial assets - Loans and receivables	10,320	9,511
Other financial assets - loans	8	Contractual financial assets - Loans and receivables	1,600	1,968
Investments (c)	8	Contractual financial assets - Available for sale	31,026	25,026
Financial liabilities				
Payables (b)	10	Contractual financial liabilities at amortised cost	5,424	5,117
<i>(a) The amount of receivables disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).</i>				
<i>(b) The amount of payables disclosed here exclude statutory amounts (e.g. GST payables).</i>				
<i>(c) The investment is recorded at cost, less impairment.</i>				
Net holding gain/(loss) on financial instruments by category				
Contractual financial assets - Loans and receivables			31	147
Contractual financial assets - Available for sale			787	793
Total			818	940
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.

Notes to the Financial Statements - 5. Financial Instruments (Cont.)

Credit Risk

Credit risk arises from the contractual financial assets of GRV, which comprise cash and deposits, non-statutory receivables and 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 for impairment of 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
	AA- credit rating	AAA credit rating		
2016	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	4,828	-	-	4,828
Loans receivable	-	-	1,600	1,600
Investments	2,000	28,500	526	31,026
Receivables	-	-	10,320	10,320
Total contractual financial assets	6,828	28,500	12,446	47,774
2015				
Financial assets				
Cash and deposits	4,946	-	-	4,946
Loans receivable	-	-	1,968	1,968
Investments	2,000	22,500	526	25,026
Receivables	-	-	9,511	9,511
Total contractual financial assets	6,946	22,500	12,005	41,451

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 and the interest rate exposure of the financial instruments:

Credit risk exposure is as follows:

	Weighted Average Interest Rate	Interest Rate Exposure					Past due but not impaired					Impaired Financial Assets
		Carrying Amount	Fixed interest rate	Floating interest rate	Non Interest bearing	Not past due and not impaired	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
2016		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets												
Cash and deposits	1.75%	4,828	-	4,828	-	N/A	-	-	-	-	-	-
Loans receivable	2.14%	1,600	1,600	-	-	1,600	-	-	-	-	-	-
Investments	2.14%	31,026	30,500	-	526	31,026	-	-	-	-	-	-
Receivables	0.00%	10,320	-	-	10,320	10,320	-	-	-	-	-	-
Total Financial Assets		47,774	32,100	4,828	10,846	42,946	-	-	-	-	-	-
2015												
Financial assets												
Cash and deposits	2.00%	4,946	-	4,946	-	N/A	-	-	-	-	-	-
Loans receivable	2.61%	1,968	1,968	-	-	1,968	-	-	-	-	-	-
Investments	2.61%	25,026	24,500	-	526	25,026	-	-	-	-	-	-
Receivables	0.00%	9,511	-	-	9,511	9,511	-	-	-	-	-	-
Total Financial Assets		41,451	26,468	4,946	10,037	36,505	-	-	-	-	-	-

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	Interest rate exposure				Contractual Cash Flows	Maturity Dates				
		Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest bearing		Fixed Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
2016		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities											
Payables	0.00%	5,424	-	-	5,424	5,424	5,424	-	-	-	-
Total Financial Liabilities		5,424	-	-	5,424	5,424	5,424	-	-	-	-
2015											
Financial Liabilities											
Payables	0.00%	5,117	-	-	5,117	5,117	5,117	-	-	-	-
Total Financial Liabilities		5,117	-	-	5,117	5,117	5,117	-	-	-	-

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 in the tables under the headings Credit Risk and Liquidity Risk.

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 of GRV's operation, it is not traded and has been recognised at cost due to the factors outlined in Note 8.

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. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Loans receivable	- for supplies and services
	- amounts payable to government and agencies
Investments and other contractual financial assets:	- other payables
- term deposits	Loans Payable
Receivables:	
- sale of goods and services	
- accrued investment income	
- other receivables	

Fair value estimates recognised in respect of financial instruments in the balance sheet are all estimated and categorised as Level 1, with the exception of the loans to clubs and the investments in 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	2016				2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000				\$'000			
Financial assets:								
Cash and deposits	4,828	-	-	4,828	4,946	-	-	4,946
Loans receivable	-	-	1,600	1,600	-	-	1,968	1,968
Investments - term deposits	30,500	-	-	30,500	24,500	-	-	24,500
Investments - units in 3UZ	-	526	-	526	-	526	-	526
Receivables	10,320	-	-	10,320	9,511	-	-	9,511
Financial liabilities:								
Payables	(5,424)	-	-	(5,424)	(5,117)	-	-	(5,117)
	40,224	526	1,600	42,350	33,840	526	1,968	36,334

Notes to the Financial Statements - 5. Financial Instruments (Cont.)

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 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 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

	2016	2015
	\$'000	\$'000
Opening balance	1,968	2,388
Total gains or losses recognised in:		
- Net results	31	147
Amounts repaid	(399)	(567)
Closing balance	1,600	1,968
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 6.10% (2015: 6.51%), with varying repayment patterns. Sensitivity of fair value to changes in significant unobservable inputs are as follows: 1% decrease/increase in would result in a decrease/increase in fair value of (\$30k)/\$31k (2015: (\$33k)/\$34k). A change in repayment patterns 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 2016 and 2015.

	Interest Rate Risk									
	Carrying Amount \$'000		-1% (100 basis points)				1% (100 basis points)			
			Equity \$'000		Net Result \$'000		Equity \$'000		Net Result \$'000	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets										
Cash and deposits	4,828	4,946	-	-	-	-	-	-	-	-
Loans receivable	1,600	1,968	-	-	-	-	-	-	-	-
Investments	31,026	25,026	(305)	(245)	(305)	(245)	305	245	305	245
Receivables	10,320	9,511	-	-	-	-	-	-	-	-
Financial liabilities										
Payables	(5,424)	(5,117)	-	-	-	-	-	-	-	-
Total increase/(decrease)			(305)	(245)	(305)	(245)	305	245	305	245

6 (a) Cash and Cash Equivalents	2016	2015
Note	\$'000	\$'000
Current		
Cash on hand and at bank	4,828	4,946
Total Cash and Cash equivalents	4,828	4,946

6 (b) Receivables	2016	2015
Current		
Contractual		
Sundry Debtors	2,263	2,232
Trade Debtors	8,057	7,279
Statutory		
GST Recoverable	364	218
Total Receivables	10,684	9,729

Ageing analysis of contractual receivables

Please refer to Note 5 for the ageing analysis of contractual receivables.

Nature and extent of risk arising from contractual receivables

Please refer to Note 5 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.

7 (a) Property, Plant and Equipment

Gross carrying amount and accumulated depreciation	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	\$'000		\$'000		\$'000	
Assets at Fair Value	2016	2015	2016	2015	2016	2015
Land at fair value (i)	6,840	5,500	-	-	6,840	5,500
Buildings at fair value (i)	2,836	3,842	-	-	2,836	3,842
Work in progress	247	-	-	-	247	-
Equipment at fair value	224	183	(127)	(97)	97	86
Furniture and Fittings at fair value	35	35	(34)	(34)	1	1
Computer and Office Equipment at fair value	509	360	(347)	(315)	162	45
Total	10,691	9,920	(508)	(446)	10,183	9,474

Note: Land comprises land located at Chetwynd St, West Melbourne and GAP, Seymour; buildings comprises buildings located at Chetwynd St, West Melbourne and GAP, Seymour.

Movements in carrying amounts

	Land at fair value		Buildings at fair value		Work in progress		Equipment at fair value		Furniture and Fittings at fair value		Computer and Office Equipment at fair value		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Opening Balance	5,500	3,290	3,842	2,437	-	-	86	44	1	232	45	84	9,474	6,087
Additions	-	-	(6)	1,202	247	-	43	73	-	1	152	28	436	1,304
Disposals	-	-	-	-	-	-	-	-	-	-	(3)	(35)	(3)	(35)
Revaluations	1,340	2,210	(825)	107	-	-	-	-	-	-	-	-	515	2,317
Transfers from (to) other asset class	-	-	-	227	-	-	-	-	-	(227)	-	-	-	-
Depreciation	-	-	(175)	(131)	-	-	(32)	(31)	-	(5)	(32)	(32)	(239)	(199)
Closing Balance	6,840	5,500	2,836	3,842	247	-	97	86	1	1	162	45	10,183	9,474

Aggregate depreciation recognised as an expense during the year

	2016	2015
	\$'000	\$'000
Land at fair value	-	-
Buildings at fair value	175	131
Work in Progress	-	-
Equipment at fair value	32	31
Furniture and Fittings at fair value	-	5
Computer and Office Equipment at fair value	32	32
Total	239	199

Fair value measurement hierarchy for assets

	Fair value measurement at end of reporting period using:							
	Written down value		Level 1 (i)		Level 2 (i)		Level 3 (i)	
	\$'000		\$'000		\$'000		\$'000	
Assets at Fair Value	2016	2015	2016	2015	2016	2015	2016	2015
Land at fair value	6,840	5,500	-	-	6,840	5,500	-	-
Buildings at fair value	2,836	3,842	-	-	1,310	2,300	1,526	1,542
Work in progress	247	-	-	-	247	-	-	-
Equipment at fair value	97	86	-	-	-	-	97	86
Furniture and Fittings at fair value	1	1	-	-	-	-	1	1
Computer and Office Equipment at fair value	162	45	-	-	-	-	162	45
Total	10,183	9,474	-	-	8,397	7,800	1,786	1,674

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

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

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

Specialised buildings

The buildings situated at Seymour GAP fall into the category of specialised buildings. GRV's specialised buildings are valued using the depreciated replacement cost method, adjusting for the associated depreciations.

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

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2016.

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

Reconciliation of Level 3 fair value

	Buildings		Plant and Equipment					
	Seymour GAP		Track and GAP Equipment		Furniture and Fittings		Computer and Office Equipment	
	\$'000		\$'000		\$'000		\$'000	
	2016	2015	2016	2015	2016	2015	2016	2015
Opening balance	1,542	592	86	44	1	232	45	84
Transfers in (out) of Level 3	-	-	-	-	-	-	(3)	-
Purchases (sales)	(6)	828	43	73	-	1	152	(7)
Transfer in from (out to) another class	-	18	-	-	-	(227)	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-	-	-
Depreciation	(48)	(20)	(32)	(31)	-	(5)	(32)	(32)
Impairment loss	-	-	-	-	-	-	-	-
Subtotal	1,488	1,418	97	86	1	1	162	45
Gains or losses recognised in other economic flows - other comprehensive income:								
Revaluation	38	124	-	-	-	-	-	-
Subtotal	38	124	-	-	-	-	-	-
Closing balance	1,526	1,542	97	86	1	1	162	45

Description of significant unobservable inputs to Level 3 valuations

Plant and equipment

Valuation technique: Depreciated replacement cost

Significant unobservable inputs:

Buildings - Replacement cost; and useful life of buildings (refer Note 1(n))

Plant & Equipment - Cost per unit; and useful life of plant and equipment (refer Note 1(n))

The significant unobservable inputs have remain unchanged from 2015.

7 (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 and is amortised over its estimated useful life of 10 years. At 30 June, 2016, the carrying amount of FastTrack net of amortisation was \$3.666 Mil (2015: \$4.203 Mil).

	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	\$'000		\$'000		\$'000	
Assets at Fair Value	2016	2015	2016	2015	2016	2015
Intangible Assets - FastTrack	5,365	5,366	(1,699)	(1,163)	3,666	4,203
Total	5,365	5,366	(1,699)	(1,163)	3,666	4,203

	Note	2016	2015
		\$'000	\$'000
Balance at the Beginning of Year		4,203	4,739
Asset at Fair Value		4,203	4,739
Amortisation		(537)	(536)
Written Down Value		3,666	4,203

7 (c) Investment Property - William Street

Balance at the Beginning of Year	3,500	2,500
Revaluation Increments	800	1,000
Balance at the End of Year	4,300	3,500

Amounts recognised in the comprehensive operating statement for Investment Property

Rental income	63	318
Direct operating expense from property that generated rental income	(27)	(88)
Direct operating expense from property that did not generate rental income	(42)	(22)
	(6)	208

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:

Within 1 year	131	148
Later than 1 year but not later than 5 years	745	99
Total	876	247

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		Fair value measurement at end of reporting period using:					
			Level 1(i)		Level 2(i)		Level 3(i)	
	\$'000		\$'000		\$'000		\$'000	
	2016	2015	2016	2015	2016	2015	2016	2015
Investment property	4,300	3,500	-	-	4,300	3,500	-	-

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 2016.

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

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

8. Other Financial Assets	2016	2015
Note	\$'000	\$'000
Current - Investments		
Term Deposits	30,500	24,500
Sale GRC Land Purchase (1)	-	379
Total Current Other Financial Assets	30,500	24,879
Non-Current		
Melbourne Greyhound Racing Association (2)	1,600	1,589
Shares in Radio 3UZ Pty Ltd	1	1
Units in Radio 3UZ Unit Trust at Cost	525	525
Total Non-Current Other Financial Assets	2,126	2,115

Loans

Loans are recorded at amortised cost, using the effective interest rate method which applies the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, over a shorter period. GRV provided the following 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 1 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). It is noted that the loan has been fully repaid this year.

2) The Melbourne Greyhound Racing Association ("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 2016, 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.

9. Provisions

9 (a) Employee Benefits		2016	2015
Current Provisions	Note	\$'000	\$'000
<i>Employee Benefits- Annual leave (i) (Note 9(b)):</i>			
Unconditional and Expected to Settle Within 12 months		353	295
Unconditional and Expected to Settle After 12 months (ii)		118	98
<i>Employee Benefits- Long Service Leave (Note 9(b)):</i>			
Unconditional and Expected to Settle Within 12 months		49	44
Unconditional and Expected to Settle After 12 months (ii)		803	730
		1,323	1,167
<i>Provision Relating to Employee Benefits On-Costs (Note 9(b) and Note 9(c)):</i>			
Unconditional and Expected to Settle Within 12 months		61	52
Unconditional and Expected to Settle After 12 months (ii)		140	127
		201	179
Total Current Provisions		1,524	1,346
Non-Current Provisions			
Employee Benefits (i) (Note 9(b))		258	174
Employee Benefits On-Cost (Note 9(b) and 9(c))		39	27
Total Non-Current Provisions		297	201
Total Employee Benefits		1,821	1,547

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.
(ii) Amounts are measured at present values.

9 (b) Employee Benefits and Related On-costs (i)

Current			
Annual Leave Entitlements		471	393
Long Service Leave Entitlements		852	774
Total Current		1,323	1,167
Non-Current Employee Entitlements			
Long Service Leave Entitlements		258	174
Total Non-Current		258	174
Total Employee Benefits		1,580	1,341
Current On-Costs		202	179
Non-Current On-Costs		39	27
Total On-Costs		241	206
Total Employee Benefits and Related On-Costs		1,821	1,547
Number of Employees at Year End (FTE)		128	87

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.

9 (c) Movement In Provisions - oncost

Opening Balance		1,547	1,247
Additional Provisions Recognised		281	344
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits		(24)	(36)
Unwind Of Discount and Effect of Changes In Discount Rate		17	(8)
Closing Balance		1,821	1,547

10. Payables

Current		2016	2015
Contractual	Note	\$'000	\$'000
Trade Creditors		1,876	950
Sundry Creditors		3,548	4,167
Statutory			
GST Payable		890	710
Payroll Tax Payable		73	37
PAYG Tax Payable		133	-
Total Payables		6,520	5,864

The average credit period is 22 days and no interest is charged on the sundry creditors balances.

Maturity analysis of contractual payables

Please refer to Note 5 for the maturity analysis of contractual payables.

Nature and extent of risk arising from contractual payables

Please refer to Note 5 for the nature and extent of risks arising from contractual payables.

11. Other Liabilities

Deferred Revenue			
Current			
Other		105	118
Total Current		105	118
Non-Current			
Other		65	65
Total Non-Current		65	65
Total Deferred Revenue		170	183

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:

Cash and cash equivalents	6(a)	4,828	4,946
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12 (b) Reconciliation of Net Result for the Period

Net Result for the Period		5,288	5,235
Add Non-Cash Items			
Depreciation, Impairment of Assets, Loss on Disposal	3(g), 4(a)	776	735
Net Gain on Financial and Non-Financial Assets	4(b), 4(c)	(6)	(1,254)
Net Cash Provided by Operating Activities before change in Assets and Liabilities:		6,058	4,716
Change in Assets and Liabilities			
Increase in Receivables & Prepayments		(1,059)	(1,913)
(Decrease) Increase in Payables		655	(498)
Increase in Employee Benefits		274	300
Decrease in Other Liabilities		(13)	(88)
Net Cash Flows From / (Used In) Operating Activities		5,915	2,517

13. Reserves and Surpluses

		2016	2015
	Note	\$'000	\$'000
Distribution Reserve Fund	13(a)	7,500	7,500
Greyhound Owners and Breeders Incentive Scheme Reserve	13(b)	-	274
Infrastructure Reserve Fund	13(c)	14,126	6,760
Physical Asset Revaluation Reserve	13(d)	5,613	4,273
Total Reserves		27,239	18,807
Contributed Capital	13(e)	1,924	1,924
Accumulated Surplus	13(f)	28,975	30,779
Total Surpluses		30,899	32,703
Total Equity		58,138	51,510

13 (a) Distribution Reserve Fund (DRF)

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

Opening Balance	7,500	7,500
Closing Balance	7,500	7,500

13 (b) Greyhound Owners and Breeders Incentive Scheme Reserve (GOBIS)

In 1994 GRV commenced the operation of the Greyhound Owners and Breeders Incentive Scheme (GOBIS). GRV has set aside the fund to provide for payment of bonuses to registered persons. In 2016, GRV provided an allocation of \$0.332 Mil (2015: \$0.759 Mil) to assist in the payment of bonuses. In 2016 the GOBIS scheme was discontinued given that its purposes were not consistent with GRV's animal welfare strategies.

Opening Balance	274	977	
Revenue from Ordinary Activities- Registrations & Interest	2(c)	8	237
Victorian Racing Industry Fund Contribution	2(c)	106	477
Expenses from Ordinary Activities- Bonuses & Other	3(c)	(720)	(2,176)
Net Result		(606)	(1,462)
Annual Transfer from Accumulated Surplus		332	759
Transfer (to) from Accumulated Surplus	13(f)	(274)	(703)
Closing Balance		-	274

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 2016, \$5,002 Mil (2015: \$4,144 Mil) was allocated to the fund, and an additional \$5.0 Mil (2015: \$2.0 Mil) was transferred from accumulated surplus to assist in the long-term sustainability of the fund, given that GRV in 2016 has embarked on a long term capital works program.

Opening Balance	6,760	12,887	
Expenses from Ordinary Activities	3(d)	(4,781)	(13,451)
Net Result		(4,781)	(13,451)
Victorian Racing Industry Fund Contribution	2(c)	2,145	1,180
Annual Transfer from Accumulated Surplus		5,002	4,144
Additional Transfer from Accumulated Surplus		5,000	2,000
Transfer from (to) Accumulated Surplus	13(f)	7,366	(6,127)
Closing Balance		14,126	6,760

13 (d) Physical Asset Revaluation Surplus

The asset revaluation reserve arises on the revaluation of land and buildings

	2016	2015
	\$'000	\$'000
Opening Balance	4,273	2,063
Valuation Gain recognised	1,340	2,210
Closing Balance	5,613	4,273
The reserve comprises:		
Land	5,613	4,273
Closing Balance	5,613	4,273

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.

	1,924	1924
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13 (f) Accumulated Surplus/(Deficit)

Accumulated surplus/(deficit) at the Beginning of the Financial Year	30,779	18,714
Net Result	5,288	5,235
Total Available for Appropriation	36,067	23,949
Transfer from/(to) Reserves		
Greyhound Owners and Breeders Incentive Scheme	13(b) 274	703
Infrastructure Reserve Fund	13(c) (7,366)	6,127
Accumulated Surplus/(Deficit) at the End of the Financial Year	28,975	30,779

14. Commitments

GRV is required to fund the following commitments (inclusive of GST) in future reporting periods:

14 (a) Operating Lease Commitments

At 30 June 2016, 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 25.14 months (2015: 24.9 months).

	2016	2015
	\$'000	\$'000
Within One Year	605	376
Later than One Year but not Later than Five Years	282	111
	887	487

14 (b) Infrastructure Commitments

At 30 June 2016 GRV is obligated in the next year (2017) to meet commitments of \$0.320 Mil for infrastructure works including; the Horsham Greyhound Racing Club \$0.105Mil; the Cranbourne Greyhound Racing Club \$0.069 Mil; GAP Seymour \$0.086 Mil; and the Warrnambool Greyhound Racing Club \$0.060 Mil. At 30 June 2015, GRV's commitment for the 2016 year was \$1.559 Mil including; the Traralgon Greyhound Racing Club \$1.275 Mil; the Horsham Greyhound Racing Club \$0.125 Mil; the Cranbourne Greyhound Racing Club \$0.08 Mil; and the Warrnambool Greyhound Racing Club \$0.077 Mil. .

Within One Year	320	1,559
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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	1,595	1,584
Later than One Year but not Later than Five Years	1,608	3,209
	3,203	4,793
Total Commitments	4,410	6,839

Notes to the Financial Statements

15. 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. Mr Martin Pakula (1)

The Acting Minister for Racing The Hon. Jill Hennessy, (2)

The Acting Minister for Racing The Hon. Jane Garrett, MP (3)

(1) from 01.07.2015 to 30.06.2016

(2) from 23.09.2015 to 02.10.2015

(3) from 24.12.2015 to 10.01.2016

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of Ministers, the register of members' interests is publicly available from:

www.parliament.vic.gov.au/publications/register-of-interests

Governing Board:

Position	Member	From	To
Chairman	Mr. B. Carolan	21.07.2015	30.06.2016
Chairman	Mr. R. Gunston	01.07.2015	20.07.2015
Member	Mr. R. Gunston	21.07.2015	30.09.2015
Member	Mr. K. Lay	01.07.2015	30.06.2016
Member	Ms. J. Bornstein	01.07.2015	30.06.2016
Member	Ms. P. Elkhorne	01.10.2015	30.06.2016
Member	Mr. R. Greenall	29.09.2015	30.06.2016

Accountable Officer:

Mr. A.K. Clayton

The total remuneration received or receivable by the accountable officer for 2016 in connection with the management of GRV from 12.08.15 to 30.06.16 during the reporting period was in the range of: \$330,000 to \$339,999.

Mr. A. Wallish

The total remuneration received or receivable by the accountable officer for 2016 in connection with the management of GRV from 01.07.15 to 16.07.15 during the reporting period was in the range of: \$140,000 to \$149,999.

15 (a) Remuneration of Responsible Persons

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

Income Band	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
\$0 to \$9,999	-	1	-	1
\$10,000 to \$19,999	1	6	1	6
\$20,000 to \$29,999	2	1	3	1
\$30,000 to \$39,999	-	1	-	1
\$40,000 to \$49,999	2	-	2	-
\$60,000 to \$69,999	1	-	1	-
\$140,000 to \$149,999	1	-	-	-
\$280,000 to \$289,999	-	-	-	1
\$300,000 to \$309,999	-	1	-	-
\$330,000 to \$339,999	1	-	1	-
Total Numbers	8	10	8	10
Total Remuneration - \$'000	713	466	568	451

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

15 (b) Retirement Benefits of Responsible Persons

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

15 (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.

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

No transactions of the above nature occurred.

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

No transactions of the above nature occurred.

15 (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.

Income Band	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
\$110,000 to \$119,999	1	-	1	-
\$120,000 to \$129,999	2	-	2	-
\$160,000 to \$169,999	-	2	-	2
\$170,000 to \$179,999	2	-	2	1
\$180,000 to \$189,999	1	3	1	2
\$210,000 to \$219,999	2	-	2	1
\$220,000 to \$229,999	-	1	-	-
\$230,000 to \$239,999	-	-	-	1
\$240,000 to \$249,999	1	1	1	-
Total Numbers	9	7	9	7
Total Remuneration - \$'000	1,592	1,211	1,592	1,187
Total Annualised Employee Equivalent (i)	7.9	7.0	7.9	7.0

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. 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:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2016	2015	2016	2015
Fund	\$'000	\$'000	\$'000	\$'000
Defined benefit plans:				
State Superannuation Fund - revised and new	8	7	-	-
Other	-	-	-	-
Defined contribution plan:				
VicSuper	298	236	-	-
Other	563	379	-	-
Total	869	622	-	-

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.

17. Subsequent Events

As at 30 June, 2016, GRV does not have any subsequent events noted.

18. Remuneration Of Auditors

	2016	2015
Note	\$'000	\$'000
Victorian Auditor-General's Office		
Audit of the financial statements	14	17
Non-audit Services	-	-
	14	17
Internal Audit		
Audit services	178	90
Non-audit services	-	43
	178	133
Total Audit Services	192	150

19. Prior Period Error - Revaluation of Land and Buildings**19 (a) Error in treatment of revaluation**

While preparing the 2015-16 financial statements it was identified that revaluations of buildings were treated incorrectly in the 2014-15 financial statements.

- Net gain on Non-Financial Assets and Net Result were understated by: **\$107,215.00**

- Revaluation Reserves were overstated by: **\$107,215.00**

These comparatives in the financial statements have been corrected as set out in 19 (b) below.

19 (b) Restatement of Financial Statements

Corrections to the Balance Sheet as at 30 June 2015 are in the table below.

	30 June 2015 as reported	Revaluation Correction	30 June 2015 Restated
	\$'000	\$'000	\$'000
Impacts on equity			
Reserves	18,914	107	18,807
Accumulated Surplus	30,672	107	30,779

Corrections to the financial statements for 2015 are in the table below.

Comprehensive Operating Statement - Extract

Net (Loss) / Gain on Non-Financial Assets	1,000	107	1,107
Total Other Economic Flows Included in Net Result	611	107	718
NET RESULT	5,128	107	5,235
Net Gain on Revaluation of Non-Financial Assets	2,317	(107)	2,210
COMPREHENSIVE RESULT	7,445	-	7,445

Balance Sheet Extract

Equity			
Reserves	18,914	(107)	18,807
Contributed Capital	1,924	-	1,924
Accumulated Surplus	30,672	107	30,779
NET EQUITY	51,510	-	51,510

Legislation	Requirement
Ministerial Directions	
Report of Operations - FRD Guidance	
<i>Charter and purpose</i>	
FRD 22G	Manner of establishment and the relevant Ministers
FRD 22G	Purpose, functions, powers and duties
FRD 8D	Departmental objectives, indicators and outputs
FRD 22G	Key initiatives and projects
FRD 22G	Nature and range of services provided
<i>Management and structure</i>	
FRD 22F	Organisational structure
<i>Financial and other information</i>	
FRD 8D	Performance against output performance measures
FRD 8D	Budget portfolio outcomes
FRD 10A	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15C	Executive officer disclosures
FRD 22G	Employment and conduct principles
FRD 22G	Occupational health and safety policy
FRD 22G	Summary of the financial results for the year
FRD 22G	Significant changes in financial position during the year
FRD 22G	Major changes or factors affecting performance
FRD 22G	Subsequent events
FRD 22G	Application of operation of Freedom of Information Act 1982
FRD 22G	Compliance with building and maintenance provisions of Building Act 1993
FRD 22G	Statement of National Competition Policy
FRD 22G	Application and operation of the Protected Disclosure Act 2012
FRD 22G	Application and operation of the Carers Recognition Act 2012
FRD 22G	Details of consultancies over \$10,000
FRD 22G	Details of consultancies under \$10,000
FRD 22G	Statement of availability of other information
FRD 24C	Reporting of office-based environmental impacts
FRD 25B	Victorian Industry Participation Policy disclosures
FRD 29A	Workforce Data disclosures
SD 4.5.5	Attestation for compliance with Ministerial Standing Direction 4.5.5

Legislation	Requirement
<i>Financial Report</i>	
SD 4.2(g)	Specific information requirements
SD 4.2(j)	Sign-off requirements
<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 103F	Non-financial physical assets
FRD 110	Cash flow statements
FRD 112D	Defined benefit superannuation obligations
Legislation	
<i>Freedom of Information Act 1982</i>	
<i>Building Act 1993</i>	
<i>Protected Disclosure Act 2012</i>	
<i>Carers Recognition Act 2012</i>	
<i>Victorian Industry Participation Policy Act 2003</i>	
<i>Financial Management Act 1994</i>	

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Greyhound Racing Victoria

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 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.

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, I and my 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 2016 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*.

MELBOURNE
1 September 2016

For 
Dr Peter Frost
Acting Auditor-General

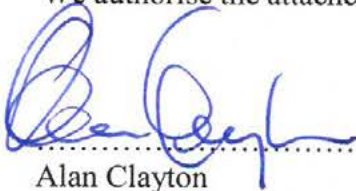
Accountable Officer's and Chief Finance and Accounting Officer's Declaration

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 2016 and financial position of Greyhound Racing Victoria at 30 June 2016.

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 30 August 2016.



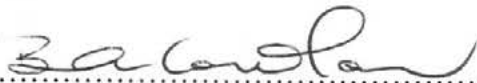
Alan Clayton
Chief Executive Officer
PSM

Date: 30 August 2016



Robert Shaw
Chief Finance and Accounting Officer
CPA

Date: 30 August 2016



Bernie Carolan
Chairman

Date: 30 August 2016



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