



ANNUAL REPORT

2016 - 17

When every greyhound comes first,
on the track and in the community.

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BOARD MEMBERS

Bernie Carolan
Chair

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 and the Transport Ticketing Authority and was Managing Director at M>Tram. Mr Carolan also runs his own consultancy, caroPlan, that offers consulting and advisory services on management, stakeholder and government relations and transport projects. Mr Carolan has a deep interest in sport and commenced his role as GRV Chair in July 2015.

Peita Duncan
Board Member

Peita Duncan is a former director of the Melbourne Greyhound Racing Association (MGRA), which runs The Meadows facility. Ms Duncan 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 Duncan was appointed to the Board in October 2015.

Rob Greenall
Board Member

Rob Greenall is a registered veterinarian who has worked for more than 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, is a graduate of the Australian Institute of Company Directors and is highly experienced in strategic project leadership, management and evaluation. Mr Greenall is currently the Managing Director of AgVet Projects Pty Ltd. Mr Greenall was appointed to the Board in October 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. Ms Bornstein 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, RMIT's University Council and 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. Mr Lay also leads the National Ice Taskforce that has been set up by the Federal Government. Mr Lay was appointed to the Board in March 2015 and stepped down in September 2016.

Emmett Dunne
Board Member

Emmett Dunne brings significant experience to the GRV Board after serving as a police officer for almost 40 years, including as Assistant Commissioner of Professional Standards Command and as Assistant Commissioner for the East Policing Region Command. He also served as the Chair of the Australian New Zealand Policing Advisory Agency Integrity Forum and was awarded the Australia Police Medal in 2011. Mr Dunne is also a former VFL footballer for Richmond and was a member of the Tigers' 1980 premiership side. Mr Dunne was appointed to the Board in September 2016.

\$408.6m of value added economic impact for Victoria.

In 2016-17, Greyhound Racing Victoria's (GRV) focus on **animal welfare** and **integrity** delivered two major outcomes:

A significant **cultural change** in how racing greyhounds in Victoria are managed and cared for from rearing to racing to retirement and re-homing.

57% increase in re-homed greyhounds

54% reduction in euthanasia rates

Overbreeding in Victoria addressed and sustainable breeding options being developed

3,964 kennel inspections - **191% increase**

Building GRV's capabilities to achieve its goal of establishing a **strong, proactive regulatory capability**

56% increase in swabbing for banned and controlled substances

Inspection, investigation and prosecution functions fully integrated

New professional career paths and training for Stewards

All key race day staff now reporting directly to GRV

CHAIRPERSON'S FOREWORD



It has been another challenging yet very productive year for Greyhound Racing Victoria (GRV) as it continues to work to secure the sport's long term and sustainable future as a vibrant, trusted, accountable and community-based racing code.

This work is focused around the six strategic priorities that GRV developed in 2016-17:

- Animal welfare as the first and foremost priority;
- Improved regulatory standards to better ensure the sport's integrity;
- Building GRV's capabilities, culture and financial sustainability so it can most effectively deliver reform;
- Social responsibility in order to meet community expectations and treat all participants and employees fairly and ethically;
- Club support so each of the 2 metropolitan, 11 regional and four coursing clubs can continue to deliver for both the sport and local communities; and
- Industry growth to provide a great entertainment and responsible wagering experience that also funds the sport's development.

Significant progress was made in 2016-17 towards fulfilling the goals of our six strategic priorities. GRV has established itself as a national leader in animal welfare and integrity for greyhound racing. The organisation is well resourced and clearly focused on its social responsibilities; a strong and productive partnership has been built with the clubs and Victorian greyhound racing continues to grow in both the number of race meetings and its share of national wagering turnover, driven in part by new marketing initiatives such as the successful Gippsland Carnival. Other sections of this report give detail on many of those achievements.

As shown by an independent study on the size and scope of the industry, released by GRV in June 2017, it's important for many Victorians that the sport continues to develop and grow as it makes a very significant economic contribution to the State, especially in regional communities where 11 of Victoria's 13 greyhound racing clubs are based. The study, available at www.grv.org.au/VGRI, found that greyhound racing is annually worth more than \$400 million to Victoria, generates around 3,000 jobs and involves over 15,000 Victorians, many living outside Melbourne.

The NSW Government's announcement on 7 July 2016 to ban greyhound racing in that State raised some challenges for GRV, and while the ban was rescinded in early October, it reinforced both GRV and the Victorian sport's commitment to delivering real and lasting reform. Over the past year, GRV also continued to build strong and constructive relationships with

key stakeholders including the Minister for Racing and his office, the Greyhound Owners, Trainers and Breeders Association (GOTBA) Victoria and RSPCA Victoria, who have all been very supportive of the reform work now well underway. Similarly we have established strong links with the other Victorian racing codes and with our peer organisations in other States and New Zealand, along with our joint venture partner Tabcorp.

I would like to acknowledge Ken Lay for his service as a member of the GRV Board from March 2015 until he stepped down in September 2016. Ken's experience and wisdom in managing large complex organisations through major change was invaluable in developing the new GRV and the industry reform program, and on behalf of the Board and all of GRV I thank Ken for his immense contribution. While we were all sorry to see Ken go, GRV was very pleased to welcome our new Board member, Emmett Dunne. Like Ken, Emmett has had a long and very distinguished career in Victoria Police and brings with him high level executive and oversight skills along with a background in professional sport from his playing career with the VFL and service on the AFL Tribunal.

I also thank my fellow Board Members, Judith Bornstein, Peita Duncan, Rob Greenall and Emmett Dunne, Victoria's greyhound racing clubs and the management team and tireless staff at GRV for all that has been achieved this year.

I also thank GRV's Industry Consultative Group, its Integrity Council and its Welfare and Audit and Risk Committees for their invaluable contribution. I would like to also acknowledge the many wonderful participants in the sport and their preparedness to accept change in the interests of a better future for the sport they love. We still have work to do but it is clear that we are well advanced in building an exciting new future for a professionally regulated, conducted and promoted sport, one that's closely engaged with local communities and where the greyhounds themselves are always respected and rewarded throughout their entire lives with the utmost care and responsibility.

Bernie Carolan - GRV Chair

CEO'S REPORT



In 2016-17 GRV continued to deliver on its commitment to a thriving long term future for Victorian greyhound racing. A proactive integrity capability has been established, great strides have been made in animal welfare and there is an increasing focus on industry development and growth. The key to the industry's future is to ensure that greyhounds are re-homed at the end of their racing career. What we are seeing in Victoria is industry participants embracing enhanced animal welfare outcomes. Over the past year, almost 4,000 property inspections were conducted and GRV has been generally impressed by how greyhounds are being cared for in Victoria.

Animal welfare remains GRV's overriding priority and much has been achieved here over the past year. I believe there has been a genuine cultural change in how Victoria manages the careers and lives of the greyhounds. There is a real commitment from participants across the sport to re-home all greyhounds that are suitable for re-homing other than for significant medical, behavioural or legal reasons, supported by an increasing focus on owner accountability and better financial planning to manage the whole of life cycle of the dogs.

GRV's Greyhound Adoption Program (GAP) is now generally regarded as the best of its kind worldwide, with a record 1,314 greyhounds re-homed in 2016-17 thanks to improved assessment processes, new facilities and expanded foster care and adoption day programs. Overbreeding is no longer a problem and we are now working on achieving sustainable breeding levels while ensuring all greyhounds have the opportunity to live their lives in full. Over the past year, the number of Victorian-bred litters and pups both fell 35% compared to 2015-16. The cultural shift within the industry has seen a significant reduction in euthanasia numbers as reported to GRV, which fell to 1,429 in 2016-17, down 54% from the previous year.

It has been a major priority of GRV to engage with participants to reinforce the importance of re-homing dogs. An important initiative during the year has been to encourage greyhounds to go through a four to eight week wind down period when they retire from the track so they can be prepared for their life after racing. During 2016-17, GRV and the clubs worked hard to introduce safer racing through better prepared tracks, including a major upgrade of Horsham Greyhound Racing Club's track, new hoop arm lures and new lighter catching pen gates, which have all helped to reduce track injuries by 15% over the year.

GRV's integrity capabilities are now what should be expected of a best practice professional regulator. The inspection, investigation and prosecution functions are now well integrated through a comprehensive risk framework that drives preventive measures and triggers proactive investigations and lasting outcomes.

GRV now conducts more swabbing for prohibited substances than any other racing code in Australia and professional training and career paths have been established for stewards and other key race day staff such as judges and lure drivers. A clearer and stronger regulatory and standards framework is now in place, supported by expanded information and support programs for participants that cover welfare and regulatory issues.

Over 2016-17 GRV continued to build its partnership with Victoria's 13 greyhound racing clubs that are at the heart of the sport, working to strengthen their presence in their local communities and deliver new and upgraded racing, welfare and industry development facilities and processes. GRV is investing \$5 million a year over five years to deliver safer tracks, improved club and re-homing facilities and new industry development facilities.

The racing program has been expanded and enhanced to provide more opportunities for greyhounds of all capabilities and to better distribute prize money among participants. GRV's expenses grew by 18.3% over the previous year, driven by significant new investment in welfare, integrity and other regulatory capabilities which are already delivering very strong outcomes. New marketing initiatives have helped grow wagering revenue to record levels in 2016-17, which will be reinvested in the sport's future.

The future is taking shape, driven by widespread consultation through GRV's Stakeholder Engagement Workshops and Industry Consultative Group, through participant feedback on the ground and through a new approach to engagement with Victoria's 13 independent greyhound racing clubs. It includes a major review of prize money to help ensure a more equitable share for participants with smaller scale operations and, for the first time, a strategic marketing approach coordinated through all the clubs, who are also taking the lead in track safety, along with strengthening the sport's grassroots connection with, and contribution to, local communities.

I acknowledge that this journey has not been easy at times for some and I thank the participants, clubs, other stakeholders and the GRV team for their commitment and hard work under sometimes challenging circumstances. The results of which are seeing our industry grow in confidence.

Alan Clayton - GRV CEO

INDUSTRY PROFILE

1. MALLEE

296 Participants in Racing
\$2.38m Value Added
\$1.34m Household Income
 18 FTE Employment

2. LODDON

1,041 Participants in Racing
\$13.40m Value Added
\$7.52m Household Income
 101 FTE Employment

3. GOULBURN

1,020 Participants in Racing
\$13.10m Value Added
\$7.35m Household Income
 98 FTE Employment

4. OVENS MURRAY

154 Participants in Racing
\$2.28m Value Added
\$1.28m Household Income
 17 FTE Employment

5. WIMMERA

261 Participants in Racing
\$3.49m Value Added
\$1.96m Household Income
 26 FTE Employment

6. CENTRAL HIGHLANDS

767 Participants in Racing
\$9.59m Value Added
\$5.38m Household Income
 72 FTE Employment

7. GIPPSLAND

993 Participants in Racing
\$14.16m Value Added
\$7.95m Household Income
 106 FTE Employment

8. EAST GIPPSLAND

778 Participants in Racing
\$15.40m Value Added
\$8.64m Household Income
 116 FTE Employment

9. WESTERN DISTRICT

828 Participants in Racing
\$8.09m Value Added
\$4.54m Household Income
 61 FTE Employment

10. BARWON

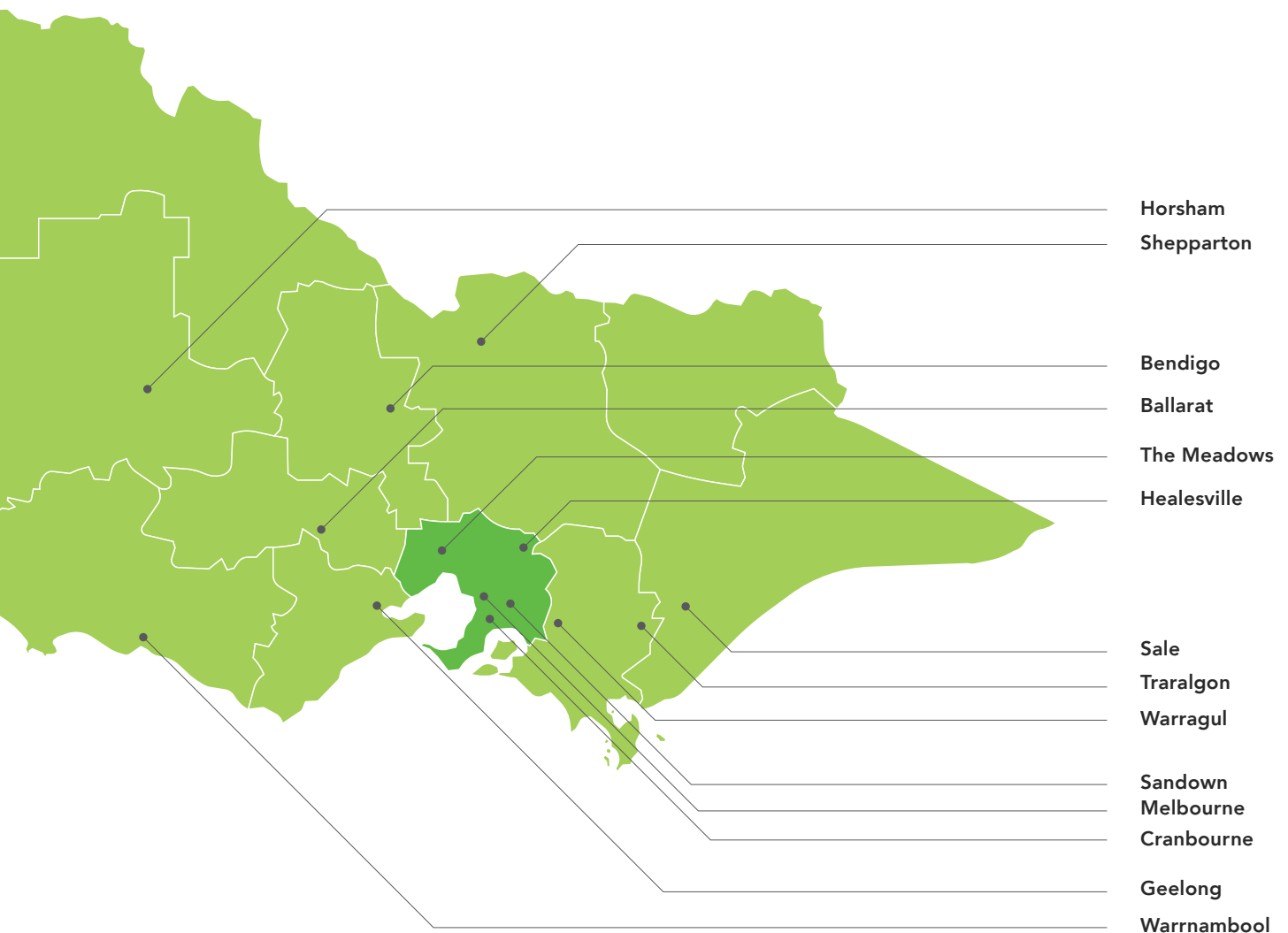
1,346 Participants in Racing
\$29.07m Value Added
\$16.31m Household Income
 218 FTE Employment

11. MELBOURNE METRO

3,126 Participants in Racing
\$234.05m Value Added
\$122.37m Household Income
 1,594 FTE Employment

12. OUTER MELBOURNE

4,415 Participants in Racing
\$63.54m Value Added
\$34.73m Household Income
 460 FTE Employment



**More than
15,000
Victorians
involved
in the
industry.**

REPORT OF OPERATIONS

Animal Welfare

Strategic Priority: GRV is committed to providing a racing industry environment in which the safety and welfare of greyhounds comes first. GRV will work to ensure that every greyhound will have the opportunity to live its whole life with quality care provided that meets positive physical and psychological requirements.

One of the most significant outcomes in the area of animal welfare during 2016-17 was GRV's Greyhound Adoption Program (GAP) re-homing a record 1,314 greyhounds, up 65% on the previous year, while a further 1,379 were re-homed by industry participants and through other channels such as other re-homing organisations, some receiving financial support from GRV. This was driven by a combination of factors including an increased public awareness of why greyhounds make good pets, promotional strategies and GAP's enhanced ability to meet growing demand.

A new GAP assessment centre at Mount Mercer, 25km south of Ballarat, with capacity for 60 greyhounds was opened by the Minister for Racing on 5 October 2016, pre-assessment procedures were streamlined and a Foster Care Manager was appointed to develop and lead an expanded foster care program. GRV also continued its support of other third-party adoption agencies such as Greyhound Safety Net and Gippsland Greyhounds.

Euthanasia numbers also fell significantly throughout the year, down 54% on 2015-16, again for a combination of reasons such as the new local rule 42.6 which requires owners to make best efforts to re-home their greyhounds and new information and education initiatives including a Racing to Retirement Guide which outlines the activities to be undertaken during the wind down period.

New measures to improve track safety and race day care for injured greyhounds saw track injuries fall by 15% in 2016-17. These measures included the introduction of extended hoop arm lures at 12 of the 13 clubs, which during trials at The Meadows significantly reduced injury rates, new lightweight catching pen gates, improved padding in catching pens and new braking motors to better control lures in the event of on-track incidents.

As part of GRV's injury reduction strategy, veterinary support was enhanced at all race meetings and a Track Safety Improvement Plan was put in place. This included a study conducted by the University of Technology Sydney (UTS) into the optimal design to improve greyhound safety and welfare for the refurbishment of the Horsham track. The UTS study will be developed for use at all tracks around Victoria, alongside recommendations and suggestions made by panel experts and participants who attended the 'Track Safety, Track Design and Lures' workshop which are being used by all clubs in their new track safety plans.

A Greyhound Recovery Initiative was also trialled in 2016-17 to fund the cost of veterinary treatment for greyhounds with certain serious injuries that may have otherwise been euthanised at the race track.

Ten new authorised Animal Welfare Inspectors were added to the eight person Inspectorate in November 2016 as a temporary measure to ensure that all registered greyhound facilities in Victoria are compliant with animal welfare minimum standards.

	2015 -16	2016 -17	Change between 2015-16 & 2016-17
Animal Welfare - Kennel inspections	1,360	3,964	191% increase

GRV's Education Officers continued to support participants in improving greyhound welfare and their understanding of new regulatory requirements. GRV's Care and Standards website was enhanced with more information and videos covering areas such as feeding guidelines, first aid, best practice breeding and the swabbing process.

During the year GRV also updated its hot weather and transport policies to allow for greyhounds to be scratched from races without penalties and for meetings to be rescheduled or cancelled if temperatures are forecasted for 38°C or higher. In addition, the ambient temperature at race track kennel blocks must now be maintained between 18°C and 24°C and stewards may abandon or postpone meetings if the kennel block temperature reaches 26°C and cannot be reduced promptly.

GRV also asked for submissions from participants over May and June 2017 on a rule change that makes it a serious offence for Victorian participants to allow a greyhound in their care to be exported without a passport issued by Greyhound Australasia. Additional consultation was held on several other rule change proposals including further strengthening local rule 42.6 (to clarify minimum requirements for re-homing efforts and require prior notification of all planned euthanasia), introducing minimum ages for breeding and raising the minimum age for racing. These rules are expected to come into force in the 2017-18 financial year.

	2015-16	2016-17	Change between 2015-16 & 2016-17
Re-homing			
GAP	798	1,314	65% increase
Non-GAP channels (Vic owned)	922	1,379	50% increase
Total Re-homed	1,720	2,693	57% increase
Track Injuries at Victorian tracks per 1000 starters			
	42.82	36.47	15% reduction
Fatalities at Victorian tracks			
	101	81	20% reduction
Breeding			
VIC bred litters	634	409	35% reduction
VIC bred pups	4,082	2,654	35% reduction
Euthanasia (Vic owned)	3,098	1,429	54% reduction

NB: In 2016-17, GRV engaged PriceWaterhouseCooper to audit GRV's animal welfare data. As a result, some figures quoted in last year's annual report have been adjusted and re-reported in this annual report.

1,314
greyhounds
re-homed
through
GAP in
2016-17.

REPORT OF OPERATIONS

Regulatory Standards

Strategic Priority: GRV is committed to a program of enhanced industry supervision that drives improved outcomes. To achieve this, GRV will take a contemporary, integrated, evidence-led and ethically driven approach to its regulatory role.

During 2016-17, the budget and resources of GRV’s Integrity Department were significantly increased and a new General Manager for Integrity, Senior Lawyer for prosecutions and Senior Investigations Manager were appointed. New risk-based intelligence and in-house prosecutions capabilities were established along with a 24/7 phone hotline for confidentially reporting suspicious activities.

Swabs for banned and controlled substances increased by 56% to a record 16,154. Targeted swabbing was also increased, based on a new holistic strategy that uses a range of performance and betting indicators aimed at providing punters with a level playing field. New feeding guidelines were also developed to help participants avoid the non-intentional introduction of prohibited substances.

	2015-16	2016-17	Change between 15-16 & 16-17
Integrity - Swabs	10,357	16,154	56% increase

During May 2017, submissions were sought from participants and the general public on a new registration framework, being developed in response to a recommendation by the Chief Veterinary Officer. It is anticipated that the framework will be introduced in 2017-18.

During the year, GRV conducted several comprehensive investigations into the export of greyhounds, which saw a number of charges laid and the development of a significant intelligence database covering this issue. Building on this work, GRV has proposed rule changes to make it a serious offence for Victorian participants to allow a greyhound in their care to be exported or transferred for export without a passport issued by Greyhound Australasia. Participants were asked to provide submissions on this issue during May and June 2017 and any rule changes covering exports will be announced in 2017-18.

Samples taken by GRV

	At race meetings	Out of competition	Swabs - elective	Returned positive & irregular
2012 - 13	3,275	32	0	18
2013 - 14	4,074	213	1	35
2014 - 15	5,000	836	2	33
2015 - 16	9,089	1,243	25	94
2016 - 17	15,432	697	25	98

	Completed information reports	Briefs	Completed investigations	Active investigations
2015 - 16	66	14	67	89
2016 - 17	341	11	357	80

Swabs for banned and controlled substances increased by 56% to a record 16,154

Capabilities, Culture and Financial Sustainability

Strategic Priority: GRV has seen progress with building its organisational capability to deliver world leading animal welfare strategies supported by a program of monitoring and enforcement.

The support from wagering on greyhound racing continues to grow with aggregate revenue up by 5.1% over the previous year.

As part of GRV's commitment to being data-driven and evidence-led, major audits were conducted in 2016-17 of animal welfare data collection processes, registration systems and FastTrack which are leading to significant improvements in how GRV captures and analyses much of its core data for operational purposes and policy development.

Two Enterprise Bargaining Agreements were concluded in 2016-17, one covering Stewards and one covering all GRV staff, that implemented new career paths, improved training and support and more clarity in roles and responsibilities. Competency-based training was also introduced for Integrity and Animal Welfare Inspectors.

The Race Day Services project also saw judges and lure drivers transitioning from being directly employed by clubs to reporting to GRV, which will deliver new professional career structures and training for these important race day roles.

On-track veterinarians will also move to reporting to GRV from 1 July 2017, supported by further training. The transfer of race day services staff to GRV from clubs represents significant improvement in integrity that is consistent with the arrangements already in place in other racing codes.

GRV's financial position remained strong in 2016-17 with revenues of \$60.8 million from its joint venture partnership with Tabcorp, \$30.2 million through Race Fields Fees paid by all Wagering Service Providers and other income of \$3.4 million, generating total revenue of \$94.3 million, up 4.2% over the previous year.

GRV also introduced a Dogs@GRV program in 2016-17 following an OHS and animal welfare analysis. The program encourages and supports staff and visitors to bring their dogs to GRV's head office and includes a purpose-built pen in GRV's reception area with appropriate amenities. The program benefits include more socialisation opportunities for greyhounds being fostered by staff or visiting from GAP, boosting team morale and internal networking and improving the quality of life for dogs by allowing them to spend more time with their owners and carers.

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

	2012-13	2013-14	2014-15	2015-16	2016-17	Var	Var %
Income from transactions							
Tabcorp Income	54.9	58.7	62.4	60.7	60.8	0.1	0.1
Race fields Income	13.7	15.4	21.4	25.8	30.2	4.4	17.1
Other Income	2.4	4.2	4.9	4.1	3.4	(0.7)	-16.8
Total Income	71.1	78.3	88.7	90.6	94.3	3.8	4.2
Expenses from transactions							
Stake money/Starters/GOBIS	37.9	40.9	43.3	43.8	42.8	(1.0)	-2.3
Expenses (excluding infrastructure)	20.2	25.5	27.3	36.1	50.3	14.1	39.1
Infrastructure	4.5	3.6	13.5	4.8	7.1	2.4	49.4
Total Expenses	62.6	70.0	84.1	84.8	100.2	15.5	18.3
Other economic flows	(0.2)	0.5	(0.7)	0.5	0.0	(0.5)	-91.0
Net Result	8.6	7.8	5.2	5.3	(5.9)	(11.2)	-212.3

Figures have been rounded to the first decimal point.

REPORT OF OPERATIONS

Social Responsibility

Strategic Priority: GRV is committed to an industry culture where participants follow contemporary rules, laws and ethical behaviour. It recognises the importance of community and participant attitudes towards greyhound racing, and towards GRV as the industry's regulator, and will take these into account in the discharge of its role.

During 2016-17 GRV provided input into the draft Guidelines for Racing Dog Keeping and Training Facilities in Victoria, being developed by Victoria's Department of Environment, Land, Water and Planning, to help ensure amenity among neighbours of these facilities. These draft guidelines, expected to come into force in 2017-18, cover a range of issues and propose new permit exemptions if greyhound facilities meet various zoning requirements.

GRV also expanded its community outreach work over the year with GAP holding seven Adoption Days across the State, finding forever homes for more than 300 greyhounds, and hosting stands and stalls at the Royal Melbourne Show and 25 regional agricultural shows and community events. GAP also celebrated its 21st anniversary on 17 March 2017 with a greyhound walk in Melbourne's Flagstaff Gardens, led by the program's two founders, Mel Tochner and Anita Smith, and joined by the Minister for Racing Martin Pakula.

Greyhound Community Days were held at Healesville Greyhound Racing Club on 11 November 2016 and The Meadows on 2 April 2017, bringing together more than 1,100 people and hundreds of greyhounds for educational veterinary talks, dog care services, racetrack tours, opportunities for greyhound owners to socialise and for the general community to find out more about fostering and adopting greyhounds.

In 2016-17 GRV again partnered with the TAB to stage the TAB Great Chase Community Event which shared \$44,000 in prize winnings among 100 local community groups working with the elderly and the intellectually and physically disabled and which culminated in the Great Chase Final at the Meadows on 19 October 2016. GRV and Victoria's greyhound racing community again showed their support for Australia's servicemen and women with 10 clubs each donating \$1,000 to local RSL branches during the 2017 Anzac Day Appeal.

Another GRV initiative to support community groups was the *Chase for Charity*, launched in April 2017, in partnership with *Off the Bench*, one of Australia's largest sports radio programs. The *Chase for Charity* features *Off The Bench* presenters Craig Hutchison, Liam Pickering and Dr Turf each placing \$500 with the TAB on a Victorian greyhound race every week to benefit the Men's Sheds Victoria Association, Ronald McDonald House Charities Australia and Dogs For Kids with Disabilities.

GRV also launched the *Greyhound are My Life* video series in late 2016 which profiles members of Victoria's greyhound racing community, their love for their dogs and how their greyhound racing clubs are part of their local communities, generating jobs, fostering social and professional relationships and supporting local causes and activities.

The videos are available online at grv.org.au/gaml

On 19 August 2016, GRV hosted the first annual Victorian Greyhound Awards (VGA) at Sandown Greyhound Racing Club. The VGA, which replaces the former Greyhound Industry Awards Night, recognises and celebrates the industry achievements that also set best practice benchmarks for the sport. The Minister for Racing, Martin Pakula, spoke on the night while the Premier, the Hon Daniel Andrews, provided a message of support for the industry via video. VGA award winners in 2016 were:

- Greyhound of The Year: **Fernando Bale**
- Victorian Sprinter of The Year: **Fernando Bale**
- GRV Hall of Fame Inductees:
Administration - **Marg Long**
Racing Equipment - **Ron Izon**
Breeding Greyhound - **Cursorial**
- Victorian Stayer of The Year: **Space Star**
- Ken Carr Medal: **John Reid**
- GRV Welfare Award: **Aileen Travis**
- Ned Bryant 'Silver Fox' Award: **Gerard O'Keeffe**
- Metropolitan Trainer of The Year: **Andrea Dailly**
- Provincial Trainer of The Year: **Andrea Dailly**

Club Support

Strategic Priority: Clubs are the industry's primary interface with local communities. To assist clubs, GRV will provide relevant and timely advice, governance, management and corporate services support.

Victoria's eleven regional and two metropolitan greyhound racing clubs drive the sport across the State and GRV works very closely together with them on a wide range of issues from race day operations, animal welfare and integrity to marketing, community engagement and industry development.

Throughout 2016-17 GRV met with all the club committees to address immediate concerns and develop a strategic plan for their long-term future. This is the first time such a plan has been drawn up and it is being led by the clubs themselves, with the managers of Sandown and Warragul Greyhound Racing Clubs coordinating its development and delivery. The plan will include strengthening regional and statewide marketing campaigns with two new regional communication and marketing positions filled in 2016-17 and a third to be appointed in 2017-18.

The strategic plan also focuses on facilities to support industry development and increase participant use of their local clubs, funded through GRV's \$25 million five year infrastructure program which is generating new supply opportunities for local businesses. In 2016-17 a new bullring was developed at the Sale Greyhound Racing Club and GRV is now working with Bendigo, Sale, Geelong, Traralgon, Sandown, Shepparton, Cranbourne and Ballarat clubs and The Meadows to put in place training centres of excellence for racing greyhounds

which will include bullrings, slipping tracks, walking machines, galloping runs, misting cooling sprays and other facilities. GRV has also funded the installation of CCTV in kennel blocks at Healesville, Cranbourne and Bendigo at the cost of \$160,000.

Other key club infrastructure projects in 2016-17 included a new state of the art track at Horsham, major electrical upgrades at Warrnambool and Horsham, new starter boxes installed at seven clubs and over \$200,000 for "Beat the Heat" initiatives with car park shading successfully piloted at Bendigo and Shepparton Clubs. Ballarat Greyhound Racing Club also received a major upgrade, which included a redesigned function centre and new children's playground. This was supported by a grant of over \$85,000 from the Victorian Racing Industry Fund, which has also committed funding for a new children's playground at Traralgon Greyhound Racing Club in 2017-18.

A Greyhound Holiday Fun Day program was also held during the April 2017 school holiday period to help support regional families looking for low cost family-friendly activities over the school break. The Holiday Fun Days attracted around 2,000 children from local communities to 10 Victorian clubs to enjoy free entertainment, rides, Easter egg hunts and show bags and to meet both racing greyhounds and those up for adoption.

**GRV's \$25 million
infrastructure program
is generating new
supply opportunities for
local businesses.**

REPORT OF OPERATIONS

Industry Growth

Strategic Priority: GRV understands continued industry growth requires careful management of wagering and broadcasting partnerships, the development of strong industry relationships and sustainable business growth strategies.

Greyhound racing in Victoria continued to thrive on the track in 2016-17. 1,183 race meetings and 13,961 races were held over the year, up 3.7% and 4% respectively on 2015-16. Victorian greyhound racing also maintained its popularity as one of Australia's leading wagering products with national wagering turnover reaching a record \$2.04 billion during 2016-17, up 11.8% on the previous year.

The Melbourne Cup at Sandown, the world's richest greyhound race, and the Hume Cup at The Meadows received a significant funding boost in 2016-17 with \$74,000 provided through the Victorian Racing Industry Fund's Raceday Attraction Program to help support family and other community activities during the meetings.

As part of GRV's strategy to increase local community participation and attendance at regional events, GRV launched the *Gippsland Carnival* in 2016-17. This new concept brought together four of Victoria's country cups in the Gippsland region - Sale, Warragul, Cranbourne and Traralgon - to create a new event for Victorian greyhound racing. The Carnival featured a points system for greyhounds competing in sprint and distance events at each of the feature meetings to determine the Gippsland Carnival 2016-17 champion sprinter and champion stayer.

Greyhounds earned points across eight events beginning with the 2016 Sale Cup on Boxing Day and ending with the 2017 Traralgon Cup on March 25. Greyhounds collected points for top four finishes in any of the eight feature races, including the heats of those events. On top of the more than \$800,000 in total race prize money offered across these eight races, the best performers across both sprint and staying categories shared in bonuses totaling \$35,000.

The *Gippsland Carnival* generated overall attendance on the ground of more than 3,100 and boosted wagering turnover by 13.2% across eight meetings compared to 2015-16. It also enjoyed strong media coverage with Western Bulldogs Captain, Bob Murphy, as Carnival Ambassador and all four clubs are keen to further develop the concept in 2017-18.

GRV also introduced a number of new racing initiatives in 2016-17 aimed at providing more racing opportunities for greyhounds and to better share prize money among participants. These included piloting a new method for calculating Aged Prize Money (APM) for greyhounds. The APM is a ratings system which takes into account the most recent prizemoney earned by a greyhound and applies a sliding scale discount for historical prizemoney. The new system is a simpler, more transparent, and potentially more valid method for rating greyhounds and selecting race fields and will provide better opportunities for greyhounds to race longer and more competitively. An eight month project with up to four meetings per week solely based on APM is now being piloted after which the results will be assessed in consultation with the industry.

More racing opportunities were also provided at Healesville Greyhound Racing Club with the introduction of a second weekly race meeting on Friday afternoons, providing more opportunities for greyhounds to race on Victoria's only straight track.

A regular program of Veterans' races has also been introduced throughout the monthly racing calendar where Shepparton and Healesville clubs ran Veterans' races on alternating weeks while Ballarat, Geelong, Warragul and Cranbourne now each provide options for Veterans races at least once a month.

The majority of the additional races at Healesville, including Veterans' races, are restricted to greyhounds ranked 250 or higher to help inexperienced or out-of-form greyhounds to gain racing opportunities and to extend the careers of greyhounds that may not be as competitive as they were earlier in their careers.

In 2016-17 GRV also started conducting greyhound qualifying trials under full race conditions to help inexperienced greyhounds familiarise themselves with the full race day environment. GRV Stewards and a full complement of club staff now provide oversight for all Qualifying Trial meetings, which are run predominantly at Ballarat, Cranbourne and Shepparton.

The fifth annual *Ready 2 Race* (R2R) Sales were held at Lords Raceway in Bendigo with heats run on 20 November 2016 followed by the Finals and Auction on 26 November 2016. R2R was once again hosted by the Bendigo Greyhound Racing Association with record entries for the race series and sales.

A total of 83 greyhounds were sold at auction for an aggregate \$355,600 and an average price of \$4,284. The top lot sold to Warrnambool owners Walter and Leanne Love, who paid a R2R record \$31,000 for a 22-month-old son of Bit Chili and Classy Bling, which has since gone on to race successfully as Lucky Love.

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

Industry Indicators Of Performance (Includes comparison percentage (%) with 2016)

CLUB	MEETINGS		ATTENDANCE		STAKEMONEY (INC START/TRAV FEES)	
	2016	2017		%	(\$'000)	%
The Meadows	106	105	25,013	-17.4%	8,804	-3.6%
Sandown	103	104	41,222	-1.4%	8,973	-1.1%
Total Metro	209	209	66,235	-8.1%	17,777	-2.4%
Ballarat	107	121	11,658	15.0%	3,083	12.0%
Bendigo	102	120	11,548	4.5%	2,963	13.2%
Cranbourne	65	68	8,445	-1.8%	2,135	0.8%
Geelong	104	103	8,537	-13.8%	2,431	-6.1%
Healesville	52	80	7,227	12.5%	1,586	41.2%
Horsham*	51	16	1,365	-73.4%	451	-71.2%
Sale	68	65	29,980	-6.8%	2,059	-3.8%
Shepparton	106	110	16,970	0.6%	2,886	5.1%
Traralgon	93	104	9,609	0.4%	2,605	8.7%
Warragul	105	105	13,172	-4.1%	2,546	-1.8%
Warrnambool	66	69	9,272	-26.8%	2,130	1.4%
Total Country	919	961	127,783	-6.2%	24,876	0.5%
Coursing	13	13	-	-	178	-1.9%
GRAND TOTAL	1,141	1,183	194,018	-6.9%	42,830	-2.1%

*Closed for major track works from October 2016

Victorian greyhound racing maintained its popularity as one of Australia's leading wagering products during 2016-17 with national wagering turnover reaching a record \$2.04 billion during the year, up 11.8% on the previous year.

National Turnover on Vic Greyhounds (\$million)

	2013-14	2014-15	2015-16	2016-17	Var (\$M)	Var %
Vic TAB	340	359	360	370	10	2.8
Interstate TABs	700	731	787	800	13	1.7
Corps/Exch	384	524	682	875	193	28.3
Total	1,424	1,614	1,829	2,045	216	11.8

Vic TAB Turnover (\$ million)

	2013-14	2014-15	2015-16	2016-17	Var	Var %
Vic Greyhounds	340	360	360	370	10	2.8
Other Greyhounds	485	514	504	531	27	5.3
All Greyhounds	825	874	864	901	37	4.3

GRV Wagering Revenue (\$ million)

	2013-14	2014-15	2015-16	2016-17	Var	Var %
Tabcorp Revenue	58.7	62.4	60.7	60.8	0.1	0.1
Race Fields Revenue	15.4	21.4	25.8	30.2	4.4	17.1
Total	74.1	83.8	86.5	91.0	4.5	5.1

Vic TAB 3-code Turnover Market Share

	2013-14	2014-15	2015-16	2016-17	Var%
Thoroughbred	66.56%	66.17%	66.18%	66.09%	-0.09%
Greyhounds	20.57%	21.20%	21.34%	21.84%	0.50%
Harness	12.87%	12.63%	12.48%	12.48%	-0.41%

The continued growth in turnover on greyhound racing has translated directly to GRV's annual revenue from wagering, which grew by 5.1% for the 2016-17 financial year.

GRV's share of Tabcorp Joint Venture revenue was \$60.8 million while revenue from Race Fields Fees reached \$30.2.

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.

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 2016-17, GRV consulted with the Greyhound Owners Trainers and Breeders Association (GOTBA) Victoria, Racing Analytical Services Laboratories, RSPCA Victoria, the Municipal Association of Victoria, Greyhound Safety Net, the Australian Greyhound Veterinarians Association, the Australian Greyhound Racing Association, wagering operators and the general community.

GRV's social media resources also form an important part in how GRV engages with participants and other stakeholders to provide information and encourage consultation on issues such as rule changes and codes of practice. In 2016-17, GRV's Facebook page increased its reach of unique views by 51% over the previous year to over 2,471,000 while GAP's Facebook's page increased its reach by 267% to over 7,158,000.

Stakeholder Engagement Workshops

GRV held 11 Stakeholder Engagement workshops in 2016-17 attended by a total of over 370 participants across Victoria. The workshops were:

Racing Program and Grading workshop

- Geelong - 23 July 2016

Opportunities for Smaller Scale Participants

- The Meadows - 31 July 2016

Industry Education and Training Requirements

- Cranbourne - 6 August 2016

Retirement and Re-homing

- Sandown - 3 September 2016

Regional Workshops

- Shepparton - 5 October 2016
- Traralgon – 13 October 2016
- Warrnambool - 8 November 2016
- Traralgon - 10 March 2017
- Sale - 20 June 2017

Building Industry Confidence

- The Meadows - 9 February and 9 March 2017

Industry Consultative Group

GRV's Industry Consultative Group (ICG) provides more broad-based input into GRV's planning and gives 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 2017

- **Judith Bornstein,**
ICG Chair and GRV
Board representative
- **Steven Clarke,**
clubs nominee
- **Marg Long,**
clubs nominee
- **Barbara Backhoy,**
veterinarian nominee
- **Sandra Reed,**
GOTBA Victorian nominee
- **Peter Craig,**
participant nominee
- **Daniel Nugent,**
participant nominee
- **Tracey Corneille,**
participant nominee
- **Brian Jones,**
participant nominee
- **Nicole Lund,**
participant nominee
- **Sheldon Hamilton,**
participant nominee
- **Tom Welsh,**
participant nominee
- **Deborah Churchill,**
participant nominee

MINISTERIAL STATEMENT OF EXPECTATIONS

Implementation & Monitoring Strategy 2016-17

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.

IMPLEMENTATION PROCESS	PROGRESS
<p>1. Promote and improve animal welfare in the greyhound racing industry</p>	<p>Code of Practice for the Keeping of Greyhounds has not yet been finalised. GRV provided input into the development of the draft code, made a submission and will work with Government to implement the Code once it is finalised.</p> <p>Animal Welfare Strategy currently in consultation stage.</p> <p>Published injuries data within the 2015-16 Annual Report, and will release figures at least annually.</p> <p>Intensified stakeholder engagement through public consultation of key strategies, rules and policies.</p> <p>In addition, the topic based stakeholder workshop program has provided great insights and opportunity for industry dialogue.</p> <p>The ICG remains a strong mechanism for industry engagement.</p> <p>Publication of key education and communication material through GRV website, GRV monthly magazine, posters at clubs, newsletters and a range of other media.</p>
<p>2. Implement a risk based approach to regulation</p>	<p>Regulatory Approach developed in consultation with key stakeholders and industry, published on GRV's website. Draft compliance strategy currently in internal consultation.</p> <p>Appointment of key senior personnel within Integrity, General Counsel and Animal Welfare.</p> <p>Integrity and Animal Welfare staff have undertaken a range of policy and compliance based education and training.</p> <p>Management reporting enhanced using key performance metrics provides benefits of informed investment and resource based decision making.</p> <p>Established Board sub-committees with external membership including Integrity Council, Industry Consultancy Group, Animal Welfare, Audit & Risk, Promotion & Communication Committees.</p> <p>Engagement through formal committees complemented by GRV's Stakeholder Workshop series and other consultation channels.</p>
<p>3. Reduce the regulatory burden on small business</p>	<p>Participants have greater access to information through GRV's website and information contained within FastTrack.</p> <p>Educative approach has been adopted by Animal Welfare Education Officers.</p> <p>Online registration, racing nominations and other functions delivered through FastTrack.</p> <p>GRV made a submission to Government in relation to the Statewide Planning Scheme.</p>
<p>4. Strengthen governance and integrity in the greyhound racing industry</p>	<p>GRV's risk based regulatory approach has been implemented throughout its functions, for example, GRV's inspection and swabbing programs.</p> <p>GRV's Integrity Capability has been strengthened, improving oversight and assurance for racing and off track.</p> <p>Complaints management capability with supporting framework policy and processes developed for implementation during 2017-18.</p> <p>Conflict of Interest policy and procedures enhanced including appointment, induction and annual declarations.</p> <p>Race Day Integrity based roles transferred to GRV including Judges and Lure Drivers.</p> <p>Club registration enhanced with detailed minimum operating standards for Clubs established.</p> <p>Club governance enhanced through GRV support and review of club rules and registration agreements.</p>

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

GRV'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 2017)

- Bernie Carolan, Chair
- Judith Bornstein, Member and Deputy Chair
- Peita Duncan, Member
- Robert Greenall, Member
- Emmett Dunne, Member

GRV Leadership Team (at 30 June 2017)

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

- **Alan Clayton**, Chief Executive Officer
- **Terrie Benfield**, General Counsel
- **Shane Gillard**, General Manager, Integrity
- **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
- **Steve Rose**, General Manager, Information and Technology Management
- **Robert Shaw**, Chief Operating Officer, Corporate Services
- **Dennis Timewell**, Manager, Board Secretariat

GRV also has the following oversight committees and 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 GRV's Freedom of Information Officer. All records are kept at GRV's head office.

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

During 2016-17, two freedom of information requests were received by GRV with both granted partial access. One request outstanding from 2015-16 was also granted partial access.

More information about accessing documents under the Freedom of Information Act is available at: www.foi.vic.gov.au

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 Victorian Government.

Workforce Data

As at 30 June 2017, GRV employed 245 full-time, casual and part-time staff such as stewards, kennel assistants at GAP properties and track data operators.

	Ongoing employees				Fixed term and casual
	Number (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE	FTE
June 2016	155	86	5	84.3	43.7
June 2017	245	131	11	136.5	52.88

Executive Level Positions	2017	2016
	8 + CEO	8 + CEO

	June 2017				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	78	77.4	62	30	52	51.6	36	24.4
Female	62	59.1	43	22.88	34	32.7	33	19.3
Age								
Under 25	4	4	19	9.67	1	1	5	2.7
25-34	34	33.5	15	8.15	21	21	7	5.1
35-44	39	37.49	23	13.68	23	21.9	14	10.4
45-54	32	31.1	18	7.5	24	24	19	13.2
55-64	29	28.41	16	8.62	15	14.4	19	10.5
Over 64	2	2	14	5.26	2	2	5	1.76

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. GRV is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures related to known or suspected incidents of 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 is committed to the aims and objectives of the Protected Disclosures Act and has developed a policy about making disclosures and protecting people who make such disclosures from any detrimental action in reprisal for making the disclosure. GRV will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

At 30 June 2017, GRV complied with the Protected Disclosures Act and guidelines in conjunction with IBAC.

More information about protected disclosure and the Protected Disclosures Act is available at: <http://www.ibac.vic.gov.au>

Equal Employment Opportunity

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

STATUTORY INFORMATION

Occupational Health & Safety (OHS)

GRV has responsibility for OHS at its Chetwynd Street head office, 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 Manager, Club Support and Infrastructure, the Facilities and Infrastructure Co-ordinator, the Compliance & Risk Manager and maintenance staff, work to assist the clubs with OHS. This includes supporting clubs in implementing safe work practices through training and assistance and in developing compliant OHS procedures.

	June 2017	June 2016
Total number of Incidents	58	18
Average Cost and lost Time	330.80 hrs (43.5 days)	Nil

IT Expenditure

In 2016-17, GRV expended \$2.6 million on IT services and equipment, including FastTrack development, data and systems audits and infrastructure maintenance.

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.

Environmental Policy

All GRV building works comply with the Building Code of Australia Section J – Energy Efficiency and all fitments and products installed in the new buildings will meet internationally recognised Green Star sustainability requirements. Locally sourced products are being used, reducing the carbon footprint generated by road transportation. In 2016-17, new energy-efficient electrical systems were installed at Warrnambool Greyhound Racing Club and a new more water-efficient irrigation system was incorporated into the Horsham Greyhound Racing Club track upgrade.

Carers Recognition Act

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

Consultancies

Figures & Consultancies

	2016-17		2015-16	
	\$000'	Number	\$000'	Number
Less than \$100,000	768	16	394	15
Greater than \$100,000	337	2	628	4

GRV incurred the following consultancies in FY17:

- Dexis Pty. Ltd. assisted GRV in delivering the Stakeholder engagement workshops, strategic planning and conducted an organisation functional analysis and review, being \$136,510.
- IER Pty Ltd provided consulting services on the size and scope of the Victoria Greyhound Industry and conducted audit of all GRV racing venues, being \$60,000.
- Eyres & Associates provided business planning services and developed the GRV performance metrics, being \$14,720.
- Linus Consulting developed the business continuity framework, being \$14,400.
- DWS Advanced Business Solutions provided business analysis and project management support for the Registration reforms; and reviewed the FastTrack assessment and support model, being \$199,945.
- KPMG reviewed the processes, procedures and documentation associated with the preparation of financial information to Board and Management, being \$59,763.
- Analytics 8 Limited Partnership was engaged to design, develop and implement the data model in Microsoft Power BI, being \$48,713.
- Corporate Work Health Australia Pty Ltd conducted ergonomic assessments on GRV workstations and vehicles, being \$15,930.
- Keith Farfor and Associates provided OH&S advice to GRV by way of audits of Clubs, being \$49,851.
- Ernst & Young provided review and report on GRV health and safety strategy and organizational services, being \$51,001.
- Ernst & Young was engaged to develop a future wagering revenue strategy, being \$87,062.
- Waypoint Pty Ltd was engaged to develop masterplans for training and trialing facility at Melton, Lang Lang and Wangaratta, being \$16,523.
- Eurofins SCEC Pty Ltd conducted series of prohibited substance research to validate thresholds and improve doping detection, being \$72,000.
- Price Waterhouse Coopers provided welfare data audit services, being \$75,513.
- Godfrey Spowers (Victoria) Pty Ltd designed for the GAP (Seymour) expansion project, being \$32,544.
- May Consulting Pty Ltd developed the business and retail plan for City GAP shopfront, being \$12,000.
- Architecture Matters Pty Ltd was engaged to design, document and supervise the construction of City GAP shopfront, being \$22,190.
- Cato Brand Partners provided a Consumer Growth Strategy being \$136,818

Risk Management Framework

"I, Bernie Carolan, certify that GRV has partially complied with the Victorian Governments Risk Management Framework. Full compliance will be achieved by November 2017. The GRV Audit & Risk Committee will provide oversight of the risk management process."

Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the Victorian Industry Participation Policy Act (VIPP) 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 the VIPP for all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

There were no contracts commenced or completed by GRV in 2016-17 to which the VIPP applied.

COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2017

		2017	2016
		\$'000	\$'000
Continuing Operations	Note		
Income from Transactions			
TABCORP Income	2.2.1	60,795	60,745
Racefields Fees Income	2.2.2	30,166	25,771
Other Income	2.2.3	3,377	4,060
Total Income From Transactions		94,338	90,576

Expenses from Transactions			
Integrity, Welfare and Racing Expenses	3.2	19,594	11,821
Stakemoney, Travel & Starters Fees	3.3	42,830	43,128
Greyhound Owners and Breeders Incentive Scheme	3.4	-	720
Clubs Expenses, Infrastructure and Maintenance	3.5	19,965	17,407
Industry Expenses	3.6	5,647	4,026
Administrative Expenses	3.7	11,916	7,416
Depreciation Expense	4.1.1	277	239
Total Expenses From Transactions		100,229	84,757
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		(5,891)	5,819

Other Economic Flows Included in Net Result			
Amortisation of Intangible Assets	4.3	(537)	(537)
Net (Loss) / Gain on Non-Financial Assets	8.1	386	(25)
Net Gain on Financial Assets	4.4	103	31
Total Other Economic Flows Included In Net Result		(48)	(531)
NET RESULT		(5,939)	5,288

Other Economic Flows - Other Comprehensive Income Items that will not be reclassified to net result			
Net Gain on Revaluation of Non-Financial Assets	8.2.4	639	1,340
Total Other Economic Flows - Other Comprehensive Result		639	1,340
COMPREHENSIVE RESULT		(5,300)	6,628

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	6.1	3,626	4,828
Receivables	5.1	9,955	10,684
Investments and Other Financial Assets	4.4	25,500	30,500
Prepayments		669	362
Total Current Assets		39,750	46,374
Non-Current Assets			
Investments and Other Financial Assets	4.4	2,229	2,126
Property, Plant and Equipment	4.1	10,780	10,183
Intangible Assets	4.3	3,129	3,666
Investment Property	4.2	4,727	4,300
Total Non-Current Assets		20,865	20,275
TOTAL ASSETS		60,615	66,649
Current Liabilities			
Payables	5.2	5,000	6,520
Provisions	3.1.2	2,174	1,524
Other Liabilities	5.3	107	105
Total Current Liabilities		7,281	8,149
Non-Current Liabilities			
Provisions	3.1.2	424	297
Other Liabilities	5.3	72	65
Total Non-Current Liabilities		496	362
TOTAL LIABILITIES		7,777	8,511
NET ASSETS		52,838	58,138
Equity			
Reserves	8.2	26,084	27,239
Contributed Capital	8.2.5	1,924	1,924
Accumulated Surplus	8.2.6	24,830	28,975
NET EQUITY		52,838	58,138
Commitments for expenditure	6.2		

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2017

	Note	Distribution Reserve Fund \$'000	Greyhound Owners and Breeders Incentive Scheme Reserve \$'000	Infrastructure Reserve Fund \$'000	Physical Asset Revaluation Reserve \$'000	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 July 2015		7,500	274	6,760	4,273	30,779	1,924	51,510
Net result for the year	8.2.6	-	-	-	-	5,288	-	5,288
Transfer (to)/from accumulated surplus	8.2.2, 8.2.3, 8.2.6	-	(274)	7,366	-	(7,092)	-	-
Other comprehensive income	8.2.4	-	-	-	1,340	-	-	1,340
Balance at 30 June 2016		7,500	-	14,126	5,613	28,975	1,924	58,138
Net result for the year	8.2.6	-	-	-	-	(5,939)	-	(5,939)
Transfer (to)/from accumulated surplus	8.2.2, 8.2.3, 8.2.6	-	-	(1,794)	-	1,794	-	-
Other comprehensive income	8.2.4	-	-	-	639	-	-	639
Balance at 30 June 2017		7,500	-	12,332	6,252	24,830	1,924	52,838

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the Financial Year Ended 30 June 2017

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2017 \$'000	2016 \$'000
Receipts			
Receipts in the Course of Operations		103,622	97,484
Interest Received		496	729
Total Receipts		104,118	98,213
Payments			
Payments to Suppliers, Employees and Industry		(110,044)	(92,298)
Total Payments		(110,044)	(92,298)
NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	6.1.1	(5,926)	5,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from Redemption of Investments		25,500	13,500
Proceeds from Borrowings		-	400
Payment for Property, Plant and Equipment		(276)	(433)
Payments for Purchase of Investments		(20,500)	(19,500)
NET CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		4,724	(6,033)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,202)	(118)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		4,828	4,946
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.1	3,626	4,828

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

1. ABOUT THIS REPORT

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

Reporting Entity

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

Its principal address is:

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

Basis of Preparation

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

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

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of GRV.

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.

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

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

Rounding

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

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA), and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

GRV's overall objectives are:

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

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

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions.

2.1 Summary of income that funds the delivery of our services

		2017	2016
	Note	\$'000	\$'000
TABCORP Income	2.2.1	60,795	60,745
Racefields Fees Income	2.2.2	30,166	25,771
Other Income	2.2.3	3,377	4,060
Total Income from Transactions		94,338	90,576

Income is recognised to the extent that it is probable that the economic benefits will flow to GRV and the income 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. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

2.2 Income from transactions

2.2.1 TABCORP Income

	2017	2016
Racing Products Program Fee	13,018	12,814
Racing Products Fees	22,060	21,710
Vic Racing VRIB	9,338	9,975
Vic Racing Joint Venture Profit	10,684	11,481
International Income	5,695	4,765
Total TABCORP Income	60,795	60,745

TABCORP distributions are brought to account in the financial year that such amounts are earned by GRV.

2.2.2 Racefields Fees Income

Racefields Fees Income	30,166	25,771
------------------------	--------	--------

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.

Racefields fees income are brought to account in the financial year that such amounts are earned by GRV.

		2017	2016
2.2.3 Other Income	Note	\$'000	\$'000
GOBIS Registrations & Interest	8.2.2	-	8
GOBIS VRIF Contribution	8.2.2	-	106
Infrastructure VRIF Contribution	8.2.3	171	2,145
Other VRIF Contributions		1,406	(6)
Registration Fees		399	417
Interest Received		668	787
Fines		84	60
Sundry Income		521	480
Rent Received		128	63
Total Other Income		3,377	4,060

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

Registration fees are recognised as income in the period for which the registration applies.

GOBIS & VRIF contributions are brought to account in the financial year that such amounts are earned by GRV.

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

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.

Amounts recognised in the comprehensive operating statement for Investment Property

	2017	2016
Rental income	128	63
Direct operating expense from property that generated rental income	(67)	(27)
Direct operating expense from property that did not generate rental income	-	(42)
Total	61	(6)

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:

	2017	2016
Within 1 year	174	131
Later than 1 year but not later than 5 years	549	745
Total	723	876

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

3. THE COST OF DELIVERING SERVICES

Introduction

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

Structure

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

		2017	2016
	Note	\$'000	\$'000
3.1 Expenses incurred in delivery of services			
Integrity, Welfare and Racing Expenses	3.2	19,594	11,821
Stake money, Travel and Starters Fees	3.3	42,830	43,128
Greyhound Owners and Breeders Incentive Scheme	3.4	-	720
Clubs Expenses, Infrastructure and Maintenance	3.5	19,965	17,407
Industry Expenses	3.6	5,647	4,026
Administrative Expenses	3.7	11,916	7,416
Total Expenses Incurred in Delivery of Services		99,952	84,518

3.1.1 Employee benefits in the comprehensive operating statement

Stewards and Integrity Employee Expenses	3.2	6,353	3,452
Welfare Employee Expenses	3.2	3,207	1,080
Greyhound Adoption Program incl. Employee Expenses	3.2	1,486	703
Racing Wages	3.2	1,094	815
Judges & Lure Driver Expenses	3.2	821	-
Board Wages and Expenses	3.7	555	367
Administrative Employee Expenses	3.7	5,751	3,309
Technology Costs and Employee Expenses	3.7	1,808	1,262
Total Employee Expenses		21,075	10,988

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

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

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. Termination benefits are recognised when GRV 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.

Wages and salaries, and annual leave

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

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As GRV expects the liabilities to be settled within 12 months of reporting date, they are measured at undiscounted amounts.

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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" in the net result.

	2017	2016
3.1.2 Employee benefits in the balance sheet	Note	\$'000
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.		
Current Provisions		
Annual leave:		
Unconditional and Expected to Settle Within 12 Months	627	353
Unconditional and Expected to Settle After 12 Months	209	118
Long Service Leave:		
Unconditional and Expected to Settle Within 12 Months	60	49
Unconditional and Expected to Settle After 12 Months	991	803
	1,887	1,323
Provisions for On-Costs:		
Unconditional and Expected to Settle Within 12 Months	105	61
Unconditional and Expected to Settle After 12 Months	182	140
	287	201
Total Current Provisions for Employee Benefits	2,174	1,524
Non-Current Provisions		
Employee Benefits	368	258
On-Costs	56	39
Total Non-Current Provisions for Employee Benefits	424	297
Total Provisions for Employee Benefits	2,598	1,821
Reconciliation of Movement in On-Cost Provision		
Opening Balance	241	206
Additional Provisions Recognised	116	42
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits	(7)	(24)
Unwind Of Discount and Effect of Changes In Discount Rate	(7)	17
Closing Balance	343	241
Current	287	201
Non-Current	56	39
Total On-Costs	343	241

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

3. THE COST OF DELIVERING SERVICES (cont.)

3.1.3 Superannuation contributions

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

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

The name, details and amounts 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	
	2017	2016	2017	2016
Fund	\$'000	\$'000	\$'000	\$'000
Defined benefit plans (a)				
State Superannuation Fund - revised and new	8	8	-	-
Other	-	-	-	-
Defined contribution plans				
VicSuper	567	298	-	-
Other	984	563	-	-
Total	1,559	869	-	-

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

		2017	2016
3.2 Integrity, Welfare and Racing Expenses	Note	\$'000	\$'000
Integrity Expenses			
Stewards and Integrity Employee Expenses	3.1.1	6,353	3,452
Swab Analysis		2,982	2,350
Legal and Appeals Expenses		894	925
Contribution to Research		160	221
Ear Branding and Micro Chipping		65	140
Integrity Initiatives		227	356
Sub Total		10,681	7,444
Racing Appeals and Disciplinary Board		421	313
Welfare Expenses			
Welfare incl. Employee Expenses	3.1.1	3,558	1,723
Greyhound Adoption Program incl. Employee Expenses	3.1.1	3,019	1,526
Sub Total		6,577	3,249
Racing & Wagering			
Employee Expenses	3.1.1, 8.9	1,094	815
Judges & Lure Drivers	3.1.1	821	-
Sub Total		1,915	815
Total Integrity, Welfare and Racing Expenses		19,594	11,821
3.3 Stakemoney, Travel and Starters Fees		42,830	43,128

3.4 Greyhound Owners and Breeders Incentive Scheme

GOBIS Expenses (incl. Ready2Race)		-	82
GOBIS Registration Refunds		-	-
GOBIS Bonuses		-	638
Total Greyhound Owners and Breeders Incentive Scheme	8.2.2	-	720

3.5 Clubs Expenses, Infrastructure and Maintenance

On-Course Tote Commission		951	1,040
Distributions to Clubs		8,011	7,738
Insurance Allocation		237	149
Clubs Technology Development and Support		80	80
Marketing and Promotions		1,345	1,473
Club Sky Channel Linking and Video Costs		1,109	1,080
RSN Broadcasting and Deficit Funding		1,090	1,066
Infrastructure and Maintenance	8.2.3	7,142	4,781
Total Club Expenses, Infrastructure and Maintenance		19,965	17,407

GRV incurs expenses for infrastructure and maintenance works which are treated as an expense within the accounts. These expenses are then applied against the Infrastructure Reserve Fund as shown in Note 8.2.3.

		2017	2016
3.6 Industry Expenses	Note	\$'000	\$'000
Advertising, Promotions, Industry Awards, Market Research and Publications		4,716	3,267
Registration Expenses		99	105
Racing Industry Costs		250	-
Fields and Form Guides		582	654
Total Industry Expenses		5,647	4,026

3.7 Administrative Expenses

Board Wages and Expenses	3.1.1	555	367
Administrative Employee Expenses	3.1.1, 8.9	5,751	3,309
Technology Costs and Employee Expenses	3.1.1	2,490	1,881
Audit, Legal and Consultancy		1,233	565
Fringe Benefits Tax		692	345
Insurance		316	263
Other Administrative Expenses		879	686
Total Administration Expenses		11,916	7,416

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

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 6.2.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Structure

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

4.1 Total Property, Plant and Equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
Gross carrying amount and accumulated depreciation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value						
Land at fair value (i)	7,479	6,840	-	-	7,479	6,840
Buildings at fair value (i)	3,202	2,836	(164)	-	3,038	2,836
Work in progress	-	247	-	-	-	247
Equipment at fair value	266	224	(163)	(127)	103	97
Furniture and Fittings at fair value	35	35	(34)	(34)	1	1
Computer and Office Equipment at fair value	536	509	(377)	(347)	159	162
Total	11,518	10,691	(738)	(508)	10,780	10,183

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.

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

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. Typical estimated useful lives for the different asset classes for current and prior years are included below:

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)

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.

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).

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

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

The assets are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an "other economic flow", except to the extent that it 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 impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of 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.

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

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

Subsequent measurement: Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

A desktop valuation of specialized and non-specialised land was performed by management at 30 June 2017 in line with Valuer-General Victoria indices.

Refer to Note 7.3.2 for additional information on fair value determination of property, plant and equipment.

4.1.1 Depreciation and impairment	Note	2017	2016
		\$'000	\$'000
Charge for the period			
Buildings		164	175
Equipment		36	32
Computer and Office Equipment		77	32
Total depreciation		277	239

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment	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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Opening Balance	6,840	5,500	2,836	3,842	247	-	97	86	1	1	162	45	10,183	9,474
Additions	-	-	366	(6)	-	247	42	43	-	-	74	152	482	436
Disposals	-	-	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Revaluations	639	1,340	-	(825)	-	-	-	-	-	-	-	-	639	515
Transfers from (to) other asset class	-	-	-	-	(247)	-	-	-	-	-	-	-	(247)	-
Depreciation	-	-	(164)	(175)	-	-	(36)	(32)	-	-	(77)	(32)	(277)	(239)
Closing Balance	7,479	6,840	3,038	2,836	-	247	103	97	1	1	159	162	10,780	10,183

Note: Fair value assessments have been performed for all classes of assets and the decision was made that movements were not material (less than or equal to 10%) for a full revaluation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

	2017	2016
	\$'000	\$'000
Balance at the Beginning of Year	3,666	4,203
Amortisation	(537)	(537)
Net Book Value at End of Financial Year	3,129	3,666

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (cont.)

		2017	2016
	Note	\$'000	\$'000
4.2 Investment Properties			
William Street Property			
Balance at the Beginning of Financial Year		4,300	3,500
Revaluation Increments recognised in Comprehensive Income		386	800
Additions		41	-
Balance at End of Financial Year		4,727	4,300

Investment properties: The land and buildings at William Street represents a property held to earn rental or for capital appreciation, or both. Investment properties exclude properties held to meet the service delivery objectives of GRV.

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

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

	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4.3 Intangible Assets						
Assets at Fair Value						
Intangible Assets - FastTrack	5,365	5,365	(2,236)	(1,699)	3,129	3,666
Total	5,365	5,365	(2,236)	(1,699)	3,129	3,666

Initial recognition

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

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

Subsequent measurement

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

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.

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

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.

Impairment of intangible assets

All intangible assets with indefinite useful lives (and intangible assets not yet available for use) are not depreciated or amortised, but are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

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

	2017	2016
4.4 Investments and Other Financial Assets	\$'000	\$'000
Current Investments and Other Financial Assets		
Term Deposits	25,500	30,500
Total Current Investments and Other Financial Assets	25,500	30,500
Non-Current Investments and Other Financial Assets		
Loan - Melbourne Greyhound Racing Association (1)	1,703	1,600
Shares in Radio 3UZ Pty Ltd	1	1
Units in Radio 3UZ Unit Trust at Cost	525	525
Total Non-Current Investments and Other Financial Assets	2,229	2,126
Total Investments and Other Financial Assets	27,729	32,626

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

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

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 :

(1) 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 7.1.

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.

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 2017, 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.

	Carrying Amount	Not past due and not impaired	Past due but not impaired				
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Ageing analysis of investments and other financial assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017							
Term deposit	25,500	25,500	-	-	-	-	-
Loans receivable	1,703	1,703	-	-	-	-	-
Investments	526	526	-	-	-	-	-
Total	27,729	27,729	-	-	-	-	-
2016							
Term deposit	30,500	30,500	-	-	-	-	-
Loans receivable	1,600	1,600	-	-	-	-	-
Investments	526	526	-	-	-	-	-
Total	32,626	32,626	-	-	-	-	-

	2017	2016
	\$'000	\$'000
Finance Revenue (Loans Receivable)	103	31
Total Net Gain on Investments and Other Financial Assets	103	31

Net gain on investments and other 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

5. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other Liabilities

	2017	2016
5.1 Receivables	\$'000	\$'000
Current		
Contractual		
Sundry Debtors	2,102	2,263
Trade Debtors	7,419	8,057
Statutory		
GST Recoverable	434	364
Total Receivables	9,955	10,684

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

Contractual receivables are classified as financial instruments and categorised as "loans and receivables". They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

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.

Doubtful debts: Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. 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.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. If an increase in the provision is required for the year, it is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as "other economic flows" in the net result.

There are no material financial assets that are individually determined to be impaired. Currently, GRV does not hold any collateral as security nor credit enhancements relating to any of its receivables. As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no receivables 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.

	Carrying Amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Ageing analysis of contractual receivables	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017						
Receivables	9,521	9,521	-	-	-	-
Total	9,521	9,521	-	-	-	-
2016						
Receivables	10,320	10,320	-	-	-	-
Total	10,320	10,320	-	-	-	-

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

	2017	2016
5.2 Payables	\$'000	\$'000
Current		
Contractual		
Trade Creditors	1,481	1,876
Sundry Creditors	2,536	3,548
Statutory		
GST Payable	703	890
Payroll Tax Payable	91	73
PAYG Tax Payable	189	133
Total Payables	5,000	6,520

Payables consist of:

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

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

	2017	2016
5.3 Other Liabilities	\$'000	\$'000
Deferred Revenue		
Current		
Other	107	105
Total Current	107	105
Non-Current		
Other	72	65
Total Non-Current	72	65
Total Deferred Revenue	179	170

These amounts include deferred revenue that is received in advance for member registrations. These are deferred to future accounting periods in accordance with GRV's accounting policies.

	Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Maturity analysis of contractual payables	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017							
Payables	4,017	4,017	4,017	-	-	-	-
Total	4,017	4,017	4,017	-	-	-	-
2016							
Payables	5,424	5,424	5,424	-	-	-	-
Total	5,424	5,424	5,424	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by GRV during its operations, along with interest expense (the cost of borrowings) and other information related to financing activities of GRV.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

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

6.1 Cash Flow Information and Balances

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

		2017	2016
	Note	\$'000	\$'000
Total cash and cash equivalents		3,626	4,828
Balance as per cash flow statement		3,626	4,828

6.1.1 Reconciliation of net results for the period to cash flow from operating activities

Net Result for the Period	(5,939)	5,288
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Non-cash movements

Depreciation and Amortisation	4.1.1, 4.3	814	776
Net Gain on Financial and Non-Financial Assets	8.1	(489)	(6)

Movements in assets and liabilities

Increase (Decrease) in Receivables & Prepayments	421	(1,059)
(Decrease) Increase in Payables	(1,520)	655
Increase in Employee Benefits	777	274
Decrease (Increase) in Other Liabilities	10	(13)
Net Cash Flows From / (Used In) Operating Activities	(5,926)	5,915

6.2 Commitments for Expenditure

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

6.2.1 Total commitments payable	Less than 1 year	1 to 5 years	5+ years	Total
Nominal amounts	\$'000	\$'000	\$'000	\$'000
2017				
Capital expenditure commitments payable	538	-	-	538
Operating and lease commitments payable	992	355	-	1,347
Other commitments payable	1,724	-	-	1,724
Total commitments (inclusive of GST)	3,254	355	-	3,609
Less GST recoverable				(328)
Total commitments (exclusive of GST)				3,281
2016				
Capital expenditure commitments payable	320	-	-	320
Operating and lease commitments payable	605	282	-	887
Other commitments payable	1,595	1,608	-	3,203
Total commitments (inclusive of GST)	2,520	1,890	-	4,410
Less GST recoverable				(401)
Total commitments (exclusive of GST)				4,009

Capital expenditure commitments payable: Infrastructure

At 30 June 2017 GRV is obligated in the next year (2018) to meet commitments of \$0.538m for infrastructure works including; the Horsham Greyhound Racing Club \$0.132m; City GAP Shopfront \$0.016m; the Warrnambool Greyhound Racing Club \$0.054m; the Melton, Lang Lang and Wangaratta Coursing Clubs \$0.114m; works on all Greyhound Racing Clubs \$0.222m. At 30 June 2016, GRV's commitment for the 2017 year was \$0.320m including; the Horsham Greyhound Racing Club \$0.105m; the Cranbourne Greyhound Racing Club \$0.069m; GAP Seymour \$0.086m; and the Warrnambool Greyhound Racing Club \$0.060m.

Operating and lease commitments payable:

Operating lease commitments include vehicle leases with average lease terms of 24.88 months (2016: 25.14 months)

Operating lease commitments also include leases on properties for Greyhound Adoption in Mt Mercer and a shopfront in Melbourne with the intention of setting up a GAP cafe.

Other commitments: On-course broadcasting services

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 are based on the current racing calendar and take into account current and future prices in accordance with the agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

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

7.1 Financial Instruments Specific Disclosures

Introduction

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

Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities 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 (and for assets, less any impairment). GRV recognises the following assets in this category:

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

Available-for-sale financial assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in "other economic flows - other comprehensive income" until the investment is disposed. Movements resulting from impairment are recognised in the net result as "other economic flows". On disposal, the cumulative gain or loss previously recognised in "other economic flows - other comprehensive income" is transferred to other economic flows in the net result. GRV recognises investments in equities and managed investment schemes in this category.

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

- payables (excluding statutory payables); and
- borrowings (including financial lease liabilities).

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.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where GRV does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

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. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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 the 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (cont.)

7.1.1 Categorisation

			2017	2016
Categorisation of financial instruments			\$'000	\$'000
Financial assets				
Cash and deposits	6.1	Contractual financial assets - Loans and receivables and cash	3,626	4,828
Receivables	5.1	Contractual financial assets - Loans and receivables and cash	9,521	10,320
Other financial assets - loans	4.4	Contractual financial assets - Loans and receivables and cash	1,703	1,600
Term deposit	4.4	Contractual financial assets - Loans and receivables and cash	25,500	30,500
Investments (a)	4.4	Contractual financial assets - Available for sale	526	526
Financial liabilities				
Payables	5.2	Contractual financial liabilities at amortised cost	4,017	5,424

Note: (a) The investment is recorded at cost, less impairment.

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

Net holding gain/(loss) on financial instruments by category	Net Holding Gain/(Loss)		Total Interest Income/(Expense)		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Financial assets - Loans and receivables	103	31	668	787	771	818
Total contractual financial assets	103	31	668	787	771	818
Contractual financial liabilities						
Financial liabilities at amortised cost	-	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-	-

Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

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

- 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, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result; and
- 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.

7.1.3 Financial risk management objectives and policies

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

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 7.1 to the financial statements.

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.

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

Credit risk associated with GRV's contractual financial assets is minimal because the main debtor is Tabcorp, being the Victorian Racing Industry's Joint Venture partner. For debtors other than Tabcorp, it is GRV's policy to only deal with entities assessed as being credit worthy and to obtain sufficient 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 and deposits, which are mainly cash at bank. As with the policy for debtors, GRV's policy is to only deal with banks with high credit ratings.

Provision for impairment of contractual financial assets is recognised when there is objective evidence that GRV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts 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.

There has been no material change to GRV's credit risk profile in 2016-17.

Credit quality of contractual financial assets that are neither past due nor impaired:	Financial institutions AA- credit rating	Government agencies AAA credit rating	Other	Total
2017	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	3,626	-	-	3,626
Loans receivable	-	-	1,703	1,703
Investments	-	-	526	526
Term deposits	2,000	23,500	-	25,500
Receivables	-	-	9,521	9,521
Total contractual financial assets	5,626	23,500	11,750	40,876
2016				
Financial assets				
Cash and deposits	4,828	-	-	4,828
Loans receivable	-	-	1,600	1,600
Investments	-	-	526	526
Term deposits	2,000	28,500	-	30,500
Receivables	-	-	10,320	10,320
Total contractual financial assets	6,828	28,500	12,446	47,774

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT.)

7.1.3 Financial risk management objectives and policies (continued)

Liquidity risk

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

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

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

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

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.

Sensitivity disclosure analysis and assumptions

GRV's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. GRV's fund manager cannot be expected to predict movements in market rates and prices. The sensitivity analysis shown is for illustrative purposes only. The following movement is "reasonably possible" over the next 12 months:

- a movement of 100 basis points up and down (2016: 100 basis points up and down) in market interest rates (AUD).

The table that follows show the impact on GRV's net result and equity for each category of financial instrument held by GRV at the end of the reporting period, if the above movements were to occur.

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 2017 and 2016.

Interest rate risk

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

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

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

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 4.4.

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.

Interest rate exposure of financial instruments	Weighted Average Interest Rate	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate	Floating Interest Rate	Non Interest Bearing
2017	(%)	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	1.25%	3,626	-	3,626	-
Receivables	0.00%	9,521	-	-	9,521
Investments and other contractual financial assets:					
- Term deposit	2.01%	25,500	25,500	-	-
- Loans receivable	2.01%	1,703	1,703	-	-
- Investments	0.00%	526	-	-	526
Total financial assets		40,876	27,203	3,626	10,047
Financial liabilities					
Payables	0.00%	4,017	-	-	4,017
Total financial liabilities		4,017	-	-	4,017
2016					
Financial assets					
Cash and deposits	1.75%	4,828	-	4,828	-
Receivables	0.00%	10,320	-	-	10,320
Investments and other contractual financial assets:					
- Term deposit	2.14%	30,500	30,500	-	-
- Loans receivable	2.14%	1,600	1,600	-	-
- Investments	0.00%	526	-	-	526
Total financial assets		47,774	32,100	4,828	10,846
Financial liabilities					
Payables	0.00%	5,424	-	-	5,424
Total financial liabilities		5,424	-	-	5,424

Interest rate risk sensitivity	Interest Rate Risk									
	Carrying Amount		-1% (100 basis points)				+1% (100 basis points)			
			Equity		Net Result		Equity		Net Result	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Cash and deposits	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	3,626	4,828	(36)	(48)	(36)	(48)	36	48	36	48
Receivables	9,521	10,320	-	-	-	-	-	-	-	-
Investments and other contractual financial assets:										
- Term deposit	25,500	30,500	(255)	(305)	(255)	(305)	255	305	255	305
- Loans receivable	1,703	1,600	-	-	-	-	-	-	-	-
- Investments	526	526	-	-	-	-	-	-	-	-
Financial liabilities										
Payables	(4,017)	(5,424)	-	-	-	-	-	-	-	-
Total impact			(291)	(353)	(291)	(353)	291	353	291	353

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT.)

7.2 Contingent Assets and Contingent Liabilities

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

GRV has no contingent assets as at 30 June 2017 (2016: None).

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:

(1) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or

(2) the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

GRV notes the following contingent liabilities in relation to potential claims / legal proceedings:

- Contract termination dispute \$150,000 (30 June 2016: None); and
- Australian consumer law claim \$100,000 (30 June 2016: None).

7.3 Fair Value Determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- available-for-sale financial assets;
- land, buildings, infrastructure, plant and equipment; and
- investment properties.

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

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

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

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

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

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

How this section is structured

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

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

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

Fair value determination of financial assets and liabilities

Financial assets	Financial liabilities
Cash and deposits	Payables:
Loans receivable	- for supplies and services
Investments and other contractual financial assets:	- amounts payable to government and agencies
- term deposits	- other payables
Receivables:	Loans Payable
- 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.

7.3.1 Fair value determination of financial assets and liabilities

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

- Level 1 - the fair value of financial 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 currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2016-17 reporting period.

Financial assets measured at fair value

Fair value	2017				2016			
	\$'000				\$'000			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and deposits	3,626	-	-	3,626	4,828	-	-	4,828
Loans receivable	-	-	1,703	1,703	-	-	1,600	1,600
Investments - term deposits	25,500	-	-	25,500	30,500	-	-	30,500
Investments - units in 3UZ	-	526	-	526	-	526	-	526
Receivables	9,521	-	-	9,521	10,320	-	-	10,320
Financial liabilities:								
Payables	(4,017)	-	-	(4,017)	(5,424)	-	-	(5,424)
Total	34,630	526	1,703	36,859	40,224	526	1,600	42,350

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:

Investments - Units in 3UZ

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

Loans receivable - 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

	2017	2016
	\$'000	\$'000
Loans Receivable		
Opening balance	1,600	1,968
Total gains or losses recognised in:		
- Net results	103	31
Amounts repaid	-	(399)
Closing balance	1,703	1,600
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 5.75% (2016: 6.10%), with varying repayment patterns. Sensitivity of fair value to changes in significant unobservable inputs are as follows: 1% decrease/increase in the discount rate would result in a decrease/increase in fair value of (\$16k)/\$16k (2016: (\$30k)/\$31k). A change in repayment patterns would affect the fair value materially.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONT.)

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy	Written down value		Fair value measurement at end of reporting period using:					
			Level 1		Level 2		Level 3	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets at Fair Value	\$'000		\$'000		\$'000		\$'000	
Land at fair value	7,479	6,840	-	-	7,479	6,840	-	-
Buildings at fair value	3,038	2,836	-	-	1,558	1,310	1,480	1,526
Work in progress	-	247	-	-	-	247	-	-
Equipment at fair value	103	97	-	-	-	-	103	97
Furniture and Fittings at fair value	1	1	-	-	-	-	1	1
Computer and Office Equipment at fair value	159	162	-	-	-	-	159	162
Total	10,780	10,183	-	-	9,037	8,397	1,743	1,786

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 2017.

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

	Plant and Equipment							
	Buildings Seymour GAP		Track and GAP Equipment		Furniture and Fittings		Computer and Office Equipment	
	2017	2016	2017	2016	2017	2016	2017	2016
Reconciliation of Level 3 fair value movements	\$'000		\$'000		\$'000		\$'000	
Opening balance	1,526	1,542	97	86	1	1	162	45
Transfers in (out) of Level 3	-	-	-	-	-	-	-	(3)
Purchases (sales)	-	(6)	42	43	-	-	74	152
Transfer in from (out to) another class	-	-	-	-	-	-	-	-
Gains or losses recognised in net result:	-	-	-	-	-	-	-	-
Depreciation	(46)	(48)	(36)	(32)	-	-	(77)	(32)
Impairment loss	-	-	-	-	-	-	-	-
Subtotal	1,480	1,488	103	97	1	1	159	162
Gains or losses recognised in other economic flows - other comprehensive income:								
Revaluation	-	38	-	-	-	-	-	-
Subtotal	-	38	-	-	-	-	-	-
Closing balance	1,480	1,526	103	97	1	1	159	162

Description of significant unobservable inputs to Level 3 valuations**Plant and equipment**

Valuation technique: Depreciated replacement cost

Significant unobservable inputs: Cost per unit; and useful life of plant and equipment (refer Note 4.1.1)

Specialised buildings

Valuation technique: Depreciated replacement cost

Significant unobservable inputs: Replacement cost per square metre; and useful life of buildings (refer Note 4.1.1)

Significant unobservable inputs have remained unchanged since June 2016.

	Fair value measurement at end of reporting period using:							
	Written down value		Level 1		Level 2		Level 3	
	2017	2016	2017	2016	2017	2016	2017	2016
Investment properties measured at fair value and their categorisation in the fair value hierarchy	\$'000		\$'000		\$'000		\$'000	
Investment property	4,727	4,300	-	-	4,727	4,300	-	-

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

There have been no transfers between levels during the period. There were no changes in valuation techniques during the period to 30 June 2017.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

8. OTHER DISCLOSURES

Introduction

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

Structure

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

8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/ (losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to "other transfers" of assets.

		2017	2016
	Note	\$'000	\$'000
Net gain/(loss) on non-financial assets			
Revaluation of land and buildings	4.1.2	-	(825)
Revaluation of investment property	4.2	386	800
Total net gain/(loss) on non-financial assets		386	(25)
Net gain/(loss) on financial instruments			
Finance revenue (loans receivable)	4.4	103	31
Total net gain/(loss) on financial instruments		103	31

8.2.3 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 2017, \$5.177 Mil (2016: \$5.002 Mil) was allocated to the fund. In 2016 an additional \$5.0 Mil was transferred from accumulated surplus to assist in the long-term sustainability of the fund.

	Note	2017 \$'000	2016 \$'000
Balance at beginning of financial year		14,126	6,760
Expenses from Ordinary Activities	3.5	(7,142)	(4,781)
Net Result		(7,142)	(4,781)
Victorian Racing Industry Fund Contribution	2.2.3	171	2,145
Annual Transfer from Accumulated Surplus		5,177	5,002
Additional Transfer from Accumulated Surplus		-	5,000
Transfer from (to) Accumulated Surplus	8.2.6	(1,794)	7,366
Balance at end of financial year		12,332	14,126

8.2.4 Physical Asset Revaluation Surplus

The physical assets revaluation surplus arises on the revaluation of land and buildings.

	2017 \$'000	2016 \$'000
Balance at beginning of financial year	5,613	4,273
Valuation Gain recognised in Other Comprehensive Income	639	1,340
Balance at end of financial year	6,252	5,613
The reserve comprises :		
Land	6,252	5,613
Balance at end of financial year	6,252	5,613

8.2.5 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.

	2017 \$'000	2016 \$'000
	1,924	1,924

8.2.6 Accumulated Surplus/(Deficit)

	2017 \$'000	2016 \$'000	
Accumulated surplus/(deficit) at the Beginning of the Financial Year	28,975	30,779	
Net Result	(5,939)	5,288	
Total Available for Appropriation	23,036	36,067	
Transfer from/(to) Reserves			
Greyhound Owners and Breeders Incentive Scheme	8.2.2	-	274
Infrastructure Reserve Fund	8.2.3	1,794	(7,366)
Accumulated Surplus/(Deficit) at the End of the Financial Year	24,830	28,975	

8.2 Reserves	Note	2017 \$'000	2016 \$'000
Distribution Reserve Fund	8.2.1	7,500	7,500
Greyhound Owners and Breeders Incentive Scheme Reserve	8.2.2	-	-
Infrastructure Reserve Fund	8.2.3	12,332	14,126
Physical Asset Revaluation Surplus	8.2.4	6,252	5,613
Total Reserves		26,084	27,239
Contributed Capital	8.2.5	1,924	1,924
Accumulated Surplus	8.2.6	24,830	28,975
Total Surpluses		26,754	30,899
Total Equity		52,838	58,138

8.2.1 Distribution Reserve Fund (DRF)

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

	2017 \$'000	2016 \$'000
Balance at beginning of financial year	7,500	7,500
Balance at end of financial year	7,500	7,500

8.2.2 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 2017, GRV provided an allocation of \$0.0 Mil (2016: \$0.332 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.

	Note	2017 \$'000	2016 \$'000
Balance at beginning of financial year		-	274
Revenue from Ordinary Activities - Registrations & Interest	2.2.3	-	8
Victorian Racing Industry Fund Contribution	2.2.3	-	106
Expenses from Ordinary Activities - Bonuses & Other	3.4	-	(720)
Net Result		-	(606)
Annual Transfer from Accumulated Surplus		-	332
Transfer (to) from Accumulated Surplus	8.2.6	-	(274)
Balance at end of financial year		-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

Income Band	Total Remuneration		Base Remuneration	
	2017	2016	2017	2016
	No.	No.	No.	No.
\$10,000 to \$19,999	1	1	1	1
\$20,000 to \$29,999	-	2	-	3
\$30,000 to \$39,999	1	-	1	-
\$40,000 to \$49,999	3	2	3	2
\$60,000 to \$69,999	1	1	1	1
\$140,000 to \$149,999	-	1	-	-
\$330,000 to \$339,999	-	1	-	1
\$370,000 to \$379,999	-	-	1	-
\$400,000 to \$409,999	1	-	-	-
Total Numbers	7	8	7	8
Total Remuneration - \$'000	644	713	611	568

8. OTHER DISCLOSURES (cont.)

8.3 Responsible Persons

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

Portfolio Minister:

The Minister for Racing The Hon. Martin Pakula, MP

Governing Board:

Position	Member	From	To
Chairman	Mr. B. Carolan	01.07.2016	30.06.2017
Member	Mr. K. Lay	01.07.2016	26.09.2016
Member	Ms. J. Bornstein	01.07.2016	30.06.2017
Member	Ms. P. Elkhorne	01.07.2016	30.06.2017
Member	Mr. R. Greenall	01.07.2016	30.06.2017
Member	Mr. E. Dunne	27.09.2016	30.06.2017

Accountable Officer:

Mr. A.K. Clayton

The total remuneration received or receivable by the accountable officer for 2017 in connection with the management of GRV from 01.07.16 to 30.06.17 during the reporting period was in the range of: \$400,000 to \$409,999.

8.4 Remuneration of Executives

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

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

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

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

Termination benefits include termination of employment payments, such as severance packages.

	2017
Remuneration of Executive Officers (including Key Management Personnel disclosed in Note 8.5)	\$'000
Short-term employee benefits	1,633
Post-employment benefits	152
Other long-term benefits	46
Termination benefits	-
Total remuneration (a)(b)	1,831
Total number of Executives	9
Total annualised employee equivalents (c)	7.5

Notes: (a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21C. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

(b) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reporting within the related parties note disclosure (Note 8.5).

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

8.5 Related Parties

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

Related parties of GRV include:

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

All related party transactions have been entered into on an arm's length basis.

Key management personnel of GRV includes:

- (1) the Portfolio Minister: The Minister for Racing The Hon. Martin Pakula, MP;
- (2) the Governing Board (refer to Note 8.3 for list of Board members);
- (3) the Accountable Officer: Mr A.K. Clayton; and
- (4) members of the Senior Executive Team, which includes:
 - Mr R Shaw
 - Mr S Gillard
 - Mr S Laing
 - Ms L Martin
 - Mr G Goble
 - Ms D King
 - Mr S Rose
 - Ms T Benfield
 - Mr C Armstead

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

Compensation of KMPs

Short-term employee benefits (a)	2,202
Post-employment benefits	218
Other long-term benefits	55
Termination benefits	-
Total (b)	2,475

Notes: (a) Note that KMPs are also reporting in the disclosure of remuneration of executive officers (Note 8.4)

(b) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21C. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for responsible persons and executive remuneration for the 2015-16 reporting period.

Transactions and balances with key management personnel and other related parties

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

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

8.6 Remuneration of Auditors

	2017	2016
Victorian Auditor-General's Office	\$'000	\$'000
Audit of the financial statements	17	14
Non-audit services (a)	-	-
	17	14
Internal Audit		
Audit services	144	178
Non-audit services	-	-
	144	178
Total remuneration of auditors	161	192

Note: (a) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

8.7 Subsequent Events

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

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

As at the date of this report, TABCORP has proposed a merger with Tatts Group. The merger proposal is currently being challenged via an appeal in the Federal Court by the ACCC and CrownBet. In the event that the merger is ultimately approved by the Court and Tatts Shareholders, some potential exists for the TABCORP Group to achieve cost synergies. These potential benefits may flow to the Victorian Joint Venture between TABCORP and the Victorian Racing Industry in management cost savings. It is however not possible at this stage to gauge the exact benefit of these potential savings.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2017

8. OTHER DISCLOSURES (cont.)

8.8 Other Accounting Policies

Contributions by Owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of GRV.

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 8.2.5

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

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.

8.9 Reclassification of Prior Year Expenses

GRV reclassified staff wages from Administrative Employee Expenses to Racing & Wagering Employee Expenses in the prior year. The impact of this reclassification on the prior period is as follows:

		30-Jun-16 as reported	Increase (Decrease)	30-Jun-16 Restated
	Note	\$'000	\$'000	\$'000
Racing & Wagering: Employee Expenses	3.2	591	224	815
Administrative Expenses: Administrative Employee Expenses	3.7	3,533	(224)	3,309

There is no impact to the result arising from this reclassification.

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8.10 Australian Accounting Standards Issued that are Not Yet Effective

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2017 reporting period. DTF assesses the impact of all these new standards and advises GRV of their applicability and early adoption where applicable.

As at 30 June 2017, 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 2017. 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 Financial Instruments	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 amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1-Jan-18	<p>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.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p> <p>Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.</p> <p>For entities with significant lending activities, an overhaul of related systems and processes may be needed.</p>
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	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 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1-Jan-18	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 Revenue from Contracts with Customers	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-18	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.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends. <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/Interpretation	Summary	Applicable for Annual Reporting Periods Beginning On	Impact on GRV's Financial Statements
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	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 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> · A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; · For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and · For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1-Jan-18	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> · require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and · clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1-Jan-19	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1-Jan-19	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>No change for lessors.</p>
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1-Jan-17	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1-Jan-19	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

Appendix 1:

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

Legislation Requirement

Ministerial & Financial Reporting Directions**Report of Operations****Charter and purpose**

FRD 22H Manner of establishment and the relevant Ministers

FRD 22H Purpose, functions, powers and duties

FRD 8D Departmental objectives, indicators and outputs

FRD 22H Key initiatives and projects

FRD 22H Nature and range of services provided

Management and structure

FRD 22H Organisational structure

Financial and other information

FRD 8D Performance against output performance measures

FRD 8D Budget portfolio outcomes

FRD 10A Disclosure index

FRD 12B Disclosure of major contracts

FRD 15D Executive officer disclosures

FRD 22H Employment and conduct principles

FRD 22H Occupational health and safety policy

FRD 22H Summary of the financial results for the year

FRD 22H Significant changes in financial position during the year

FRD 22H Major changes or factors affecting performance

FRD 22H Subsequent events

Financial Report

FRD 22H Application of operation of Freedom of Information Act 1982

FRD 22H Compliance with building and maintenance provisions of Building Act 1993

FRD 22H Statement of National Competition Policy

FRD 22H Application and operation of the Protected Disclosure Act 2012

FRD 22H Application and operation of the Carers Recognition Act 2012

FRD 22H Details of consultancies over \$10,000

FRD 22H Details of consultancies under \$10,000

FRD 22H Disclosure of government advertising expenditure

FRD 22H Disclosure of ICT expenditure

FRD 22H Statement of availability of other information

FRD 24C Reporting of office-based environmental impacts

FRD 25C Victorian Industry Participation Policy disclosures

FRD 29B Workforce Data disclosures

SD 5.2 Specific requirements under Standing Direction 5.2

Legislation Requirement

Compliance attestation and declaration

SD 5.1.4 Attestation for compliance with Ministerial Standing Direction

SD 5.2.3 Declaration in report of operations

Financial Statements

Declaration

SD 5.2.2 Declaration in financial statements

SD 4.2(g) Specific information requirements

SD 4.2(j) Sign-off requirements

Financial statements required under Part 7 of the FMA

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

Other requirements under Standing Directions 5.2

SD 5.2.1(a) Compliance with Australian accounting standards and other authoritative pronouncements

SD 5.2.1(a) Compliance with Ministerial Directions

SD 4.2(d) Rounding of amounts

SD 4.2(c) Accountable officer's declaration

SD 5.2.1(b) Compliance with Model Financial Report

Other disclosures as required by FRDs in notes to the financial statements

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 21C Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report

FRD 102 Inventories

FRD 103F Non-financial physical assets

FRD 104 Foreign currency

FRD 106 Impairment of assets

FRD 109 Intangible assets

FRD 107A Investment properties

FRD 110A Cash flow statements

FRD 112D Defined benefit superannuation obligations

FRD 113 Investments in subsidiaries, jointly controlled entities and associates (Pending revision)

FRD 114A Financial Instruments – General government entities and public non-financial corporations

FRD 119A Transfers through contributed capital

Legislation

Freedom of Information Act 1982

Building Act 1993

Protected Disclosure Act 2012

Carers Recognition Act 2012

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994

Independent Auditor's Report

To the Board of Greyhound Racing Victoria

Opinion	<p>I have audited the financial report of Greyhound Racing Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including a summary of significant accounting policies • accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

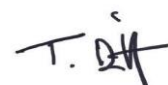
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
30 August 2017



Travis Derricott
as delegate for the Auditor-General of Victoria

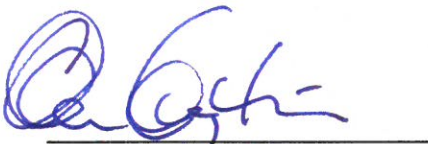
Accountable Officer's and Chief Finance and Accounting Officer's Declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of Greyhound Racing Victoria at 30 June 2017.

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 29 August 2017.



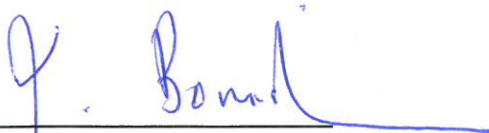
Alan Clayton
Chief Executive Officer
PSM

Date: 29 August 2017



Robert Shaw
Chief Finance and Accounting Officer
CPA

Date: 29 August 2017



Judith Bornstein
Acting Chairman

Date: 29 August 2017

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