



Greyhound Racing Victoria  
**Annual Report 2017-18**



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## GRV BOARD MEMBERS

### **BERNIE CAROLAN** Chair

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

Mr Carolan began his role as Chairman in July 2015.

### **PEITA DUNCAN** Deputy Chair

Deputy Chair of the Board, Ms Peita Duncan, is an experienced professional with skills in sales, marketing and management. She 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 worked for a number of law firms in business development and management roles and is currently a director of Volenti Consulting, which provides human resources, business development, business operations and recruitment support to professional services clients. Ms Duncan is a Non-Executive Director of the Metropolitan Fire Brigade and was formerly a Non-Executive Director of the Emergency Services Telecommunications Authority.

Ms Duncan was appointed to the Board in October 2015.

### **ROB GREENALL** Board Member

Rob Greenall is a registered veterinarian who has worked for over 25 years in private practice, higher education/research, the public sector (in animal welfare and agvet chemicals regulatory roles) and consulting to animal industries.

Mr Greenall has a Masters degree in Veterinary Studies and is highly experienced in strategic project leadership, management and evaluation. Mr Greenall is a graduate of the Australian Institute of Company Directors and is Managing Director of AgVet Projects Pty Ltd.

Mr Greenall was appointed to the Board in October 2015.

### **EMMETT DUNNE** Board Member

Emmett Dunne brings significant experience to the GRV Board after serving as a police officer for almost 40 years before retiring in 2015. During his policing career, Mr Dunne was the Assistant Commissioner of Professional Standards Command between 2010 and 2013, and the Assistant Commissioner of the East Policing Region until 2015. 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 for his significant contribution and involvement in the force's Operational Safety and Tactics Training Unit. Mr Dunne is a former VFL footballer, having played 115 games for Richmond between 1976 and 1983 and was a member of the Tigers' 1980 premiership side.

Mr Dunne was appointed to the Board in September 2016.

### **JACQUI BILLINGS** Board Member

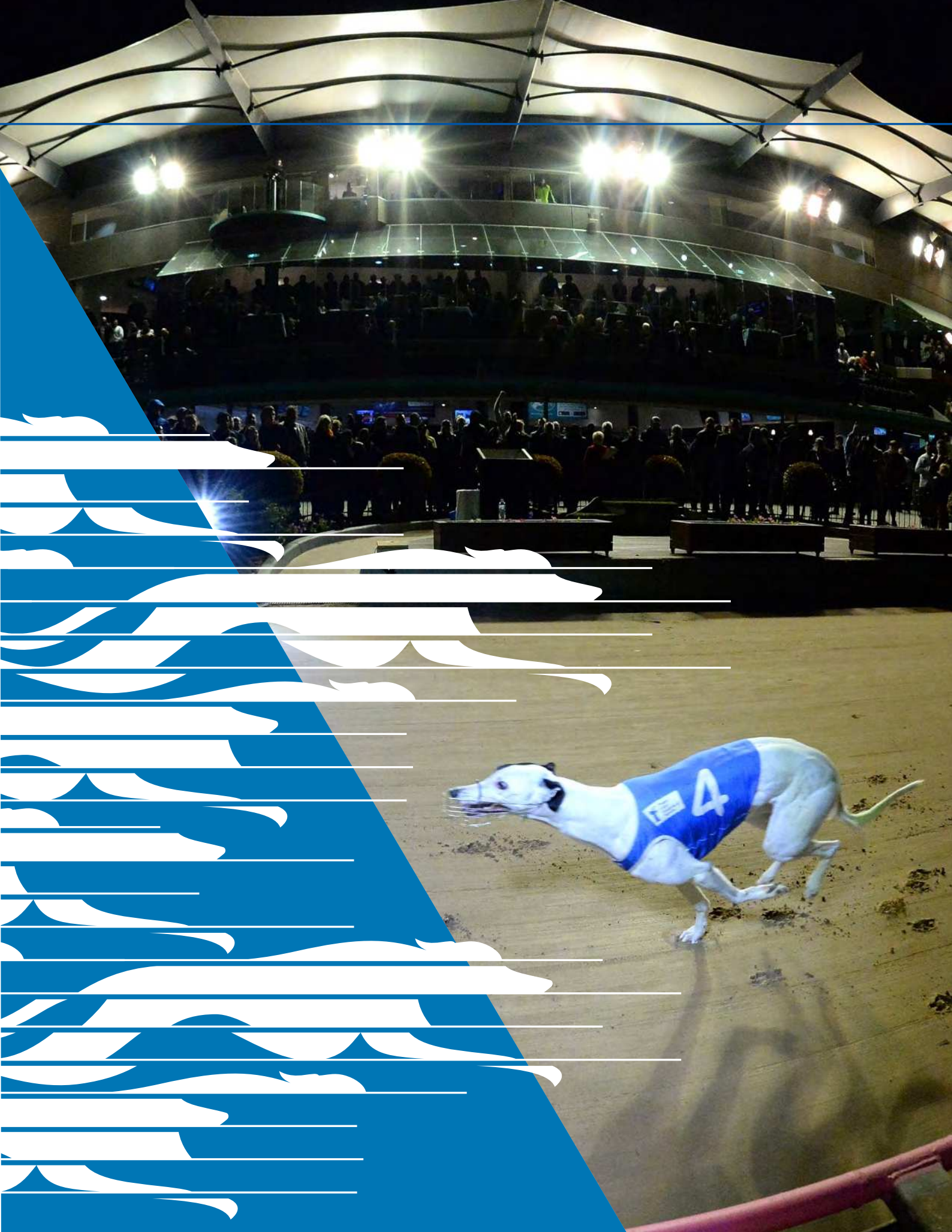
Jacqui Billings holds degrees in Economics and Law and has practised as a solicitor advocate for over 25 years. Her legal practice has been in the areas of Criminal Law, Family and Children's Law and Litigation as a partner in a country law firm. She has held executive positions in a number of community and incorporated organisations. Jacqui has been on the committee of the Moe Racing Club Inc. since 2000 and from 2013 has held the position of Chairperson.

Ms Billings was appointed to the Board in February 2018.

### **JUDITH BORNSTEIN**

*Former Board member until November 2017. Ms Bornstein was appointed to the Board in March 2015 and held the position of Deputy Chair.*

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





# VICTORIAN GREYHOUND RACING SNAPSHOT 2017-18

## VICTORIA'S GREYHOUND RACING CLUBS



# THE STATS

**\$409**

**MILLION**

in economic impact

**\$532**

**MILLION**

in taxes  
(across all Victorian racing codes)

**\$45**

**MILLION**

in prizemoney and other  
returns to participants

**\$2.26**

**BILLION**

in national  
wagering turnover

**15,000**

participants

**2,888**

full time  
equivalent jobs

**643**

litters and

**4,105**

puppies registered

**1,193**

race meetings

**2,641**

greyhounds  
re-homed

**211,949**

people attending  
race meetings

TRARALGON

SALE

# THE YEAR'S HIGHLIGHTS



## Fantastic Fanta

One of the year's racing highlights was the Victorian trained Fanta Bale becoming Australian greyhound racing's all-time highest prize money winner and most accomplished Group 1 winner before retiring in March 2018. During her career she won a record \$1,365,175 in prize money with 42 wins from 63 career starts, contesting 22 Group finals and winning 13 including a record nine at Group 1 level. Trained by Robert Britton, she is the only greyhound in history to win a group one race over the sprint, middle and stayers' distances.

*Pictured: Mary and Rob Britton with Fanta Bale.*



## The Cup Runneth Over

Eight of Australia's best greyhounds lined up for the world's most prestigious greyhound race, the Group One \$600,000 TAB Melbourne Cup held at Sandown Park on Friday 24 November. The all-Victorian field was regarded by many as one of the strongest ever for the 2017 edition of the Cup which was won by Aston Dee Bee, trained by Seona Thompson and owned by Ray Borda, taking home \$350,000 in prize money.

*Pictured: Seona, Holly and Luke Thompson with Aston Dee Bee.*

## Best and Fastest

Victoria's greyhound community celebrated a year of achievement at the Sandown Greyhound Racing Club on Friday, 18 August 2017 with the annual Victorian Greyhound Awards.

*Pictured: Carolyn Jones and Hall of Fame inductee El Grand Senior with Simone Fisher.*





## The Great Chase

The Grand Final of the TAB Great Chase on Wednesday 25 October saw the Premier of Victoria, the Hon Daniel Andrews, present the TAB Great Chase trophy and a \$10,000 cheque to Melton-based community group Autism Plus. The 2017 Great Chase saw community days held at all 13 Victorian greyhound racing clubs, attended by 1,440 guests from 135 local disability and aged care organisations who all shared in cash prizes. Since 2003, GRV has donated more than \$600,000 to participating organisations through the series, which is organised in partnership with Tabcorp.

*Pictured: Members of Melton's Autism Plus with their winning cheque.*



## Horsham back on track

Horsham's redeveloped track was officially reopened on 12 September 2017 by the Mayor of Horsham Rural City Council Cr Pam Clarke after a \$1.2 million redevelopment that used mainly local contractors and suppliers. The new wider track was designed using data modelling from the University of Technology Sydney to reduce incidents and interference and includes new sand, fencing, lure and safety rails, braking lure motor, head-on cameras, drop-on boxes for 410m races and starting boxes for trialing puppies, along with upgraded irrigation and electrical systems. It now provides a whole new level of improved greyhound safety and welfare that has already attracted national interest and a better viewing experience for spectators.

*Pictured: Horsham Greyhound Club Manager Justin Brilliant; Horsham Councillor Les Power; Horsham Mayor Pam Clarke; Horsham Greyhound Club president Ian Bibby; and GRV Board Member Emmett Dunne.*

### The 2017 recipients were:

- Greyhound of the Year: Fanta Bale
- Sprinter of the Year: Striker Light
- Stayer of the Year: Fanta Bale
- Metropolitan Trainer of the Year: Robert Britton
- Provincial Trainer of the Year: Andrea Dailly
- Hall of Fame Inductee: Jan Wilson OAM (Administration)
- Hall of Fame Inductee: Barry Smith (Breeder)
- Hall of Fame Inductee: El Grand Senor (Racing greyhound)
- Ken Carr Medal: Ron Hawkswell
- Ned Bryant 'Silver Fox' Award: Robert Britton
- GRV Welfare Award: Kevin and Narelle Podmore



# THE YEAR'S HIGHLIGHTS



## The Carnival continues in Gippsland

Victorian greyhound racing ambassador and AFL games record holder Brent Harvey, Western Bulldogs premiership player and Gippsland native Josh Dunkley and his sister, Melbourne Vixens netballer Lara Dunkley helped launch the second annual Gippsland Carnival at Traralgon Greyhound Racing Club. Held from December 2017 to February 2018, the Carnival brought together the Sale, Traralgon, Warragul and Cranbourne cups for a festival of great regional racing, entertainment and family activities. As the highest points scorer throughout the entire series, Monster Fish was formally crowned the 2017-18 Gippsland Carnival champion with Jesaulenko and Poke The Bear in second and third places. More than 5,000 people attended the four Cups and total wagering reached over \$1.67 million for the Carnival.

*Pictured: Victorian greyhound racing Ambassador Brent Harvey; Richard Champion; Western Bulldogs player Josh Dunkley; James Van De Maat; Gary Howe; and Melbourne Vixens netballer Lara Dunkley at the launch of the Gippsland Carnival.*



## A Day with the Dogs

GRV held Greyhound Community Days at The Meadows on 12 November 2017 and at Sandown Greyhound Racing Club on 17 March 2018. More than 550 greyhounds and around 1,700 owners in total turned up for the two days to celebrate all things greyhound and 29 GAP greyhounds were adopted. Free activities included dog washing, dental checks and educational seminars delivered by the GAP veterinarian, along with live music, giveaways, BBQs, kids activities, canine-related merchandise stalls and track tours.

Other partnerships with clubs and government through the Raceday Attraction Program (RAP) included community events such as Family Fun Days, Greyhound Community Days, the TAB Great Chase and Women on Track. Other GRV community support included the Chase for Charity and the Royal Children's Hospital Good Friday Appeal, which was also supported by fundraising days at various clubs.





## Dogs on Show

The Greyhound Adoption Program (GAP) once again had a stand at the Royal Melbourne Show from 17-27 September 2017, this year in the Channel 7 Family Fun Pavilion. GAP volunteers and greyhounds showed visitors why greyhounds make such great pets and they were joined by GAP Ambassador, Bernie Vince, on Wednesday, 27 September 2017.

*Pictured: GAP Ambassador Bernie Vince with fellow greyhound fans.*



## GAP Café opening

On 14 March 2018, the Minister for Racing, Martin Pakula opened the GAP Café at 477 King Street Melbourne, Australia's first café focused on greyhounds and which attracted national and international attention. The Café has become a popular destination for both Melbourne residents and visiting greyhound lovers to meet greyhounds up for adoption, discover more about why they make great companions and bring their own greyhounds along too. The Café also welcomes all other dogs, serving them puppychinos along with great coffee and food for their owners.

*Pictured: GAP Re-homing Manager Sean Stanton and GAP volunteers, Julie and Linda Dixon.*





## GRV CHAIR FOREWORD

### **BERNIE CAROLAN** GRV Chair

This past year has been one of both consolidation and planning ahead for Greyhound Racing Victoria (GRV). Much of the mandatory part of our reform agenda is implemented. GRV has now fully addressed the 39 recommendations for which it was directly responsible in the Chief Veterinary Officer and Racing Integrity Commissioners' reports from 2015. This has been a long, complex and challenging journey for all involved and I'd like to thank the participants, the clubs and other key stakeholders for their patience, hard work and commitment to real and lasting change over the past few years. I also acknowledge the strong support of the Minister for Racing, the Premier, the State Government, the Opposition Spokesperson for Racing and Opposition MPs for their bi-partisan support of a sporting code that plays a significant economic and social role in many regional communities across Victoria.

My fellow Board members and I believe that Victorian greyhound racing is now very well positioned for a strong and sustainable future as a modern, professional and well-regulated racing code. GRV's strategic priorities have been refreshed to reflect all the circumstances ahead of us as we work to deliver this future. Animal Welfare and Regulatory Standards remain key priorities as does ensuring the sport meets its Social Responsibilities. Club Development is another strategic priority in our refreshed plan, supporting Victoria's greyhound racing clubs in safely and effectively

delivering the racing calendar, engaging with their local communities and providing a key forum for participants. Customer Development and future-proofing the code will be an increasingly strong focus for GRV, through expanded promotion and marketing, strengthening broadcasting, wagering and other partnerships and broadening the fan and participant base. Overlaying all these priorities is Participant Engagement and Support, providing education, guidance and support to improve the knowledge and capability of everyone involved in greyhound racing and enhance their economic and professional growth through a changing environment.

However the reform journey is by no means complete. The Board is very concerned about the number of greyhound racing injuries in 2017-18 and will continue to work hard with GRV management and the Clubs to ensure that we consistently provide the safest possible track infrastructure and racing conditions. Another immediate focus for the sport is the introduction of the Code of Practice for the Keeping of Racing Greyhounds which was approved by the Minister for Agriculture in April 2018 and will come into effect on 1 January 2020. GRV will have responsibility for implementing and administering the Code, along with its other statutory responsibilities. We are now working with participants to support their successful transition to the new code requirements and deliver the best possible animal welfare



outcomes. I would like to acknowledge here the important work undertaken by the club and participant representative groups, Greyhound Clubs Victoria (GCV) and the Greyhound Owners Trainers and Breeders Association (GOTBA), in representing the views of participants to Government throughout the consultation process on the code and in working with GRV to support the transition.

Looking ahead, GRV is focused on where the sport will be positioned a decade from now. While the commercial performance of Victorian greyhound racing remains strong, there is increasing competition for the public's attention and entertainment dollar along with the need to attract more people to the sport, both as fans and participants. This means developing new race day offerings and experiences for fans, along with clear career path opportunities across a range of roles for participants. This will be GRV's focus for the coming years, working with all the code's key stakeholders to support their vision for the sport while continuing to ensure that it meets the highest animal welfare and integrity standards. I also acknowledge the central role of our 13 clubs and the National Coursing Association who are very much the heart of our exciting sport and I look forward to working with them to keep delivering the initiatives that will secure a strong future for the code.

I thank my Deputy Chair, Peita Duncan, my Board colleagues and all members of our various sub-committees and consultation groups for their dedication and input. In particular I acknowledge the role played by Judith Bornstein for her contribution in shaping and overseeing GRV's reform agenda between her appointment to the Board in early 2015 and November 2017. I also want to acknowledge the respectful and constructive relationship we have with the Office of Racing, the Racing Integrity Commissioner and the other Racing Codes. The Board continues to be very grateful for the role played by the many volunteers who contribute so willingly to our own Greyhound Adoption Program and to other rehoming centres around Victoria.

On behalf of my fellow Board members, I thank GRV's CEO, Alan Clayton and all the GRV team for their hard work and real passion in delivering the reform agenda and overseeing fair and entertaining racing. I look forward to an exciting and rewarding 2018-19 and beyond for both GRV and the great sport of greyhound racing.

Bernie Carolan



## ALAN CLAYTON GRV CEO

After three years of major change, the work required of GRV by the Perna and Milne Reports is almost complete. During this period GRV has placed great emphasis on its responsibilities to make animal welfare an overarching priority and will continue to do so. Local Rules of Racing now clearly lay out participant requirements and responsibilities for ensuring the welfare of their greyhounds and the integrity of the sport. GRV's own animal welfare and integrity capabilities are now professional and targeted. Race day processes and infrastructure continue to be upgraded to improve track safety and animal care.

During 2017-18 there were new animal welfare initiatives including an ongoing Greyhound Recovery Initiative, educational videos covering subjects such as first aid, race preparation and feeding guidelines, participant seminars and the amending of Local Rule 42.6 to improve re-homing rates of greyhounds and reduce unnecessary euthanasia.

Over 2,600 greyhounds were re-homed in Victoria in 2017-18, including over 1,100 through GRV's Greyhound Adoption Program (GAP). With the Victorian Government's commitment to remove muzzling requirements for retired greyhounds on 1 January 2019, GRV and GAP are working with partners such as Greyhound Safety Net, Gippsland Greyhounds and Racing2Rehome and other Victorian re-homing agencies to develop a state-wide re-homing strategy. Meanwhile breeding numbers improved in 2017-18 with 4,105 puppies and 643 litters registered with GRV, a significant increase on 2016-17 that reflected improved participant confidence in the sport's long-term future. GRV considers that around 600 litters annually are required to sustain the sport's future. This modest increase is within the sport's capacity to meet its commitment to re-home Victorian greyhounds bred for racing.

Euthanasia rates fell by a very significant 36% in 2017-18 but while racing injuries have been trending downwards over the previous two years, the 2017-18 results have been frustrating and it's clear that further and more substantial work needs to be undertaken in relation to reducing racing injuries on a sustainable basis. This is despite the significant effort applied to reduce racing injuries with many changes and improvements introduced during 2016 to 2018 such as installing hoop arm lures and braking motors at all tracks, a major redevelopment of the Horsham track using independent experts and more training for track staff and on-track veterinarians. During 2017-18, an independent expert Panel was engaged to review GRV's Racing Injuries

Action Plan and recommended further action. I expect that the work identified by the Panel will extend over three or four years in order to achieve a sustainable reduction in racing injuries. However, our firm resolve to make racing safe remains a major priority.

GRV's approach to regulation during 2017-18 continued to evolve, using a more sophisticated risk-based model for its activities. The local Rules of Racing were amended from 1 October 2017 to strengthen re-homing responsibilities for owners, tighten export requirements, set minimum breeding and nomination ages, and improve health and injury reporting. Participants now also need to comply with fit and proper person requirements as part of the registration process, bringing Victoria into line with other States and racing codes.

GRV's focus is now on implementing our new organisational 'business as usual' arrangements while developing a long-term vision based on strong integrity services and an unwavering commitment to animal welfare outcomes for racing greyhounds. This vision also focuses on repositioning the sport in the community, customer growth and participant engagement and development, which is reflected in our reframed Strategic Priorities and our 2018-19 business plan and its key performance indicators.

GRV consolidated its financial position in 2017-18, cutting its deficit despite the introduction of an annual \$2.55 million prizemoney increase and a sustainable breeding package of up to \$1.4 million, and in the context of the impact of a \$2.4 million shortfall in TAB Joint Venture revenue. The full year deficit fell by 9.9%, (\$0.6 million) from last year as GRV held other expenditure growth to \$0.48 million or 1% and reduced staffing levels by 30 Full Time Equivalent (FTE) positions to 178 FTE positions. The liquidity level of \$25.8 million achieved in 2017-18 was marginally better than the target set by the Board. An independent KPMG review of GRV's current and forecast liquidity requirements recommended an ongoing liquidity level of between \$15-18 million be maintained to ensure that GRV's ongoing financial position can be assured. However, maintaining the liquidity at 2017-18 levels will still enable implementation of the new Code of Practice, major software and systems redevelopment, infrastructure investment and investment in club, sport and customer development.

GRV's wagering revenue continued to grow in 2017-18, despite the lower than anticipated income from the TabCorp

Joint Venture. National wagering on Victorian greyhound racing grew by 10.8% to \$2.26 billion, considerably higher than both the total growth rate for all Victorian racing codes and for the other codes individually. Over the year, greyhound racing accounted for 24% of all national wagering on Victorian racing, up from 22.7% in 2016-17. And in May 2018, GRV renewed its sponsorship relationship with Tabcorp, as GRV's exclusive wagering partner until 2022. Tabcorp has been a great partner with GRV for many years and this agreement will allow both organisations to work even more closely in the promotion of new and innovative greyhound wagering and race day offerings.

During 2017-18 the *Code of Practice for the Keeping of Racing Greyhounds (COP)* was developed by the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR). DEDJTR undertook an extensive consultation process with the Greyhound Owners, Trainers and Breeders Association (GOTBA), Greyhound Clubs Victoria, the Office of Racing and other key stakeholders.

A revised management model was also introduced in 2017-18 as GRV transitioned to its new "Business as Usual" approach. This included a new dedicated Racing Department to focus on the core operations of conducting races and supporting participants through Member Services. This will also increase the focus on reducing track injury and sustainable breeding while freeing up the Clubs and Commercial Development Department to focus on the sport's growth. The Animal Welfare Inspectorate and betting and form analysts also moved to GRV's Greyhound Racing Integrity Unit, recognising the level of independence required by GRV's compliance functions from its commercial activities. This renewed focus on integrity is already producing strong outcomes. For example, even though swabbing more than tripled over the past four years, the percentage of positive and irregular samples has fallen dramatically from 0.96% of total samples in 2015-16 to 0.59% in 2017-18. GRV believes this reflects a 'deterrence effect' including improved awareness about the feeding of greyhounds through GRV's revised feeding guidelines.

New state-wide government planning requirements for racing greyhound facilities on private property came into operation on 29 August 2017. GRV worked with key Local Councils to discuss the new requirements and delivered information sessions for local participants. In early 2018, GRV also put in place reference groups to engage with participants on racing matters and sustainable breeding. The new Racing and Breeding Reference Groups joined the Industry Consultative Group as key forums for participants to propose, discuss and reach consensus on a range of issues from good breeding and rearing practices to safe racing to expanding opportunities for greyhounds of all grades. The work of these groups, and general participant consultation has played a major part in development of new prizemoney and breeding packages aimed at supporting small to medium sized breeding and training operations.

GRV's strong partnership with Victoria's 13 greyhound clubs, now working more closely together as Greyhound Clubs

Victoria, has been a fundamental part of the transformation period. In particular, the Gippsland Carnival and other major racing events, track safety and other animal welfare initiatives, closer engagement with regional communities and providing significant channels for participant concerns and feedback were key features of a very constructive relationship. To further support the sport's commercial development and growth, \$7.8 million was invested by GRV in club infrastructure, maintenance and other related expenses over the year, complemented by \$0.63 million from the State Government's Victorian Racing Industry Fund, to upgrade tracks, club facilities and provide new racing equipment and training facilities. GRV and the clubs also successfully delivered a second Gippsland Carnival in 2017-18, which points the way forward for marketing the sport as fun, thrilling and family-friendly. And to further promote the sport and re-homing greyhounds, leading AFL Players, Bernie Vince and Brent Harvey were respectively appointed as GAP and Racing Ambassadors.

In conclusion, I'd like to thank the clubs, participants, stakeholders, the GRV team and everyone else who has supported and contributed to the sport's development and growth over the year. I also thank stakeholders like the Office of the Racing Integrity Commissioner, Victoria's other racing codes and the RSPCA Victoria for working in partnership with GRV. And I'd particularly like to acknowledge the wonderful work of the many volunteers who daily play a vital part in club operations and activities and race meets and in caring for and fostering greyhounds through GAP. It has been a very busy, challenging and productive year for GRV and for the sport. But I am confident that, thanks to GRV's hard work, in collaboration with Victoria's greyhound clubs and all key stakeholders, greyhound racing in Victoria has now drawn a very good box for its future – with the welfare of our greyhounds being at the heart of everything we do.

Alan Clayton



# REPORT OF OPERATIONS

## ANIMAL WELFARE

### Re-homing

2,641 greyhounds have been adopted during 2017-18. Over 2017-18 the Greyhound Adoption Program (GAP) continued to deliver education materials about preparing retired greyhounds for life after racing and developed an integrated re-homing strategy to streamline GAP pre-entry assessment and strengthen partnerships with re-homing groups, Greyhound Safety Net, Gippsland Greyhounds and Racing2Rehome. GRV's overall re-homing strategy has been distributed to other greyhound racing bodies in Australia and New Zealand to assist them with their greyhound re-homing initiatives.

GAP held seven Adoption Days at Victorian greyhound clubs and its Seymour headquarters over 2017-18, which found forever homes for 348 greyhounds, including 68 greyhounds

during the inaugural National GAP Adoption Day on Sunday, 29 April 2018, which was initiated and co-ordinated by GAP in Victoria. Theatre star, radio host and TV personality Todd McKenney was the official ambassador for this nation-wide campaign to boost awareness of greyhounds as pets and the importance of re-homing retired racing greyhounds.

Other GAP highlights during the year included its Baxter facility on the Mornington Peninsula adopting out its 500th greyhound and installing new air-conditioned viewing kennels. GAP also celebrated its 22nd Anniversary at the Greyhound Community Day on 17 March 2018 at Sandown GRC and in July 2018, the 20th anniversary of Larissa Darragh, GAP's Adoption Manager, joining the program. GRV particularly thanks the wonderful work of our volunteers for their tireless efforts with greyhounds at GAP.

Re-homing	2014-15	2015-16	2016-17	2017-18	Change between 16-17 & 17-18
GAP *	692	798	1,314	1,163	11% reduction
Non-GAP **	638	957	1,443	1,478	2% increase
<b>Total Re-homed</b>	<b>1,330</b>	<b>1,755</b>	<b>2,757</b>	<b>2,641</b>	<b>4% reduction</b>

\* Victorian and interstate-owned greyhounds adopted by GAP Victoria

\*\* Victorian-owned greyhounds re-homed by participants and third-party re-homing organisations

Notes: Some figures quoted in previous Annual Reports have been adjusted and re-reported in this Annual Report due to delayed data recording.

GRV has engaged Pitcher Partners to conduct an audit of its key animal welfare data (re-homing, euthanasia, race fatality and breeding) to ensure its reliability. Pitcher Partners has confirmed the animal welfare metrics included in the GRV 2017-18 Annual Report align with GRV's central data repository and are consistent with GRV established definitions. GRV has also committed to have its animal welfare data independently audited every two years.

## GREYHOUND RECOVERY INITIATIVE

GRV's Greyhound Recovery Initiative (GRI), piloted in 2016-17, was made an ongoing program from 1 February 2018. The GRI provides financial assistance of up to \$1500 (including GST) for owners to help with funding the veterinary costs for a greyhound seriously injured at a race meeting. In 2017-18, 54 greyhound owners were offered funding through the GRI.

## EDUCATION AND TRAINING

GRV provided a range of seminars, videos and other educational material for participants during 2017-18. Topics included recognising illness and injury, first aid, hot weather, transport and emergency preparedness, planning regulations, feeding guidelines, kennel cough, vaccinations and updates on new rules.



## Euthanasia

Significant steps forward have been made with the euthanasia of greyhounds, with a 36% reduction achieved in 2017-18. During 2017-18, GRV introduced a revised rule requiring owners to make their best endeavours in re-homing their retired greyhounds. A dedicated GRV officer specially monitors compliance with the revised rule and any breach of it is treated as a serious offence that may result

in prosecution. The introduction of the rule was followed by extensive ongoing engagement with owners to reinforce that all greyhounds bred for racing and deemed suitable for re-homing must be re-homed. Greyhounds not suitable for re-homing would be limited to only those with very serious medical conditions or severe temperament problems.

	2014-15	2015-16	2016-17	2017-18	Change between 16-17 & 17-18
<b>Euthanasia of Victorian-owned greyhounds</b> <small>(includes greyhounds euthanased on track and counted in race fatalities)</small>	3,477	3,166	1,534	975	36% reduction

## Racing injuries

In 2016, following consultation with participants, GRV developed a Racing Injury Action Plan (RIAP) that was implemented in collaboration with all Victoria's greyhound racing clubs. Key initiatives included the redevelopment of the Horsham Greyhound Racing Club's track using independent consultants, track surface improvements such as increased turn cambers at some clubs and the use of moisture meters and penetrometers to more accurately control track moisture content and hardness. New braking motors and hoop arms and lures were introduced to reduce interference and collisions along with new catching pen gates at all tracks, except at Healesville, and training and formal accreditation for catching pen staff. Other initiatives included supplying clubs with monthly race injury data and funding for veterinary fees to cover treatment of greyhounds injured at tracks when owners were unable to fund their treatment.

The reduction in major race injuries over 2016-17 provided grounds for cautious optimism about RIAP initiatives, However, the 2017-18 injury outcomes have been

unexpected and frustrating given all the work carried out by GRV and the clubs. Given the year's race injury numbers, GRV engaged an expert panel to review the RIAP. The panel included the designer of the new Horsham track and other members with comprehensive experience in greyhound anatomy, greyhound track safety projects, risk management, injury prevention, sporting surfaces and soil and moisture analysis. The Panel concluded that while the RIAP had a clear focus on racing injuries and safety outcome specifications, it also had some gaps in its coverage and room for more improvements.

GRV has accepted and is now implementing a range of recommendations from the Panel and has also engaged the Horsham track designer as an independent consultant to undertake related projects for other Victorian tracks. So, while GRV is to some extent frustrated with racing injury numbers for 2017-18, these outcomes are driving the development of a significant group of new initiatives to improve animal welfare at all Victorian greyhound racing tracks.

	2014-15	2015-16	2016-17	2017-18	Change between 16-17 & 17-18
<b>Race fatalities at Victorian Tracks</b>	112	101	81	107	32% increase
Race fatalities per 1,000 starters <small>Victorian and interstate-owned greyhounds</small>	1.12	0.98	0.75	1.00	33% increase
<b>Race injuries at Victorian tracks per 1,000 starters</b> <small>Victorian and interstate-owned greyhounds</small>	46.73	42.82	36.47	39.58	9% increase

# REPORT OF OPERATIONS

## INTEGRITY

Integrity - Swabs	2015-16	2016-17	2017-18	Change between 16-17 & 17-18
	10,357	16,137	14,008	-13.2%

Samples taken by GRV

	At race meetings	Out of competition	Swabs - elective	Returned positive and irregular	Percentage of samples returned positive and irregular
<b>2013-14</b>	4,074	213	1	35	0.82
<b>2014-15</b>	5,000	836	2	33	0.57
<b>2015-16</b>	9,089	1,243	25	99	0.96
<b>2016-17</b>	15,414	695	25	117	0.73
<b>2017-18</b>	12,443	1,541	7	83	0.59

The reduction in total swab numbers for 2017-18 reflects the implementation of GRV's data-based and analysis-driven risk framework which much more effectively targets potential compliance breaches. The significant percentage reduction in positive and irregular returns, from 0.96% to 0.59% of total samples, over the last three years also highlights how GRV's integrity and educational initiatives, such as feeding guidelines, and participant commitment to a sustainable future for the sport are now delivering strong integrity outcomes.

	2016-17	2017-18
Completed information reports	341	310
Briefs	11	24
Completed investigations	357	197
Active investigations	80	77

### Fit and proper person requirement

On 1 October 2017, GRV introduced a 'fit and proper person' requirement when assessing new applications for registration. Applicants must provide the Board with a National Police Certificate and make declarations regarding all racing related disciplinary action taken against them in any racing code and to proactively disclose any new disciplinary or criminal matters. All existing registered participants are also required to disclose any relevant disciplinary or criminal matters which have occurred on or after 1 October 2017. This change brings Victoria into line with racing codes in other states and territories.

### New betting analysis model

Greyhound Racing Integrity Unit betting analysts have developed a new betting model known as 'the quadrant model', for assessing betting activity and form on Victorian greyhound races to further ensure punters have a level playing field. The new model takes a holistic approach to detecting suspicious behavior and informing GRV's raceday integrity strategy. It uses in-depth knowledge of each greyhound, trainer and owner to predict the greyhound's expected form and generates further enquiries when it does not run true to form after taking the field into account.

## Animal Welfare Inspectorate

GRV moved its Animal Welfare Inspectorate, formerly based in the Animal Welfare Department, to the GRIU. The actual responsibilities of the Inspectorate remain unchanged while being more closely aligned with the work of the GRIU. This move enables the Animal Welfare Department to concentrate specifically on key issues such as applied research, participant education and new policy, including preparing for the introduction of the new *Code of Practice for the Keeping of Racing Greyhounds* and the removal of muzzling requirements.

## Stewards Panel

GRV's Stewards panel now operates under a regional model, with clearly defined career pathways that now includes a Deputy Chief Steward and four Senior Stewards who manage and supervise the panel. The GRIU also developed and delivered a professional training package for stewards that was undertaken by all panel members.

## Integrity Hotline

GRV's Suspicious Activity phone hotline and online portal continues to provide critical information for GRIU investigations that has led to a number of successful prosecutions. GRV encourages anyone with integrity or welfare related concerns to contact the hotline on (03) 8329 1196 or online at FastTrack, [www.grv.org.au](http://www.grv.org.au) and [www.greyhoundcare.grv.org.au](http://www.greyhoundcare.grv.org.au). All calls and contacts are treated in confidence and can be made anonymously if needed.

## RACING AND COMMERCIAL DEVELOPMENT

### Industry Performance Indicators

Clubs	Meetings		Attendance		Prizemoney and fees (\$'000)	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Metro	209	209	66,253	78,698	17,777	18,044
Country	961	971	127,783	133,251	24,876	26,812
Coursing	13	13	-	-	178	220
<b>Total</b>	<b>1,183</b>	<b>1,193</b>	<b>194,018</b>	<b>211,949</b>	<b>42,830</b>	<b>45,076</b>

In 2017-18, attendance at racing meets rose by 9.2%, including 18.8% increase at metro meets and up 4.3% at country meets. Total prizemoney, travel and starter fees and bonuses rose by 5.2% over 2016-17.

# REPORT OF OPERATIONS

## RACING AND COMMERCIAL DEVELOPMENT continued...

### Wagering performance

National Turnover on Vic Greyhounds (\$ million)	2014-15	2015-16	2016-17	2017-18	Var (\$M)	Var%
Vic TAB	359	360	370	369	(1)	(0.3)%
Interstate TABs	731	787	800	800	0.0	0.0%
Corps/Exch	524	682	875	1,096	221	25.2%
<b>Total</b>	<b>1,614</b>	<b>1,828</b>	<b>2,044</b>	<b>2,265</b>	<b>221</b>	<b>10.8%</b>

Vic TAB Turnover (\$ million)	2014-15	2015-16	2016-17	2017-18	Var (\$M)	Var%
Vic Greyhounds	360	360	370	369	(1)	(0.3)%
Other Greyhounds	514	504	531	558	26	5.0%
<b>All Greyhounds</b>	<b>875</b>	<b>864</b>	<b>901</b>	<b>927</b>	<b>25</b>	<b>2.8%</b>

Vic TAB 3-code Turnover Market Share	2014-15	2015-16	2016-17	2017-18	Var%
Thoroughbred	66.17%	66.18%	66.09%	66.36%	0.26%
Greyhounds	21.20%	21.34%	21.84%	21.95%	0.12%
Harness	12.63%	12.48%	12.07%	11.69%	- 0.38%

GRV Wagering Revenue (\$ million)	2014-15	2015-16	2016-17	2017-18	Var (\$M)	Var%
TAB JV Revenue	62.4	60.7	60.8	60.4	- 0.4	- 0.7%
Race Fields Revenue	21.4	25.8	30.2	35.0	4.8	15.9%
<b>Total</b>	<b>83.8</b>	<b>86.5</b>	<b>91.0</b>	<b>95.3</b>	<b>4.3</b>	<b>4.7%</b>

## Prizemoney

In November 2017, GRV announced a \$2.55 million prizemoney boost, developed in response to participant feedback. The funding boost focused directly on increasing prize money to be shared between owners and trainers at the lower levels of racing while maintaining Metro Level 1 (Meadows Saturday night and Sandown Thursday night meetings) prizemoney at current levels. Annual minimum prize money increased by \$1.18 million across the bottom two tiers of races at Level 2 (Provincial Full Stakes) meetings and went up by \$1.37 million for Level 3 prize money (Tier 3, Healesville, All Maiden, Rankings meetings).

## Aged Prize Money meetings

From May 2018, GRV introduced a new type of race meeting that considers each greyhound's current Aged Prize Money (APM) value to increase racing opportunities for Victorian greyhounds. APM is determined by how much prize money a greyhound has won in its racing career, with current values carrying a higher weighting than historic amounts, and greyhounds to be matched against other greyhounds within the racing population of a similar value in a fair and transparent manner.

The APM race meetings were run on a trial basis to monitor the participation rates, suitability, popularity, and possible impacts to improve racing opportunities for every racing greyhound. GRV is now evaluating the outcomes of these trials.

## Breeding

Breeding	2014-15	2015-16	2016-17	2017-18	Change between 16-17 & 17-18
Victorian-bred litters registered	926	634	410	643	57% increase
Victorian-bred pups registered	5,810	4,082	2,655	4,105	55% increase

Again, in response to participant feedback, GRV encouraged sustainable breeding by introducing the VICGREYS breeding excellence program. VICGREYS allocates up to \$1.4 million in annual payments available to be won on about 1,900 selected Victorian races for owners and breeders of VIC-bred greyhounds. All VIC-bred greyhounds of all ages are eligible, with no nomination fees or restrictions applicable on the location of the owner or breeder of the greyhound. Fifty per cent of the bonus applicable to the winning greyhound is paid to the breeder, and the remaining fifty per cent to the owner. Breeding numbers have now returned to the levels required to sustain the racing program and are within the level able to be re-homed following retirement.

To further encourage sustainable breeding, GRV also waived all registration fees for breeding females, applications to service and mating results from 15 November 2017 to 30 September 2018. During this period, GRV also reimbursed all Greyhounds Australasia DNA analysis fees paid by Victorian participants and introduced an alternative pink card registration process for when a DNA analysis was taken, but not yet received.

# REPORT OF OPERATIONS

## RACING AND COMMERCIAL DEVELOPMENT continued...

### Coursing

Victorian coursing received a significant prize money boost for the 2018 season which rose by almost \$40,000 from \$127,965 up to \$167,635. This year Australia's premier coursing event the Waterloo Cup at Longwood was live-streamed on Facebook for the first time. There were more than 5,000 views of the Cup Final on 27 August 2017 as Better Than This became the first greyhound in a century to score back to back victories at the Waterloo Cup.

### Grading

GRV's Chief Grader visited all Victorian clubs in September and October 2017 to provide participants with insights into the current grading and selection processes, answer questions and gain feedback on options which could enhance this process in the future. The sessions included a demonstration of how the grading guidelines, Rankings and Aged Prize Money (APM) were applied in field selection for each type of meeting and race.

### Finish on Lure

From December 2017, the Geelong Greyhound Racing Club (GRC) tested the Finish on Lure (FOL) method at a series of race meetings. GRV's Racing Department worked closely with the Geelong GRC, GRV Lure Drivers, GRV Stewards and other GRV Departments to ensure the meetings were safe and successful. This included bringing an expert FOL Driver from New Zealand to supervise and support the GRV Lure Drivers. The FOL races are now being evaluated through a FOL Working Party and use of the FOL method will be assessed further in 2018-19.



Back to back victories at the Waterloo Cup for Better Than This with trainer Ashlee Terry, August, 2017.

## CLUBS AND COMMUNITY

### Infrastructure investment

GRV invested \$7.8 million in club infrastructure, maintenance and related expenses during 2017-18, supported by another \$630,000 through the Victorian Government's Victorian Racing Industry Fund. New club works announced, underway and completed in 2017-18 included: shade sails at the Bendigo, Sandown, Shepparton and Traralgon GRCs and The Meadows; a new outdoor entertainment space and children's playground for Traralgon GRC; major upgrades of Warrnambool GRC's clubhouse and racing infrastructure; and the new Horsham GRC track.

### Club events

Victoria's greyhound racing clubs hosted a wide range of community events throughout 2017-18. Some of the highlights included: Healesville Greyhound Racing Association's annual Celebrating Women on Track event; a major Girls Night Out event at The Meadows which raised \$10,000 for the Look Good Feel Better Foundation; the Traralgon GRC's inaugural Father's Day event; a Sport Stars Night at The Meadows; a Blue Ribbon Cup Fundraiser at Shepparton GRC; and a Friday the 13th Spooktacular social event at Sale GRC.

### Family Fun Days

More than 2,700 children and their families joined in the fun at the Greyhound Holiday Fun Days, hosted by GRV and Victoria's greyhound clubs over Easter 2018, supported by the Raceday Attraction Fund. The admission-free days included team sports, arts and crafts sessions, GRV mascot Turbo the Greyhound, karaoke and more live entertainment. The year's theme was The Greyhound Games and provides a great and cost-effective day out for regional families during the school break.

### Chase for Charity

GRV's inaugural Chase for Charity wrapped up on 18 November 2017 after raising almost \$40,000 for organisations including the Victorian Men's Shed Association, Dogs for Kids with Disabilities and Ronald McDonald House Charities. The Chase for Charity began in April 2018 with Croc Media's panel of Dr Turf, Craig Hutchison and Liam Pickering, who were each allocated a charity and raised money for it by placing \$500 bets weekly on Victoria greyhound races.

### Greyhounds are My Life

The popular Greyhounds are My Life video series concluded in March 2018 after 25 profiles of the people of Victoria's greyhound racing community and which you can view at [grv.org.au/gaml](http://grv.org.au/gaml). The great response to the series, which received more than 186,000 unique page views, and to Every Greyhound Has A Story series released in 2016-17, has led GRV to develop more videos about the story of Victorian greyhound racing which will be released in 2018-19.



# REPORT OF OPERATIONS

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

	FY14	FY15	FY16	FY17	FY18	Var	Var%
<b>Income from transactions</b>							
Tabcorp Income	58.7	62.4	60.7	60.8	60.4	- 0.4	- 0.7%
Race fields Income	15.4	21.4	25.8	30.2	35.0	4.8	15.9%
Other Income	4.2	4.9	4.1	3.4	3.5	0.1	2.7%
<b>Total Income</b>	<b>78.3</b>	<b>88.7</b>	<b>90.6</b>	<b>94.3</b>	<b>98.8</b>	<b>4.5</b>	<b>4.8%</b>
<b>Expenses from transactions</b>							
Prizemoney/Travel and Starter Fees/Breeders Schemes	40.9	43.3	43.8	42.8	45.1	2.3	5.2%
Expenses (excluding infrastructure)	25.5	27.3	36.1	50.3	50.7	0.4	1.0%
Infrastructure Expenses	3.6	13.5	4.8	7.1	7.8	0.7	9.7%
Total expenses from transactions	70.0	84.1	84.8	100.2	103.6	3.4	3.4%
Other economic flows	0.5	(0.7)	0.5	0.0	0.5	0.5	1,006%
<b>Net Result</b>	<b>7.8</b>	<b>5.2</b>	<b>5.3</b>	<b>(5.9)</b>	<b>(5.4)</b>	<b>0.6</b>	<b>9.9%</b>

Figures have been rounded to the first decimal point.

In 2017-18, GRV's total income grew by \$4.5 million to \$98.8 million (4.8%). GRV income from wagering grew by \$4.4 million (4.8%) to \$95.4 million, with Racefields Fees as the major contributor, increasing by \$4.8 million to \$35.0 million, a 15.9% improvement on the prior year.

GRV income from the Victorian TAB joint venture was down by 0.7% on last year at \$60.4 million and fell short of budgeted expectation by \$2.4 million. The Victorian racing industry's share of revenue from the joint venture was therefore less than anticipated, particularly during the second half of the financial year.

Actual returns to participants increased by \$2.25 million (5.2%) assisted by a \$2.55 million annual prizemoney increase introduced from November 2017 which saw total prizemoney, bonuses, travel and starters fees grow to a record \$45.1 million for 2017-18. GRV also waived fees associated with breeding and registration from November 2017 and introduced a breeding sustainability support

package of up to \$1.4 million to encourage continued investment in the sport by owners and breeders.

Despite these factors, the full 2017-18 year deficit of \$5.4 million represents a \$0.6 million (9.9%) improvement on the prior year. Excluding the prizemoney increase, GRV's total expenses increased marginally by only 2% to \$58.5 million, due mainly to investment in club infrastructure, integrity and animal welfare services and Occupational Health and Safety (OHS) capability improvements.

The increased expenditure, and staff growth, over the past two years was predominately driven by major reform initiatives. Now that the reform agenda is nearly complete, GRV is on track to return to a break-even financial position in 2018-19 with optimum staff levels now in place for business as usual. Following a reduction of 30 Full Time Equivalent staff in 2017-18, GRV's operating expenses are now projected to plateau.



## 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 2017-18, GRV consulted with the Greyhound Owners Trainers and Breeders Association (GOTBA) Victoria, Racing Analytical Services Laboratories, RSPCA Victoria, Greyhound Safety Net, the Australian Greyhound Veterinarians Association, the Australian Greyhound Racing Association, the Department of Economic Development, Jobs, Transport and Resources, local government bodies and the general community.

GRV's social media resources also play an important part of how GRV engages with participants, communities and other stakeholders to provide information and encourage consultation on issues including rule changes and codes of practice. In 2017-18, GRV's Facebook page received 5,750,093 unique views and GAP's Facebook page received 6,418,436 unique views.

## Industry Consultative Group

GRV's Industry Consultative Group (ICG) provides more broad-based input into GRV's planning and to give the industry a clearer insight into GRV's decision-making process. The 11-person group includes regional and metropolitan owners, trainers, breeders, greyhound clubs and a greyhound veterinarian, and meets every six to eight weeks.

### ICG members as at 30 June 2018

<b>Bernie Carolan</b> ICG Chair and GRV Board representative	<b>Brian Jones</b> participant nominee
<b>Barbara Backhoy</b> veterinary nominee	<b>Nicole Lund</b> participant nominee
<b>Deborah Churchill</b> participant nominee	<b>Daniel Nugent</b> participant nominee
<b>Steven Clarke</b> clubs nominee	<b>Sandra Reed</b> GOTBA Victorian nominee
<b>Tracey Corneille</b> participant nominee	<b>Heather Villinger</b> participant nominee (NCA)
<b>Terry Davis</b> clubs nominee	<b>Tom Welsh</b> participant nominee
<b>Sheldon Hamilton</b> participant nominee	

### Breeding Reference Group as at 30 June 2018

<b>Diane Bartolo</b>	<b>George Farrugia</b>
<b>Terrie Benfield (GRV)</b> Chair	<b>Gavin Goble (GRV)</b>
<b>Ray Borda</b>	<b>Louise Martin (GRV)</b>
<b>Jeff Chignell</b>	<b>Angela Langton</b>
<b>Alan Clayton (GRV)</b>	<b>Brian Parkinson</b> (GCV nominee)
<b>Geoff Collins</b> (GOTBA nominee)	<b>Jessica Sharp</b>
	<b>Barry Toner</b>

### Racing Reference Group as at 30 June 2018

<b>Robert Britton</b>	<b>Marg Long</b>
<b>Alan Clayton (GRV)</b>	<b>Geoff Miles</b>
<b>Geoff Collins</b>	<b>Cynthia O'Brien</b>
<b>Andrew Copley (GRV)</b>	<b>Brian Parkinson</b>
<b>Glenn Fish (GRV)</b>	<b>Stan Ralph</b>
<b>Mick Floyd</b>	<b>Scott Robins (GRV)</b> Chair
<b>David Geall</b>	<b>James Van de Maat</b>
<b>Molly Haines (GRV)</b>	

## IMPLEMENTATION OF MONITORING STRATEGY 2017-18

Victoria's Minister for Racing issued the Statement of Expectations (SOE) for the period 1st July 2016 to 31st December 2017 which sets out a number of actions and targets for GRV's contribution to the Government's Regulation Reform Program to improve regulatory practices. GRV's response is below:

<p>Promote and improve animal welfare in the greyhound racing industry, including increased participant awareness and understanding of animal welfare and integrity obligations</p>	<p>Developed Animal Welfare Strategy after extensive consultation with stakeholders.</p> <p>Implemented applied research, using trials and pilots to help inform improvements to Animal Welfare outcomes.</p> <p>Improved fostering and adoption policies to re-home greyhounds.</p> <p>Supported Participant, Club and GOTBA input to Government on the new <i>Code of Practice for the Keeping of Racing Greyhounds</i>.</p> <p>Enhanced welfare and compliance officer capability to support and educate participants as to their obligations and assist with compliance plans.</p> <p>Delivered training programs, including participant registration related topics and seminars at Clubs on key topics such as Local Rule changes and animal welfare.</p>
<p>Reduce the time taken to finalise racing disciplinary matters</p>	<p>Improved disciplinary system processes. GRV achieved 95% of 90-day Service Level Agreement (SLA) for time taken to from charge to prosecution.</p>
<p>Implement a risk and evidence-based approach to regulation and enhance GRV's inspection and swabbing programs to achieve regulatory outcomes</p>	<p>Inspections and swabbing programs have implemented risk-based approaches where information is collected daily and assessed to understand existing and prevailing trends, individual circumstances and intelligence and then establish program schedules. Regular reviews are in place to formally recalibrate both programs.</p> <p>Appointed key senior personnel with regulatory and compliance roles across Integrity, General Counsel and Animal Welfare functions.</p> <p>Increased resources and funding for key functions including property inspections, swabbing and race day integrity-based operations.</p>
<p>Increase awareness and understanding amongst participants of GRV's approach to risk, enforcement and regulatory action and greyhound racing penalty framework</p>	<p>Updated Penalty Guidelines for Animal Welfare implemented.</p> <p>Update GRV's Care &amp; Standards Website with new and revised policies and guidelines to better support participants including:</p> <ul style="list-style-type: none"> <li>- Feeding, Medication &amp; Supplement Guidelines</li> <li>- Greyhound First Aid (Series)</li> <li>- Hot Weather</li> <li>- Transport</li> <li>- Registration Requirement - Fit &amp; Proper Person</li> <li>- Local Racing Rule changes</li> </ul>
<p>Strengthen governance and integrity in the greyhound racing industry</p>	<p>Enhanced data management practices that improved transparency and quality of information published to the industry and public.</p> <p>Transitioned integrity-based Race Day roles to GRV including On Track Vets, Lure Drivers and Judges.</p>

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Professionalised key functions in Integrity and Animal Welfare through recruitment of high quality resources and provision of training and support to new and existing officers.

Enhanced Integrity Capability providing improved oversight and assurance, on and off the track.

Further enhanced conflict of interest policies and procedures across GRV.

Drafted minimum operating standards and governance within Clubs, including club rules and registration agreements

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Collect data to evaluate regulatory outcomes and inform incentive-based regulatory approaches

Collecting a broad range of data to inform regulatory approaches and define key performance measures, much of which is published within GRV's Annual Report, including, but not limited to, breeding, injury, euthanasia, re-homing, inspections and swabbing.

Inspection and Swabbing Programs collect data daily to understand existing and prevailing trends, individual circumstances and intelligence using fact-based approaches to inform regulatory driven incentives.

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Develop strategies to enhance cross-code collaboration and improve regulatory outcomes

Working with Racing Victoria and Harness Racing Victoria, including through the Victorian Racing Industry forum, to share ideas, information and good practice, understand prevailing trends and to strengthen regulatory capabilities, including integrity and animal welfare-based outcomes.

Working with other greyhound racing bodies within Australia and New Zealand and leveraging Greyhounds Australasia to share good regulatory practice, lessons learned and information sharing opportunities.

Engaging with key stakeholders, formally using instruments such as a Memorandum of Understanding, and informally, including: State Government; Office of Racing; Chief Veterinarian; Local Governments; Victoria Police; and RSPCA Victoria.

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Enhance stakeholder engagement including participants, industry and the community

Intensified stakeholder engagement through public consultation for key strategies, along with regulatory and policy-based change.

Increased stakeholder workshop program with participants and broader industry, to enable discussion / dissemination of key industry topics.

Continued engagement of industry through committees such as the Industry Consultative Group and Breeding and Racing Reference Groups.

Leveraged input from key committees, with independent representation, such as Animal Welfare, Audit & risk, Integrity Council and the Promotions and Communication committees.

**During late 2017, The Minister for Racing established a new Statement of Expectations for the 18-month period to 30 June 2019. Progress against the new SOE will be provided in next year's Annual Report. The new actions and targets are summarised under the following key areas of focus:**

- Timeliness - streamline participant-focused processes;
- Risk based regulation - improve evidence-based models for inspections and swabbing programs;
- Compliance related assistance and advice - better support participants in understanding and complying with their obligations;
- Cooperation among regulators - enhance cross racing code collaboration to improve regulatory outcomes;
- Incentive based regulation - identify financial and non-financial incentives that encourages positive behaviour; and
- Accountability and transparency - inform participants about GRV's regulatory approach to risk, enforcement and action

# 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 functions and responsibilities are also defined under the:

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

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

## Organisational Structure

The GRV Board structure comprises a Chair, a Deputy Chair and 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 2018)

**Bernie Carolan**  
Chair

**Peita Duncan**  
Deputy Chair

**Robert Greenall**  
Member

**Emmett Dunne**  
Member

**Jacqui Billings**  
Member

### GRV Leadership Team (at 30 June 2018)

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 and Culture

**Stuart Laing**  
General Manager, Clubs and Commercial Development

**Louise Martin**  
General Manager, Strategic Communication and Marketing

**Scott Robins**  
General Manager (acting), Racing

**Steve Rose**  
General Manager, Information Technology

**Robert Shaw**  
General Manager, Finance

**Dennis Timewell**  
Manager, Board Secretariat

### GRV also has the following oversight and advisory committees and bodies.

- Integrity Council
- Audit and Risk Committee
- Welfare Committee
- Industry Consultative Group
- Breeding Reference Group
- Racing Reference 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, Lyndall Kennedy. All records are kept at GRV's office.

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

During 2017-18, four freedom of information requests were received by GRV with four being partially granted.

## National Competition Policy

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

## Protected Disclosure Act 2012

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

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

GRV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. At 30 June 2018, GRV complies with the Act and guidelines in conjunction with the Independent Broad-based Anti-corruption Commission.



# STATUTORY INFORMATION

## Workforce Data

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

## Equal Employment Opportunity

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

Employees	Ongoing employees				Fixed term and casual
	Number Headcount	Full Time Headcount	Part Time Headcount	FTE	FTE
<b>June 2017</b>	245	131	11	136.5	52.88
<b>June 2018</b>	242	132	20	143.92	36.04

Executive Level Positions	June 2017	June 2018
	8 + CEO	7 + CEO

Equal Employment Opportunities	June 2017				June 2018			
	Ongoing		Fixed term and Casual		Ongoing		Fixed term and Casual	
	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE
<b>Gender</b>								
Male	78	77.4	62	30	86	83.54	52	18.16
Female	62	59.1	43	22.88	66	60.38	38	17.8
Indeterminate/ Intersex/ Unspecified	0	0	0	0	0	0	0	0
<b>Age</b>								
Under 25	4	4	19	9.67	4	4	17	5.91
25-34	34	33.5	15	8.15	41	39.54	12	3.59
35-44	39	37.49	23	13.68	40	37.88	17	8.34
45-54	32	31.1	18	7.5	33	31.05	16	5.76
55-64	29	28.41	16	8.62	28	26.74	15	8.18
Over 64	2	2	14	5.26	6	4.71	13	4.26

## Occupational Health and Safety (OHS)

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

The 13 racing clubs are primarily responsible for OHS at each of their sites with GRV sharing OHS responsibilities for race meetings. At GRV, the General Manager Clubs and Development, together with the Projects Construction Manager, maintenance staff, and the OHS/Clubs Support Manager work to assist the clubs with OHS. These works include continuing to support clubs in implementing safe work practices through training and assistance and development of compliant OHS procedures.

## 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.

## Building standards

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

## Carers Recognition Act 2012

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

## Annual Report Attestation

I, Bernie Carolan, on behalf of the Responsible Body, certify that Greyhound Racing Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions except for the following Material Compliance Deficiency: Direction 3.9 - Managing Financial Information Actions to enable compliance with financial information management security and data retention requirements are in progress, noting this is a 2-3 year project. A number of high risk IT security issues were addressed in 2017/18 and this work will continue in 2018/19.



Bernie Carolan, Chair, GRV Board

## Victorian Industry Participation Policy

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

Only one contract commenced in 2017-18 which had the VIPP applied. The contract was with Colbrico Pty Ltd for the provision of alterations and additions to Warrnambool Greyhound Racing Club at a total cost of \$1,327,954. Colbrico Pty Ltd is a Victorian-owned and based company.

## Consultancies

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

Figure & Consultancies	2018		2017	
	\$000's	Number	\$000's	Number
Less than \$100,000	174	6	768	16
Greater than \$100,000	952	6	337	2

### GRV incurred the following consultancies in FY18:

- Capability Network Pty Ltd conducted an Environmental Scan to help inform longer term planning that caters for external factors while also maintaining an efficient and sustainable day to day operation. This included strategic planning work with the Board and Executive teams that led to the refresh of the Vision, Mission and Values and Strategic Priorities being \$135,200.
- Cato Brand Partners Pty Ltd developed a revised look and feel for the GRV brand and frameworks for sub-brands, being \$100,500.
- The Civic Group developed a communication strategy and information campaign with a focus on the release of DEDJTR's *Code of Practice for the Keeping of Racing Greyhounds* and implementation of the Code, along with advocacy services, being \$105,082.
- David Allan Consulting Engineer Pty Ltd provided consulting services for club capital work projects and GRV's racing injury action plan, being \$34,401.
- Dexis Pty Ltd assisted GRV in delivering the Stakeholder engagement workshops. Dexis also conducted an organisational review to help align organisational capability and structure with strategic direction. In addition, Dexis facilitated a specialist panel of experts independent review of GRV's racing injury action plan, being \$60,376.
- KPMG reviewed GRV financial statements and other reporting to Board and Management; conducted long term forecast and liquidity analysis; as well as provision of breeding containment – data reporting, analysis and model, being \$170,180.
- Pitcher Partners Advisors Proprietary Ltd established the Asset Management Accountability Framework, being \$22,500.
- Racing Victoria Ltd facilitated through IER an VRI economic size and scope study, being \$10,000.
- SED Partners Pty Ltd was engaged to develop Club masterplans and business strategies, being \$294,623.
- Terra Firma Pty Ltd (formerly Linus Consulting) developed the business continuity framework, being \$14,000.
- University of Technology Sydney studied into GRV racing injury action plan, being \$145,982.
- University of Melbourne studied the socialisation of greyhounds to optimize their racing success in terms of minimizing behavioural problems, loss rate and maximizing successful re-homing, being \$32,832.





# FINANCIAL STATEMENTS

## COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2018

		2018	2017
		\$'000	\$'000
<b>Continuing Operations</b>	Note		
<b>Income from Transactions</b>			
TABCORP Income	2.2.1	60,389	60,795
Racefields Fees Income	2.2.2	34,967	30,166
Other Income	2.2.3	3,467	3,377
<b>Total Income From Transactions</b>		<b>98,823</b>	<b>94,338</b>
<b>Expenses from Transactions</b>	Note		
Integrity, Welfare and Racing Expenses	3.2	(19,934)	(19,594)
Stakemoney, Travel & Starters Fees	3.3	(45,076)	(42,830)
Clubs Expenses, Infrastructure and Maintenance	3.4	(21,220)	(19,965)
Industry Expenses	3.5	(5,509)	(5,647)
Administrative Expenses	3.6	(11,587)	(11,916)
Depreciation Expense	4.1.1	(321)	(277)
<b>Total Expenses From Transactions</b>		<b>(103,647)</b>	<b>(100,229)</b>
<b>NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)</b>		<b>(4,824)</b>	<b>(5,891)</b>
<b>Other Economic Flows Included in Net Result</b>	Note		
Amortisation of Intangible Assets	4.3	(575)	(537)
Net Gain on revaluation of Investment Property	8.1	-	386
Net Gain on Financial Assets	4.4	48	103
<b>Total Other Economic Flows Included In Net Result</b>		<b>(527)</b>	<b>(48)</b>
<b>NET RESULT</b>		<b>(5,351)</b>	<b>(5,939)</b>
<b>Other Economic Flows - Other Comprehensive Income</b>	Note		
<b>Items that will not be reclassified to net result</b>			
Net Gain on Revaluation of Non-Financial Assets	8.2.3	-	639
<b>Total Other Economic Flows Other Comprehensive Result</b>		<b>-</b>	<b>639</b>
<b>COMPREHENSIVE RESULT</b>		<b>(5,351)</b>	<b>(5,300)</b>

The accompanying notes form part of these financial statements.

## BALANCE SHEET

As at 30 June 2018

		2018	2017
<b>Current Assets</b>	Note	\$'000	\$'000
Cash and Cash Equivalents	6.1	4,536	3,626
Receivables	5.1	11,161	9,955
Investments and Other Financial Assets	4.4	20,000	25,500
Prepayments		380	669
<b>Total Current Assets</b>		<b>36,077</b>	<b>39,750</b>
<b>Non-Current Assets</b>	Note	\$'000	\$'000
Investments and Other Financial Assets	4.4	2,277	2,229
Property, Plant and Equipment	4.1	11,228	10,780
Intangible Assets	4.3	3,482	3,129
Investment Property	4.2	4,727	4,727
<b>Total Non-Current Assets</b>		<b>21,714</b>	<b>20,865</b>
<b>TOTAL ASSETS</b>		<b>57,791</b>	<b>60,615</b>
<b>Current Liabilities</b>	Note	\$'000	\$'000
Payables	5.2	7,006	5,000
Provisions	3.1.2	2,590	2,174
Other Liabilities	5.3	102	107
<b>Total Current Liabilities</b>		<b>9,698</b>	<b>7,281</b>
<b>Non-Current Liabilities</b>	Note	\$'000	\$'000
Provisions	3.1.2	539	424
Other Liabilities	5.3	67	72
<b>Total Non-Current Liabilities</b>		<b>606</b>	<b>496</b>
<b>TOTAL LIABILITIES</b>		<b>10,304</b>	<b>7,777</b>
<b>NET ASSETS</b>		<b>47,487</b>	<b>52,838</b>
<b>Equity</b>	Note	\$'000	\$'000
Reserves	8.2	23,813	26,084
Contributed Capital	8.2.4	1,924	1,924
Accumulated Surplus	8.2.5	21,750	24,830
<b>TOTAL EQUITY</b>		<b>47,487</b>	<b>52,838</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

### For the Financial Year Ended 30 June 2018

	Notes	Distribution Reserve Fund	Infrastructure Reserve Fund	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributed Capital	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2016</b>		7,500	14,126	5,613	28,975	1,924	<b>58,138</b>
Net result for the year	8.2.5	-	-	-	(5,939)	-	<b>(5,939)</b>
Transfer (to)/from accumulated surplus	8.2.2, 8.2.5	-	(1,794)	-	1,794	-	-
Other comprehensive income	8.2.3	-	-	639	-	-	<b>639</b>
<b>Balance at 30 June 2017</b>		7,500	12,332	6,252	24,830	1,924	<b>52,838</b>
Net result for the year	8.2.5	-	-	-	<b>(5,351)</b>	-	<b>(5,351)</b>
Transfer (to)/from accumulated surplus	8.2.2, 8.2.5	-	<b>(2,271)</b>	-	<b>2,271</b>	-	-
Other comprehensive income	8.2.3	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>		<b>7,500</b>	<b>10,061</b>	<b>6,252</b>	<b>21,750</b>	<b>1,924</b>	<b>47,487</b>

The accompanying notes form part of these financial statements.

## CASH FLOW STATEMENT

For the Financial Year Ended 30 June 2018

		2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Note	\$'000	\$'000
<b>Receipts</b>			
Receipts in the Course of Operations		108,334	112,183
Interest Received		506	496
<b>Total Receipts</b>		<b>108,840</b>	<b>112,679</b>
<b>Payments</b>			
Payments to Suppliers, Employees and Industry		(107,519)	(114,864)
Net GST paid to the ATO		(4,214)	(3,761)
<b>Total Payments</b>		<b>(111,733)</b>	<b>(118,625)</b>
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	6.1.1	<b>(2,893)</b>	<b>(5,926)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	Note	\$'000	\$'000
Receipts from Redemption of Investments		41,000	25,500
Payment for Property, Plant and Equipment		(1,697)	(276)
Payments for Purchase of Investments		(35,500)	(20,500)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>3,803</b>	<b>4,724</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>910</b>	<b>(1,202)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>3,626</b>	<b>4,828</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	6.1	<b>4,536</b>	<b>3,626</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### For the Year Ended 30 June 2018

#### 1. ABOUT THIS REPORT

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

##### Reporting Entity

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

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

##### Basis of Preparation

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

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

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

under the circumstances. Actual results may differ from these estimates.

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

##### Rounding

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

##### Compliance information

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

Where appropriate, those 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.

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

GRV's overall objectives are to:

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

GRV is predominantly funded by TABCORP distributions as part of an agreement entered into between the Racing Codes in 2012 and 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

		2018	2017
<b>2.1 Summary of income that funds the delivery of our services</b>	Note	\$'000	\$'000
TABCORP Income	2.2.1	60,389	60,795
Racefields Fees Income	2.2.2	34,967	30,166
Other Income	2.2.3	3,467	3,377
<b>Total Income from Transactions</b>		<b>98,823</b>	<b>94,338</b>

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 - refer note 5.3.

2.2 Income from transactions	Note	\$'000	\$'000
<b>2.2.1 TABCORP Income</b>			
Racing Products Program Fee		13,315	13,018
Racing Products Fees		22,571	22,060
Vic Racing VRIB		8,915	9,338
Vic Racing Joint Venture Profit		9,783	10,684
International Income		5,805	5,695
<b>Total TABCORP Income</b>		<b>60,389</b>	<b>60,795</b>

TABCORP income is recognised in the financial year that such amounts are earned by GRV.

		2018	2017
<b>2.2.2 Racefields Fees Income</b>	Note	\$'000	\$'000
Racefields Fees Income		34,967	30,166

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 recognised in the financial year that such amounts are earned by GRV.

2.2.3 Other Income	Note	\$'000	\$'000
Infrastructure VRIF Contribution	8.2.2	631	171
Other VRIF Contributions		1,163	1,406
Registration Fees		343	399
Interest Received		517	668
Fines		79	84
Sundry Income		560	521
Rent Received		174	128
<b>Total Other Income</b>		<b>3,467</b>	<b>3,377</b>

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.

Victorian Racing Industry Fund (VRIF) contributions are recognised 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.

### Amounts recognised in the comprehensive operating statement for Investment Property

	Note	\$'000	\$'000
Rental income		174	128
Direct operating expense from property that generated rental income		(59)	(67)
Direct operating expense from property that did not generate rental income		-	-
		<b>115</b>	<b>61</b>

### Lease arrangements

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

Within 1 year	178	174
Later than 1 year but not later than 5 years	371	549
<b>Total Rental income</b>	<b>549</b>	<b>723</b>

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

## NOTES TO THE FINANCIAL STATEMENTS continued...

### For the Year Ended 30 June 2018

### 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 Clubs expenses, infrastructure and maintenance
- 3.5 Industry expenses
- 3.6 Administrative expenses

		2018	2017
3.1.1 Employee benefits in the comprehensive operating statement	Note	\$'000	\$'000
Stewards and Integrity Employee Expenses		6,617	6,353
Welfare Employee Expenses		2,942	3,207
Greyhound Adoption Program Employee Expenses		2,117	1,486
Racing Wages		1,337	1,094
Judges & Lure Driver Expenses		1,172	821
Board Wages and Expenses		606	555
Administrative Employee Expenses		5,178	5,751
Technology Costs Employee Expenses		1,990	1,808
<b>Total Employee Expenses</b>		<b>21,959</b>	<b>21,075</b>

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).

		2018	2017
3.1 Expenses incurred in delivery of services	Note	\$'000	\$'000
Integrity, Welfare and Racing Expenses	3.2	19,934	19,594
Stake money, Travel and Starters Fees	3.3	45,076	42,830
Clubs Expenses, Infrastructure and Maintenance	3.4	21,220	19,965
Industry Expenses	3.5	5,509	5,647
Administrative Expenses	3.6	11,587	11,916
<b>Total Expenses Incurred in Delivery of Services</b>		<b>103,326</b>	<b>99,952</b>



### 3.1.2 Employee benefits in the balance sheet

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

		2018	2017
Current Provisions	Note	\$'000	\$'000
<b>Annual leave:</b>			
Unconditional and Expected to Settle Within 12 Months		816	627
Unconditional and Expected to Settle After 12 Months		272	209
<b>Long Service Leave:</b>			
Unconditional and Expected to Settle Within 12 Months		66	60
Unconditional and Expected to Settle After 12 Months		1,096	991
		<b>2,250</b>	<b>1,887</b>
<b>Provisions for On-Costs:</b>			
Unconditional and Expected to Settle Within 12 Months		133	105
Unconditional and Expected to Settle After 12 Months		207	182
		<b>340</b>	<b>287</b>
<b>Total Current Provisions for Employee Benefits</b>		<b>2,590</b>	<b>2,174</b>

Non-Current Provisions	Note	\$'000	\$'000
Employee Benefits		468	368
On-Costs		71	56
<b>Total Non-Current Provisions for Employee Benefits</b>		<b>539</b>	<b>424</b>
<b>Total Provisions for Employee Benefits</b>		<b>3,129</b>	<b>2,598</b>

Reconciliation of Movement in On-Cost Provision	Note	\$'000	\$'000
<b>Opening Balance</b>		343	241
Additional Provisions Recognised		87	116
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits		(11)	(7)
Unwind Of Discount and Effect of Changes In Discount Rate		(8)	(7)
<b>Closing Balance</b>		<b>411</b>	<b>343</b>
Current		340	287
Non-Current		71	56
<b>Total On-Costs</b>		<b>411</b>	<b>343</b>

### 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.

## NOTES TO THE FINANCIAL STATEMENTS continued...

**For the Year Ended 30 June 2018**

### 3. THE COST OF DELIVERING SERVICES

continued...

#### 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:

Fund	2018	2017	2018	2017
	Paid Contribution for the Year		Contribution Outstanding at Year End	
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans (a)</b>				
State Superannuation Fund - revised and new	8	8	-	-
<b>Defined contribution plans</b>				
VicSuper	616	567	-	-
Other	1,117	984	-	-
<b>Total</b>	<b>1,741</b>	<b>1,559</b>	<b>-</b>	<b>-</b>

Notes:

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

		2018	2017
<b>3.2 Integrity, Welfare and Racing Expenses</b>	Note	\$'000	\$'000
<b>Integrity Expenses</b>			
Stewards and Integrity Employee Expenses		6,617	6,353
Swab Analysis		2,599	2,982
Legal and Appeals Expenses		638	894
Contribution to Research		28	160
Ear Branding and Micro Chipping		110	65
Integrity Initiatives		209	227
<b>Sub Total</b>		<b>10,201</b>	<b>10,681</b>
<b>Racing Appeals and Disciplinary Board</b>		361	421
<b>Welfare Expenses</b>			
Welfare incl. Employee Expenses		3,115	3,558
Greyhound Adoption Program incl. Employee Expenses		3,748	3,019
<b>Sub Total</b>		<b>6,863</b>	<b>6,577</b>
<b>Racing &amp; Wagering</b>			
Employee Expenses		1,337	1,094
Judges & Lure Drivers		1,172	821
<b>Sub Total</b>		<b>2,509</b>	<b>1,915</b>
<b>TOTAL INTEGRITY, WELFARE AND RACING EXPENSES</b>		<b>19,934</b>	<b>19,594</b>

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

3.3 Stakemoney, Travel and Starters Fees	Note	\$'000	\$'000
		45,076	42,830

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

3.4 Clubs Expenses, Infrastructure and Maintenance	Note	\$'000	\$'000
On-Course Tote Commission		807	951
Distributions to Clubs		7,695	8,011
Insurance Allocation		280	237
Clubs Technology Development and Support		80	80
Marketing and Promotions		1,656	1,345
Club Sky Channel Linking and Video Costs		1,704	1,109
RSN Broadcasting and Deficit Funding		1,163	1,090
Infrastructure and Maintenance	8.2.2	7,835	7,142
<b>Total Club Expenses, Infrastructure and Maintenance</b>		<b>21,220</b>	<b>19,965</b>

GRV incurs expenses for infrastructure and maintenance works which are treated as an expense within the accounts as they are generally upgrades to facilities and infrastructure at Greyhound Racing Clubs and not GRV assets. These expenses are then applied against the Infrastructure Reserve Fund as shown in Note 8.2.2.

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

		2018	2017
<b>3.5 Industry Expenses</b>	Note	\$'000	\$'000
Advertising, Promotions, Industry Awards, Market Research and Publications		4,729	4,716
Registration Expenses		172	99
Racing Industry Costs		57	250
Fields and Form Guides		551	582
<b>Total Industry Expenses</b>		<b>5,509</b>	<b>5,647</b>

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

3.6 Administrative Expenses	Note	\$'000	\$'000
Board Wages and Expenses		606	555
Administrative Employee Expenses		5,178	5,751
Technology Costs incl. Employee Expenses		2,761	2,490
Audit, Legal and Consultancy		1,248	1,233
Fringe Benefits Tax		814	692
Insurance		93	79
Other Administrative Expenses		887	1,116
<b>Total Administration Expenses</b>		<b>11,587</b>	<b>11,916</b>

Other administrative expenses generally consist of general administration costs of employment and also include: consulting, audit, legal, fringe benefit tax and insurance. All expenses are recognised as they are incurred and reported in the financial year to which they relate.

## NOTES TO THE FINANCIAL STATEMENTS continued...

**For the Year Ended 30 June 2018**

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

#### Introduction

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

#### Structure

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

	2018	2017	2018	2017	2018	2017
<b>4.1 Total Property, Plant and Equipment</b>	<b>Gross carrying amount</b>		<b>Accumulated depreciation</b>		<b>Net carrying amount</b>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets at Fair Value</b>						
Land at fair value (i)	7,479	7,479	-	-	7,479	7,479
Buildings at fair value (i)	3,630	3,202	(364)	(164)	3,266	3,038
Work in progress	70	-	-	-	70	-
Equipment at fair value	343	266	(197)	(163)	146	103
Furniture and Fittings at fair value	35	35	(35)	(34)	-	1
Computer and Office Equipment at fair value	731	536	(464)	(377)	267	159
<b>Total</b>	<b>12,288</b>	<b>11,518</b>	<b>(1,060)</b>	<b>(738)</b>	<b>11,228</b>	<b>10,780</b>

Notes:

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

**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 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 above 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.

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

		2018	2017
<b>4.1.1 Depreciation and impairment</b>	Note	\$'000	\$'000
<b>Charge for the period</b>			
Buildings		199	164
Equipment		33	36
Furniture and Fittings		1	-
Computer and Office Equipment		88	77
<b>Total depreciation</b>		<b>321</b>	<b>277</b>

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, land and investment properties.

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

Building - 4-40 years  
Track and GAP Equipment -3-7 years  
Office Furniture and Fittings -2-10 years  
Computer and Office Equipment -3-7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting

period, and adjustments made where appropriate.

GRV has a capitalisation threshold of \$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 current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment</b>	<b>Land at fair value</b>		<b>Buildings at fair value</b>		<b>Work in progress</b>		<b>Equipment at fair value</b>		<b>Furniture and Fittings at fair value</b>		<b>Computer and Office Equipment at fair value</b>		<b>Total</b>	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
<b>Opening Balance</b>	<b>7,479</b>	<b>6,840</b>	<b>3,038</b>	<b>2,836</b>	-	<b>247</b>	<b>103</b>	<b>97</b>	<b>1</b>	<b>1</b>	<b>159</b>	<b>162</b>	<b>10,780</b>	<b>10,183</b>
Additions	-	-	20	164	613	-	76	42	-	-	60	70	769	276
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluations	-	639	-	-	-	-	-	-	-	-	-	-	-	639
Transfers from (to) other asset class	-	-	407	202	(543)	(247)	-	-	-	-	136	4	-	(41)
Depreciation	-	-	(199)	(164)	-	-	(33)	(36)	(1)	-	(88)	(77)	(321)	(277)
<b>Closing Balance</b>	<b>7,479</b>	<b>7,479</b>	<b>3,266</b>	<b>3,038</b>	<b>70</b>	-	<b>146</b>	<b>103</b>	-	<b>1</b>	<b>267</b>	<b>159</b>	<b>11,228</b>	<b>10,780</b>

## NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2018

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

		2018	2017
	Note	\$'000	\$'000
<b>4.2 Investment Properties</b>			
<b>William Street Property</b>			
<b>Balance at the Beginning of Financial Year</b>		<b>4,727</b>	<b>4,300</b>
Revaluation Increments recognised in Comprehensive Income		-	386
Additions		-	41
<b>Balance at End of Financial Year</b>		<b>4,727</b>	<b>4,727</b>

**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.

	2018	2017	2018	2017	2018	2017
<b>4.3 Intangible Assets</b>	<b>Gross carrying amount</b>		<b>Accumulated amortisation</b>		<b>Net carrying amount</b>	
	\$'000		\$'000		\$'000	
<b>Assets at Fair Value</b>						
Intangible Assets - FastTrack	5,815	5,365	(2,811)	(2,236)	3,004	3,129
Work in progress	478	-	-	-	478	-
<b>Total</b>	<b>6,294</b>	<b>5,365</b>	<b>(2,811)</b>	<b>(2,236)</b>	<b>3,482</b>	<b>3,129</b>

	2018	2017	2018	2017	2018	2017
<b>Reconciliation of movements in carrying amount of intangible assets.</b>	<b>Intangible assets</b>		<b>Work in progress</b>		<b>Total</b>	
	\$'000		\$'000		\$'000	
<b>Opening Balance</b>	<b>3,129</b>	<b>3,666</b>	-	-	<b>3,129</b>	<b>3,666</b>
Additions	-	-	928	-	928	-
Transfers from (to) other asset class	450	-	(450)	-	-	-
Amortisation	(575)	(537)	-	-	(575)	(537)
<b>Closing Balance</b>	<b>3,004</b>	<b>3,129</b>	<b>478</b>	-	<b>3,482</b>	<b>3,129</b>

#### 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 "other economic flow included in net result" on a straight line basis over the asset's useful life.

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

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

#### 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.

		2018	2017
4.4 Investments and Other Financial Assets	Note	\$'000	\$'000
<b>Current Investments and Other Financial Assets</b>			
Term Deposits		20,000	25,500
<b>Total Current Investments and Other Financial Assets</b>		<b>20,000</b>	<b>25,500</b>
<b>Non-Current Investments and Other Financial Assets</b>			
Loan - Melbourne Greyhound Racing Association (1)		1,751	1,703
Shares in Radio 3UZ Pty Ltd		1	1
Units in Radio 3UZ Unit Trust at Cost		525	525
<b>Total Non-Current Investments and Other Financial Assets</b>		<b>2,277</b>	<b>2,229</b>
<b>Total Investments and Other Financial Assets</b>		<b>22,277</b>	<b>27,729</b>

**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 loan:

#### 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 2018, 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.

All investments and other financial assets are not past due and not impaired for the current and prior period.

#### 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.

		2018	2017
	Note	\$'000	\$'000
Finance Revenue (Loans Receivable)		48	103
<b>Total Net Gain on Investments and Other Financial Assets</b>		<b>48</b>	<b>103</b>

## NOTES TO THE FINANCIAL STATEMENTS continued...

### For the Year Ended 30 June 2018

#### 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

		2018	2017
5.1 Receivables	Note	\$'000	\$'000
<b>Current</b>			
<i>Contractual</i>			
Sundry Debtors		3,488	2,102
Trade Debtors		7,256	7,419
<b>Total Contractual</b>		<b>10,744</b>	<b>9,521</b>
<i>Statutory</i>			
GST Recoverable		417	434
<b>Total Statutory</b>		<b>417</b>	<b>434</b>
<b>Total Receivables</b>		<b>11,161</b>	<b>9,955</b>

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. All receivables are not past due and not impaired for the current and prior period.

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.

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.



		2018	2017
<b>5.2 Payables</b>	Note	\$'000	\$'000
<b>Current</b>			
<i>Contractual</i>			
Trade Creditors		2,082	1,481
Sundry Creditors		3,976	2,536
<b>Total Contractual</b>		<b>6,058</b>	<b>4,017</b>
<b>Statutory</b>			
GST Payable		860	703
Payroll Tax Payable		88	91
PAYG Tax Payable		-	189
<b>Total Statutory</b>		<b>948</b>	<b>983</b>
<b>Total Payables</b>		<b>7,006</b>	<b>5,000</b>

Payables consist of:

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

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

		2018	2017
<b>5.3 Other Liabilities</b>	Note	\$'000	\$'000
<b>Deferred Revenue</b>			
<b>Current</b>			
Other		102	107
<b>Total Current</b>		<b>102</b>	<b>107</b>
<b>Non-Current</b>			
Other		67	72
<b>Total Current</b>		<b>67</b>	<b>72</b>
<b>Total Non-Deferred Revenue</b>		<b>169</b>	<b>179</b>

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.

Maturity analysis of contractual payables (a)	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>							
Payables	6,059	6,059	6,059	-	-	-	-
<b>Total</b>	<b>6,059</b>	<b>6,059</b>	<b>6,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>							
Payables	4,017	4,017	4,017	-	-	-	-
<b>Total</b>	<b>4,017</b>	<b>4,017</b>	<b>4,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

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

## NOTES TO THE FINANCIAL STATEMENTS continued...

### For the Year Ended 30 June 2018

## 6. HOW WE FINANCED OUR OPERATIONS

### Introduction

This section provides information on the sources of finance utilised by GRV during its operations and other information related to financing activities of GRV

### 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.

		2018	2017
	Note	\$'000	\$'000
Total cash and cash equivalents		4,536	3,626
<b>Balance as per cash flow statement</b>		<b>4,536</b>	<b>3,626</b>

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

	Note	\$'000	\$'000
<b>Net Result for the Period</b>		<b>(5,351)</b>	<b>(5,939)</b>
<b>Non-cash movements</b>			
Depreciation and Amortisation	4.1.1, 4.3	896	814
Net Gain on Financial and Non-Financial Assets	8.1	(48)	(489)
<b>Movements in assets and liabilities</b>			
(Increase) Decrease in Receivables & Prepayments		(916)	421
Increase (Decrease) in Payables		2,005	(1,520)
Increase in Employee Benefits		532	777
(Decrease) Increase in Other Liabilities		(11)	10
<b>Net Cash Flows From / (Used In) Operating Activities</b>		<b>(2,893)</b>	<b>(5,926)</b>

## 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.

<b>6.2.1 Total commitments payable</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
<b>Nominal Amounts</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2018</b>				
Capital expenditure commitments payable	1,268	-	-	<b>1,268</b>
Operating and lease commitments payable	721	174	-	<b>895</b>
Other commitments payable	2,441	11,110	-	<b>13,551</b>
<b>Total commitments (inclusive of GST)</b>	<b>4,430</b>	<b>11,284</b>	-	<b>15,714</b>
Less GST recoverable				<b>(1,429)</b>
<b>Total commitments (exclusive of GST)</b>				<b>14,285</b>
<b>2017</b>				
Capital expenditure commitments payable	538	-	-	<b>538</b>
Operating and lease commitments payable	992	355	-	<b>1,347</b>
Other commitments payable	1,724	-	-	<b>1,724</b>
<b>Total commitments (inclusive of GST)</b>	<b>3,254</b>	<b>355</b>	-	<b>3,609</b>
Less GST recoverable				<b>(328)</b>
<b>Total commitments (exclusive of GST)</b>				<b>3,281</b>

### Capital expenditure commitments payable: Infrastructure

At 30 June 2018, GRV is obligated in the next year (2019) to meet commitments of \$1.268 Mil for infrastructure works (2017: \$0.538Mil).

### Operating and lease commitments payable:

Operating lease commitments include vehicle leases with average lease terms of 30 months (2017: 25 months) Operating lease commitments also include lease GAP Cafe on King St, Melbourne.

**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.

### Other commitments: On-course broadcasting services.

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

## NOTES TO THE FINANCIAL STATEMENTS continued...

**For the Year Ended 30 June 2018**

### **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 cash equivalents;
- 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.

**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).

**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.

**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.

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2018

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

#### 7.1.1 Categorisation

			2018	2017
			\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	6.1	Contractual financial assets - Loans and receivables and cash	4,536	3,626
Receivables	5.1	Contractual financial assets - Loans and receivables and cash	10,744	9,521
Loan - Melbourne Greyhound Racing Association	4.4	Contractual financial assets - Loans and receivables and cash	1,751	1,703
Term deposit	4.4	Contractual financial assets - Loans and receivables and cash	20,000	25,500
Investments (a)	4.4	Contractual financial assets - Available for sale	526	526
<b>Financial liabilities</b>				
Payables	5.2	Contractual financial liabilities at amortised cost	6,059	4,017

Notes:

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

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

	2018	2017	2018	2017	2018	2017
	Net Holding Gain/(Loss)		Total Interest Income/(Expense)		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>						
Financial assets - Loans and receivables	48	103	517	668	565	771
<b>Total</b>	<b>48</b>	<b>103</b>	<b>517</b>	<b>668</b>	<b>565</b>	<b>771</b>
<b>Contractual financial liabilities</b>						
Financial liabilities at amortised cost	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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, 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.

### 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 and Audit & Risk Committee has responsibility for the establishment and oversight of the risk management framework to guide GRV in identifying and analysing the risks faced. GRV Board's overall risk management approach seeks to minimise potential adverse effects on the financial performance of GRV and uses different methods to measure different types of risk to which GRV is exposed. These methods include monitoring interest rate and other price risks, ageing analysis for credit risk.

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

GRV's activities expose it primarily to the financial risks of changes in interest rates, 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.

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 2017-18.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS continued...

**For the Year Ended 30 June 2018**

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

#### **7.1.3 Financial risk management objectives and policies** continued...

##### **Market risk**

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

##### **Interest rate risk**

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

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

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



Interest rate exposure of financial instruments	Interest Rate Exposure				
	Weighted Average Interest Rate	Carrying Amount	Fixed Interest Rate	Floating Interest Rate	Non Interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
<b>Financial assets</b>					
Cash and deposits	1.25%	4,536	-	4,536	-
Receivables	-	10,744	-	-	10,744
Investments and other contractual financial assets					
- Term Deposit	2.03%	20,000	20,000	-	-
- Loans receivable	5.70%	1,751	1,751	-	-
- Investments	-	526	-	-	526
<b>Total financial assets</b>		<b>37,557</b>	<b>21,751</b>	<b>4,536</b>	<b>11,270</b>
<b>Financial Liabilities</b>					
Payables	-	6,059	-	-	6,059
<b>Total Financial liabilities</b>		<b>6,059</b>	<b>-</b>	<b>-</b>	<b>6,059</b>
<b>2017</b>					
<b>Financial assets</b>					
Cash and deposits	1.25%	3,626	-	3,626	-
Receivables	-	9,521	-	-	9,521
Investments and other contractual financial assets					
- Term Deposit	2.01%	25,500	25,500	-	-
- Loans receivable	5.75%	1,703	1,703	-	-
- Investments	-	526	-	-	526
<b>Total financial assets</b>		<b>40,876</b>	<b>27,203</b>	<b>3,626</b>	<b>10,047</b>
<b>Financial Liabilities</b>					
Payables	-	4,017	-	-	4,017
<b>Total Financial liabilities</b>		<b>4,017</b>	<b>-</b>	<b>-</b>	<b>4,017</b>

#### *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 (2017: 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 2018 and 2017.

## NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2018

### 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1 continued

7.1.3 Financial risk management objectives and policies continued...

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			-1% (100 basis points)				1% (100 basis points)			
Interest rate risk sensitivity	Carrying Amount		Equity		Net Result		Equity		Net Result	
	\$'000		\$'000		\$'000		\$'000		\$'000	
<b>Financial assets</b>										
Cash and deposits	4,536	3,626	(45)	(36)	(45)	(36)	45	36	45	36
Receivables	10,744	9,521	-	-	-	-	-	-	-	-
Investments and other contractual financial assets										
- Term deposit	20,000	25,500	(200)	(255)	(200)	(255)	200	255	200	255
- Loans receivable	1,751	1,703	-	-	-	-	-	-	-	-
- Investments	526	526	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>										
Payables	(6,059)	(4,017)	-	-	-	-	-	-	-	-
<b>Total impact</b>			<b>(245)</b>	<b>(291)</b>	<b>(245)</b>	<b>(291)</b>	<b>245</b>	<b>291</b>	<b>245</b>	<b>291</b>

#### 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

## 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 2018 (2017: 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 has no contingent liabilities as at 30 June 2018, (2017: Contract termination dispute \$150,000, Consumer law claim \$100,000)

## 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, 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).

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS continued...

### For the Year Ended 30 June 2018

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

##### 7.3.1 Fair value determination of financial assets and liabilities

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 2017-18 reporting period.

##### Financial Assets

Cash and cash equivalents  
Investments and other financial assets:  
- term deposits  
- loan receivable  
Receivables

##### Financial Liabilities

Payables

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.

##### Financial assets and liabilities measured at fair value

Fair Value	2018				2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Cash and deposits	4,536	-	-	<b>4,536</b>	3,626	-	-	<b>3,626</b>
Loans receivable	-	-	1,751	<b>1,751</b>	-	-	1,703	<b>1,703</b>
Investments - term deposits	20,000	-	-	<b>20,000</b>	25,500	-	-	<b>25,500</b>
Investments - units in 3UZ	-	526	-	<b>526</b>	-	526	-	<b>526</b>
Receivables	10,744	-	-	<b>10,744</b>	9,521	-	-	<b>9,521</b>
<b>Financial liabilities</b>								
Payables	(6,059)	-	-	<b>(6,059)</b>	(4,017)	-	-	<b>(4,017)</b>
<b>Total</b>	<b>29,221</b>	<b>526</b>	<b>1,751</b>	<b>31,498</b>	<b>34,630</b>	<b>526</b>	<b>1,703</b>	<b>36,859</b>

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.

	2018	2017
<b>Reconciliation of Level 3 fair value movements</b>	\$'000	\$'000
<b>Loans Receivable</b>		
Opening balance	1,703	1,600
<b>Total gains or losses recognised in:</b>		
- Net results	48	103
Amounts repaid	-	-
<b>Closing balance</b>	<b>1,751</b>	<b>1,703</b>
<b>Total gains or losses for the period included in profit or loss for assets held at the end of the period</b>	<b>-</b>	<b>-</b>

The significant unobservable inputs used to determine the fair value of the loan included: average weighted discount rate of 5.70% (2017: 5.75%), 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 (\$8k)/\$8k (2017: (\$16k)/\$16k). A change in repayment patterns would affect the fair value materially.

### 7.3.2 Fair value determination: Non-financial physical assets

	2018	2017	2018	2017	2018	2017	2018	2017
<b>Fair value measurement hierarchy</b>	<b>Written down value</b>		<b>Fair value measurement at end of reporting period using:</b>					
			<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets at Fair Value</b>								
Land at fair value	7,479	7,479	-	-	7,479	7,479	-	-
Buildings at fair value	3,266	3,038	-	-	1,452	1,558	1,814	1,480
Work in progress	70	-	-	-	70	-	-	-
Equipment at fair value	146	103	-	-	-	-	146	103
Furniture and Fittings at fair value	-	1	-	-	-	-	-	1
Computer and Office Equipment at fair value	267	159	-	-	-	-	267	159
<b>Total</b>	<b>11,228</b>	<b>10,780</b>	<b>-</b>	<b>-</b>	<b>9,001</b>	<b>9,037</b>	<b>2,227</b>	<b>1,743</b>

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 current 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 current 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.

## NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2018

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

#### 7.3.2 Fair value determination: Non-financial physical assets (continued)

##### Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

#### Description of significant unobservable inputs to Level 3 valuations

##### Plant and equipment

Valuation technique: Current replacement cost  
Significant unobservable inputs: Cost per unit; and useful life of plant and equipment (refer Note 4.1.1)

##### Specialised buildings

Valuation technique: Current 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 2017.

	2018		2017		2018		2017	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Plant and Equipment</b>							
<b>Reconciliation of Level 3 fair value movements</b>	<b>Buildings at Semour GAP</b>		<b>Track and GAP Equipment</b>		<b>Furniture and Fittings</b>		<b>Computer and Office Equipment</b>	
<b>Opening Balance</b>	<b>1,480</b>	<b>1,526</b>	<b>103</b>	<b>97</b>	<b>1</b>	<b>1</b>	<b>159</b>	<b>162</b>
Purchases (sales)	-	-	76	42	-	-	60	70
Transfer in from (out to) another class	407	-	-	-	-	-	136	4
Depreciation	(73)	(46)	(34)	(36)	(1)	-	(88)	(77)
<b>Subtotal</b>	<b>1,814</b>	<b>1,480</b>	<b>145</b>	<b>103</b>	<b>-</b>	<b>1</b>	<b>267</b>	<b>159</b>
Gains or losses recognised in other economic flows - other comprehensive income	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>1,814</b>	<b>1,480</b>	<b>145</b>	<b>103</b>	<b>-</b>	<b>1</b>	<b>267</b>	<b>159</b>

	2018	2017	2018	2017	2018	2017	2018	2017
	<b>Fair Value measurement at end of reporting period using:</b>							
<b>Investment properties measured at fair value and their categorisation in the fair value hierarchy</b>	<b>Written down value</b>		<b>Level 1 (i)</b>		<b>Level 2 (i)</b>		<b>Level 3 (i)</b>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment property	4,727	4,727	-	-	4,727	4,727	-	-

Note:

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

There have been no transfers between levels during the period. There were no changes in valuation techniques during the period to 30 June 2018.

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 continued...

For the Year Ended 30 June 2018

### 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.

		2018	2017
	Note	\$'000	\$'000
<b>Net gain/(loss) on non-financial assets</b>			
Revaluation of land and buildings	4.1.2	-	-
Revaluation of investment property	4.2	-	386
<b>Total net gain/(loss) on non-financial assets</b>		-	<b>386</b>
<b>Net gain/(loss) on financial instruments</b>			
Finance revenue (loans receivable)	4.4	48	103
<b>Total net gain/(loss) on financial instruments</b>		<b>48</b>	<b>103</b>

		2018	2017
	Note	\$'000	\$'000
<b>8.2 Reserves</b>			
Distribution Reserve Fund	8.2.1	7,500	7,500
Infrastructure Reserve Fund	8.2.2	10,061	12,332
Physical Asset Revaluation Surplus	8.2.3	6,252	6,252
<b>Total Reserves</b>		<b>23,813</b>	<b>26,084</b>
Contributed Capital	8.2.4	1,924	1,924
Accumulated Surplus	8.2.5	21,750	24,830
<b>Total Surpluses</b>		<b>23,674</b>	<b>26,754</b>
<b>Total Equity</b>		<b>47,487</b>	<b>52,838</b>



### 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 stake money levels and to assist with any potential disruptions.

	2018	2017
	\$'000	\$'000
Balance at beginning of financial year	7,500	7,500
<b>Balance at end of financial year</b>	<b>7,500</b>	<b>7,500</b>

### 8.2.2 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 2018, \$4.933 Mil (2017: \$5.177 Mil) was allocated to the fund.

	Note	\$'000	\$'000
Balance at beginning of financial year		12,332	14,126
Expenses from Infrastructure and Maintenance	3.4	(7,835)	(7,142)
Victorian Racing Industry Fund Contribution	2.2.3	631	171
Annual Transfer from Accumulated Surplus		4,933	5,177
Transfer (to) Accumulated Surplus	8.2.5	(2,271)	(1,794)
<b>Balance at end of financial year</b>		<b>10,061</b>	<b>12,332</b>

### 8.2.3 Physical Asset Revaluation Surplus

	Note	\$'000	\$'000
The physical assets revaluation surplus arises on the revaluation of land and buildings.			
Balance at beginning of financial year		6,252	5,613
Valuation Gain recognised in Other Comprehensive Income		-	639
<b>Balance at end of financial year</b>		<b>6,252</b>	<b>6,252</b>
<b>The reserve comprises :</b>			
Land		6,252	6,252
<b>Balance at end of financial year</b>		<b>6,252</b>	<b>6,252</b>

### 8.2.4 Contributed Capital

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

	Note	\$'000	\$'000
		1,924	1,924

		2018	2017
<b>8.2.5 Accumulated Surplus/(Deficit)</b>	Note	\$'000	\$'000
Accumulated surplus/(deficit) at the Beginning of the Financial Year		24,830	28,975
Net Result		(5,351)	(5,939)
<b>Total Available for Appropriation</b>		<b>19,479</b>	<b>23,036</b>
<b>Transfer from/(to) Reserves</b>			
Infrastructure Reserve Fund	8.2.2	2,271	1,794
<b>Accumulated Surplus/(Deficit) at the End of the Financial Year</b>		<b>21,750</b>	<b>24,830</b>

### 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	01.07.2017	30.06.2018
Member	Ms. J. Bornstein	01.07.2017	21.11.2017
Member	Ms. J Billings	06.02.2018	30.06.2018
Member	Ms. P. Duncan	01.07.2018	30.06.2018
Member	Mr. R. Greenall	01.07.2018	30.06.2018
Member	Mr. E. Dunne	01.07.2018	30.06.2018

#### Accountable Officer:

Mr. A.K. Clayton - from 01.07.2017 to 30.06.2018

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

Income Band	Total Remuneration.	
	No.	No.
\$10,000 to \$19,999	2	1
\$30,000 to \$39,999	-	1
\$40,000 to \$49,999	3	3
\$60,000 to \$69,999	-	1
\$70,000 to \$79,999	1	-
\$400,000 to \$409,999	-	1
\$410,000 to \$419,999	1	-
<b>Total Numbers</b>	<b>7</b>	<b>7</b>
<b>Total Remuneration - \$'000</b>	<b>649</b>	<b>644</b>

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

## NOTES TO THE FINANCIAL STATEMENTS continued...

### For the Year Ended 30 June 2018

#### 8. OTHER DISCLOSURES continued...

##### 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 (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, 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.

	2018	2017
<b>Remuneration of Executive Officers</b>		
<i>(including Key Management Personnel disclosed in Note 8.5)</i>		
Short-term employee benefits	1,826	1,633
Post-employment benefits	155	152
Other long-term benefits	50	46
<b>Total remuneration (a)</b>	<b>2,031</b>	<b>1,831</b>
<b>Total number of Executives</b>	<b>8</b>	<b>9</b>
<b>Total annualised employee equivalents (b)</b>	<b>8.0</b>	<b>7.5</b>

Notes:

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

(b) 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 Leadership 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

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.

	2018	2017
<b>Compensation of KMPs</b>		
Short-term employee benefits (a)	2,422	2,202
Post-employment benefits	237	218
Other long-term benefits	59	55
<b>Total</b>	<b>2,718</b>	<b>2,475</b>

Notes:

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

### 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.

		2018	2017
Significant transactions with government related entities	Note	\$'000	\$'000
<b>(a) Department of Justice (DOJ)</b>			
- Amounts recognised as income in the Comprehensive Operating Statement.			
These are contributions received from Victoria Racing Industry Fund (VRIF) which are to help with infrastructure and raceday attraction projects.	2.2.3	1,794	1,577
<b>(b) Treasury Corporation of Victoria (TCV)</b>			
- Term deposits held at end of the financial year.	4.4	18,000	23,500
- Amounts recognised as income in the Comprehensive Operating Statement.	2.2.3	402	563
This is interest earned on term deposits with TCV.			

		2018	2017
8.6 Remuneration of Auditors	Note	\$'000	\$'000
<b>Victorian Auditor-General's Office</b>			
Audit of the financial statements		17	17
Non-audit services (a)		-	-
		<b>17</b>	<b>17</b>
<b>Internal Audit</b>			
Audit services		170	144
Non-audit services		-	-
		<b>170</b>	<b>144</b>
<b>Total remuneration of auditors</b>		<b>187</b>	<b>161</b>

Notes:

(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, GRV does not have any subsequent events noted.

### 8.8 Other Accounting Policies

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

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

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

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

# FINANCIAL STATEMENTS

## 8.9 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 2018 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 2018, 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 2018. 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. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
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: - 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	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.  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).  Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.  For entities with significant lending activities, an overhaul of related systems and processes may be needed.
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.

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods Beginning On	Impact on GRV's Financial Statements
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	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> <li>- the entity's right to receive payment of the dividend is established;</li> <li>- it is probable that the economic benefits associated with the dividend will flow to the entity; and</li> <li>- the amount can be measured reliably.</li> </ul>	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.
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"> <li>- A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation;</li> <li>- 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</li> <li>- 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).</li> </ul>	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.

# FINANCIAL STATEMENTS

## 8.9 Australian Accounting Standards Issued that are Not Yet Effective Continued...

Standard/ Interpretation	Summary	Applicable for Annual Reporting Periods Beginning On	Impact on GRV's Financial Statements
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"> <li>- 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</li> <li>- clarifies circumstances when a contract with a customer is within the scope of AASB 15.</li> </ul>	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.

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## DISCLOSURE INDEX

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
<b>Ministerial &amp; Financial Reporting Directions</b>	
<b>Report of Operations</b>	
<b>Charter and purpose</b>	
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
<b>Management and structure</b>	
FRD 22H	Organisational structure
<b>Financial and other information</b>	
FRD 8D	Performance against output performance measures
FRD 8D	Budget portfolio outcomes
FRD 10A	Disclosure index
FRD 12B	Disclosure of major contracts
FRD 15E	Executive officer disclosures
FRD 22H	Employment and conduct principles
FRD 22H	Occupational health and safety policy
FRD 22H	Summary of the financial results for the year
FRD 22H	Significant changes in financial position during the year
FRD 22H	Major changes or factors affecting performance
FRD 22H	Subsequent events
<b>Financial Report</b>	
FRD 22H	Application of operation of <i>Freedom of Information Act 1982</i>
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>
FRD 22H	Statement on Competitive Neutrality Policy
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>
FRD 22H	Details of consultancies over \$10,000
FRD 22H	Details of consultancies under \$10,000
FRD 22H	Disclosure of government advertising expenditure
FRD 22H	Disclosure of ICT expenditure
FRD 22H	Statement of availability of other information
FRD 24D	Reporting of office-based environmental impacts
FRD 25C	Victorian Industry Participation Policy disclosures
FRD 29C	Workforce Data disclosures
SD 5.2	Specific requirements under Standing Direction 5.2
<b>Compliance attestation and declaration</b>	
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction
SD 5.2.3	Declaration in report of operations



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**Legislation Requirement**

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**Financial Statements**

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**Declaration**

SD 5.2.2	Declaration in financial statements
SD 4.2(g)	Specific information requirements
SD 4.2(j)	Sign-off requirements

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**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

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**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

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

FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity
FRD 11A	Disclosure of Ex-gratia Expenses
FRD 13	Disclosure of Parliamentary Appropriations
FRD 21C	Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report
FRD 102A	Inventories
FRD 103F	Non-Financial Physical Assets
FRD 106B	Impairment of assets
FRD 107B	Investment properties
FRD 109A	Intangible assets
FRD 110A	Cash Flow Statements
FRD 112D	Defined Benefit Superannuation Obligations
FRD 113A	Investments in subsidiaries, jointly controlled entities and associates (Pending revision)
FRD 114B	Financial Instruments – General government entities and public non-financial corporations
FRD 119A	Transfers through contributed capital

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**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*

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**Opinion** I have audited the financial report of Greyhound Racing Victoria (the authority) which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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**Board's responsibilities for the financial report** 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 *Financial Management Act 1994*, and for such internal control as the Board determines 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.

In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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MELBOURNE  
30 August 2018



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 2018 and financial position of Greyhound Racing Victoria at 30 June 2018.

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 28 August 2018.



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Alan Clayton  
Accountable Officer  
PSM

Date: 28 August 2018



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

Date: 28 August 2018



.....  
Bernie Carolan  
Chairman

Date: 28 August 2018





**Greyhound Racing Victoria**

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