



Greyhound Racing Victoria
Annual Report 2018-19



ACCESSIBILITY

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Design: The Ad Group, Horsham, VIC 3400. theadgroup.com.au

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GRV BOARD MEMBERS

BERNIE CAROLAN Chair

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

Bernie began his role as GRV Chair in July 2015.

PEITA DUNCAN Deputy Chair

Peita Duncan is a former director of the Melbourne Greyhound Racing Association (MGRA), which runs The Meadows facility and has also been involved in the sport as a greyhound owner. She has extensive experience as a senior business development and management executive and is currently a Non-Executive Director of the Metropolitan Fire Brigade and former Non-Executive Director of the Emergency Services Telecommunications Authority.

Peita was appointed to the Board in October 2015.

ROB GREENALL

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 Master's degree in Veterinary Studies and is highly experienced in strategic project leadership, management and evaluation. Mr Greenall is currently the Managing Director of AgVet Projects Pty Ltd.

Rob was appointed to the Board in October 2015.

EMMETT DUNNE

Emmett Dunne served with Victoria Police for almost 40 years including as Assistant Commissioner of Professional Standards Command and Assistant Commissioner of the East Policing Region. He also Chaired the Australian New Zealand Policing Advisory Agency Integrity Forum and was awarded the Australia Police Medal in 2011 for his work with VicPol's Operational Safety and Tactics Training Unit. Emmett played in the Richmond VFL team between 1976 and 1983 and was a member of the Tigers' 1980 premiership side.

Emmett was appointed to the Board in September 2016.

MARIKA MCMAHON

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

Marika was appointed to the Board in September 2018.

JACQUI BILLINGS

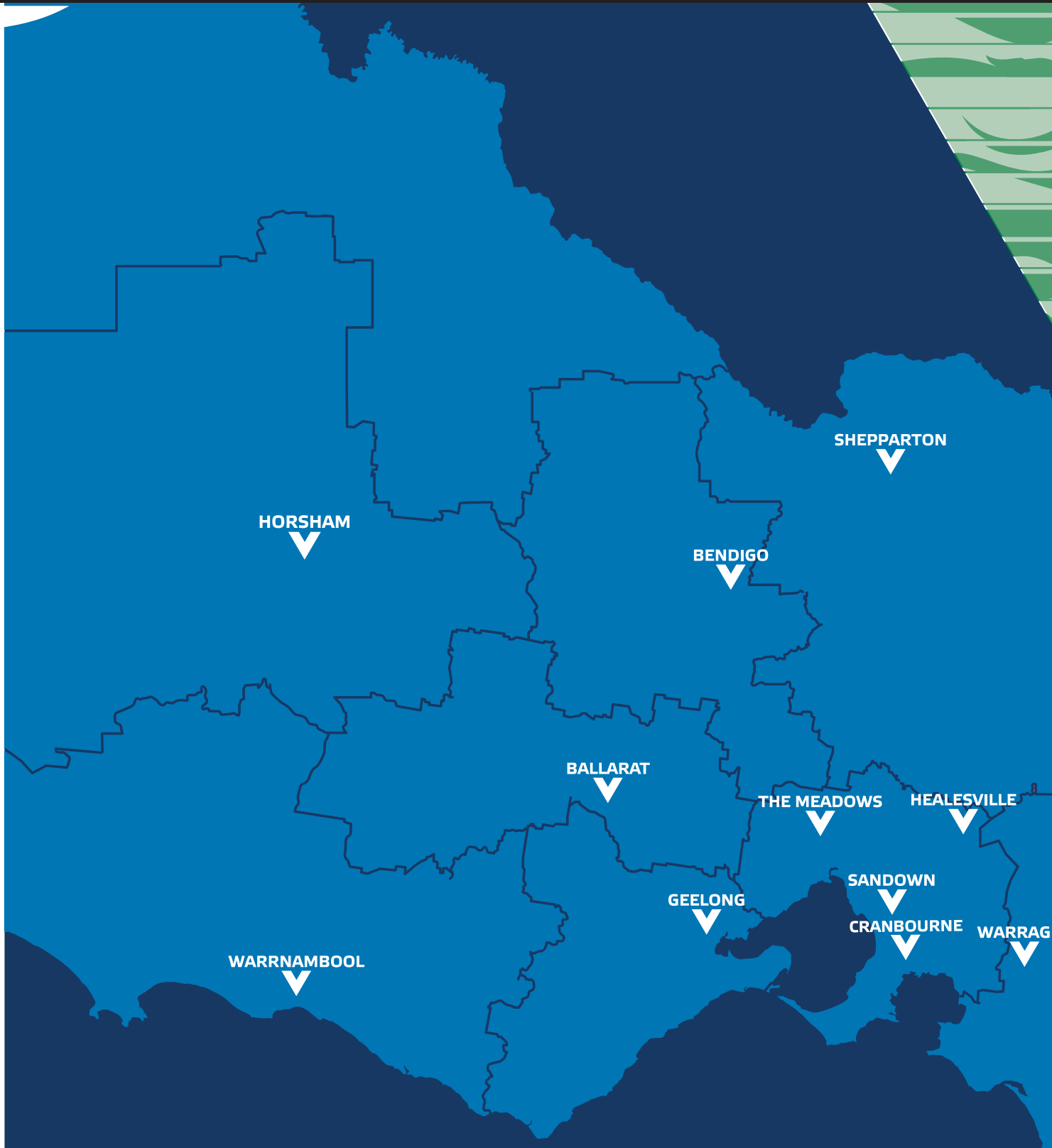
Former Board member from February to September 2018 Jacqui Billings holds degrees in Economics and Law and has practised as a solicitor advocate for over 25 years in the areas of Criminal Law, Family and Children's Law and Litigation. She has held executive positions in a number of community and incorporated organisations.

Jacqui has been on the committee of the Moe Racing Club Inc. since 2000 and from 2013 held the position of Chair at the Club.



Left to right: Rob Greenall, Emmett Dunne, Peita Duncan, Alan Clayton, Marika McMahon, Bernie Carolan

VICTORIAN GREYHOUND RACING SNAPSHOT 2018-19



VICTORIA'S GREYHOUND RACING CLUBS

GRV CHAIR FOREWORD



BERNIE CAROLAN GRV Chair

As this is my last year as Chair of GRV, I'd like to take the opportunity to reflect on the progress that has been made since I took on the position in July 2015.

Earlier in 2015 the code had lost the confidence of much of the community following the exposure of the illegal and cruel actions of a small group of participants. The Minister for Racing had appointed a new GRV Board and commissioned major Reviews by Victoria's Racing Integrity Commissioner and Chief Veterinary Officer. By the time I was appointed in mid-2015, GRV had a clear mandate for sweeping change guided by implementation of all the recommendations from the two reviews, for which GRV was responsible.

The reform program which followed has been quite fundamental and challenging and it remains ongoing. It has required major changes to GRV's structure and operations and has had major implications for participants and Victoria's 13 greyhound racing clubs. The Board and GRV executive worked together to develop and publish a 2016-19 Strategic Plan which guided this reform process. A summary of that plan's outcomes is provided in this annual report. In short, a strengthened regulation and compliance regime combined with real culture change among participants has seen much improved management of Victorian greyhounds throughout their full life cycle. Retired racers are now being re-homed in record numbers, there has been a dramatic fall in euthanasia numbers and a very strong new focus on safe racing. Club governance and management is also much more professional and properly resourced through business training and infrastructure investment.

We have continued to develop GRV itself, so it is fit for purpose as a modern, professional and effective regulator. Its integrity and welfare functions have set a new benchmark for the code nationally. Collaboration with peer bodies is regular and strong while career development and progression structures are maturing. Engagement with participants, other stakeholders and the general community is now underpinned by a range of targeted communication, education and marketing initiatives.

I leave GRV with the greatest respect for participants in the industry – they lead a very busy life and truly love their dogs and the sport. They have willingly accepted the reform journey, knowing that a long term future is dependent on lasting change. I trust they will continue to work with GRV to meet the ongoing challenges still facing the sport –

including responsible breeding; attractive and competitive racing simultaneous with a focus on safety and exemplary welfare and integrity outcomes; and avoidance of the temptation facing all sports to achieve short term gain via use of illegal substances or devices.

GRV will continue to progressively build resilience for the sport's future – to give greyhound racing a strong reputation; to increase market share, while continuing to deliver strong welfare and integrity outcomes; and to adapt to the ever-evolving wagering environment, with innovative events and new digitally based products. In 2018-19 these issues, and others, were addressed through a range of initiatives. Victoria's greyhound racing calendar was expanded and diversified, providing more opportunities for greyhounds at all levels and increased returns to participants and a new form guide app was launched. A Safe Racing Program was developed, complemented by workshops and education packages covering greyhound care and race-readiness. Another major focus for the year was developing materials and support to assist participants prepare for the 1 January 2020 introduction of the Code of Practice for the Keeping of Racing Greyhounds. And GRV continued to improve its internal processes and secure its long-term financial sustainability while sharing its findings, experience and knowledge with other state and national greyhound and racing bodies.

This year, like all the previous years of my term, has been extremely rewarding, thanks to the joint and willing support from so many people in meeting the quite demanding and complex challenges. For the great progress we have made on many fronts, I'd like to thank my fellow Board members, past and present, GRV's CEO Alan Clayton, the GRV team, Victoria's greyhound racing clubs and individual greyhound owners and trainers for their commitment and hard work over the past four years in developing and delivering GRV's reform agenda. I also acknowledge the strong and consistent support we have always received from the Minister for Racing, Martin Pakula, the Government as a whole and the State Opposition. I am confident Victorian greyhound racing is well positioned as a vibrant, ethical and professionally managed sport with a long and strong future ahead.

Bernie Carolan



GRV CEO REPORT

ALAN CLAYTON GRV CEO

The past year has been one of consolidation and progress for GRV and the sport in Victoria. GRV has achieved all the key goals of its 2016-19 Strategic Priorities plan which means the sport's journey of reform has been significantly completed. However there are new challenges for the sport as we pursue a strong commercial agenda to grow the code and provide better returns for participants while delivering Australia's biggest greyhound racing calendar. The year also saw GRV start work on developing its strategic priorities for 2019-24 which are focused on securing a strong and sustainable future for the sport over the next five to ten years. Greyhound welfare and integrity remained GRV's core regulatory priorities in 2018-19 with strong outcomes in both areas throughout the year. However, we will now seek to build on our strong foundations and instill a more commercial focus for GRV.



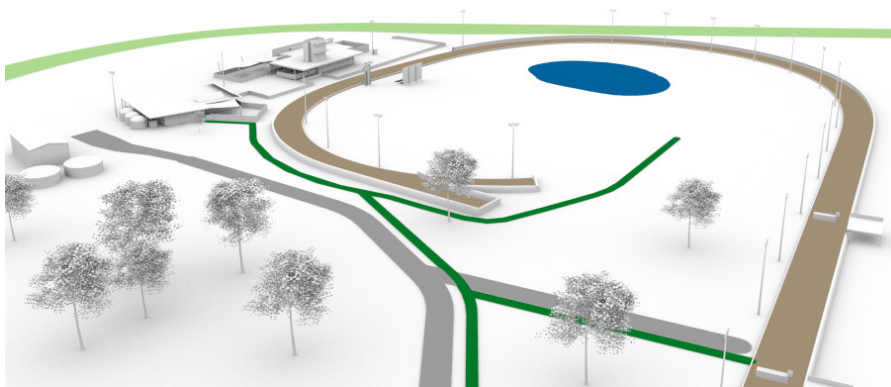
Greyhound welfare

A total of 2,631 greyhounds were rehomed in 2018-19 by GRV's Greyhound Adoption Program (GAP), other re-homing agencies and directly by participants, up two percent on last year and up almost 100% on 2014-15. A range of factors has been responsible for this increase including improved GAP assessment processes, enhanced support for dogs with behavioural issues, regulation and education to ensure participants are properly preparing their greyhounds for life after racing and the Victorian Government removing the requirement for non-racing greyhounds to wear muzzles in public after 1 January 2019. Complementing the rise in rehoming numbers was a very significant fall in euthanasia for Victorian-owned greyhounds, which fell to 687 in 2018-19, down 28% on the previous year and now just one fifth of the figure in 2014-15. While this is a much improved outcome, GRV remains committed to ensuring all Victorian racing greyhounds have the best possible opportunity to live out their lives in full and that euthanasia should only be considered for severe medical and temperament reasons.

The year also saw racing fatalities fall by 23% over the previous year and a slight decrease in overall track injuries. Despite the downtrend, there remains significant opportunities for further reductions and improving track safety was a key priority over 2018-19 through GRV's Safe Racing Program. The program included workshops, videos and other education resources about properly preparing greyhounds for racing along with the continual collection of injury data on a track by track basis to identify systemic issues with track infrastructure.

The science of safe racing

Over the past four years, GRV and Victoria's greyhound clubs have been working with Professor David Eager, the University of Technology Sydney (UTS)'s Professor of Risk Management and Injury Prevention, to develop a new data-driven approach to greyhound racing track design. This work has covered all key aspects of track design from layout to corner cambers to track surface composition to injury prevention infrastructure and its findings were used in the redevelopment of the Horsham Greyhound Racing Club track in 2016-17, which posted the lowest rate of track injuries for any Victorian club in 2017-18. During the year, Professor Eager and the UTS team developed new designs for the Traralgon Greyhound Racing Club's track which was closed in December 2018 after it was permanently compromised by major drainage issues. Working closely with GRV and the Traralgon Club Committee, UTS presented options for J and U shaped tracks, both designed to optimize track safety and 3D visualisations of both were prepared for the public consultation process. GRV anticipates that the final approved track design will be operational at Traralgon by the middle of 2020.



Pictured: Computer modelling of Traralgon track design proposal

Integrity

GRV's Greyhound Racing Integrity Unit (GRIU) continued with its cross-disciplinary approach in 2018-19, combining the work of inspectors, investigators, intelligence and betting analysts, the Stewards Panel, veterinary services staff and legal prosecution team to deliver a fully integrated approach to all aspects of inspection, compliance, investigation and prosecution. The GRIU's effectiveness was recognised with a Special Commendation at the Department of Justice Risk and Resilience Awards. GRIU's holistic swabbing strategy, the 'quadrant model', which uses detailed data about greyhounds, trainers and owners to swab greyhounds that aren't running true to predicted form, also delivered strong outcomes in 2018-19.

Integrity In Sport Conference

On 21-22 August 2018, GRIU presented a major Integrity In Sport Conference in Melbourne which brought together representatives from various sporting codes to share information, concepts and ideas in a secure and confidential forum, the first of its kind in Australia. Presenters, panel members and attendees included local and international sports integrity executives from a range of codes, academics and researchers and subject matter experts. Keynote speakers included: David Howman, Chair of the International Athletics Integrity Unit, Bryan Fogel, director of the Academy Award winning feature documentary, Icarus, about a major international sports doping scandal; and Tony Keane, the AFL's Head of Integrity and Security. The Conference was very successful in generating new information sharing approaches to integrity in sports and fostering professional networks.



Pictured left to right: Director Bryan Fogel, RASL Biological Research Unit Manager Rohan Steele, ASADA CEO David Sharpe, Professor Tim Morris

Racing and commercial operations

A significant issue for GRV and the sport during the year was a pronounced decrease in Victoria's active greyhound racing population during the first half of 2019 leading to a 16% drop in races with a full field of eight starters. This was caused by a fall in breeding numbers in 2016-17. GRV tackled the shortage of active dogs through a restructured grading process that improved racing opportunities for lower ranked dogs. GRV also reinvested \$450,000 in unspent prizemoney from cancelled race meetings and those featuring fewer than 12 races to participants through increased payments for unplaced greyhounds, increased prizemoney at some meetings and an additional Country Heats to a City Final series from March to June 2019. GRV also supported participants in boosting breeding numbers to sustainable levels for its race program by waiving fees for greyhound naming and DNA testing throughout the year. Breeding numbers are now growing again, as shown by litter numbers up 8.4% and pups whelped up 10.7% over the year, and GRV expects the racing population to return to a sustainable level for the medium to long term by the end of 2019. GRV remains vigilant to avoid overbreeding.

The smaller field sizes in the first half of 2019 led to a \$2.6 million decline in expected race field fees over the year but despite this, and a \$1.4 (3.1%) million increase in stake money over the year, GRV reduced its deficit to \$1.94 million in 2018-19, down 63.7% from \$5.4 million the previous year.

Industry growth

Industry Growth, one of GRV's 2016-19 strategic priorities, was a major focus over the year and will continue to be so as a key part of long-term planning for the sport. The code has been performing well as a wagering product with national wagering on Victorian greyhounds up 4.6% over the previous year to a record \$2.37 billion in 2018-19. This in turn boosted GRV's wagering revenue to \$98.9 million for the year, up 3.8% on 2017-18. The increased wagering and income meant GRV was able to increase prizemoney and other returns for participants to a record \$46.5 million in 2018-19.

Over the year, GRV launched several initiatives to promote the code including a new brand and slogan for Victorian greyhound racing, 'Love The Dogs, Love the Thrills', Sandown Park's great work in developing new syndication opportunities for potential owners and a schedule of five weekly appearances by GRV racing coverage staff and myself on the SEN and RSN radio networks. Following the success of the Gippsland Carnival, GRV worked with clubs in 2018-19 to develop a new Summer Carnival event for rollout in late 2019, along with a new annual National Straight Track Championship which will be inaugurated at Healesville Greyhound Racing Club in August 2019.



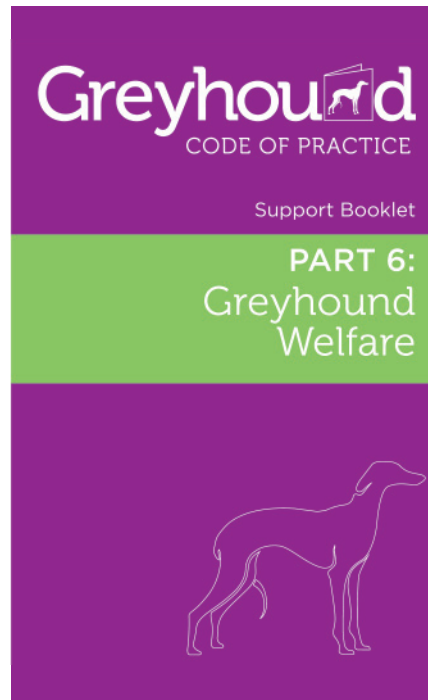
The form at your fingertips

In February 2019, GRV launched the Watchdog mobile app that provides detailed form guides for every Victorian greyhound race and runner, expert analysis and tips, suggested bets, speed maps, race replays, live TAB odds, the latest greyhound racing news, and race video previews. The Watchdog also includes Integrated live TAB odds and click-to-bet functionality and more features will be added in 2019-20. As at 30 June 2019, the Watchdog app had been downloaded more than 3000 times through the Apple and Google apps stores and can also be accessed online at: watchdog.grv.org.au.

Another important task for GRV in 2018-19 was preparing for the introduction of the Victorian Government's Code of Practice for the Keeping of Racing Greyhounds on 1 January 2020. This included a major upgrade of the FastTrack portal to make it easier for owners and trainers to fulfil Code reporting requirements and to better track the status and location of all greyhounds bred in Victoria for racing at every stage of their life cycle from whelping through to retirement.

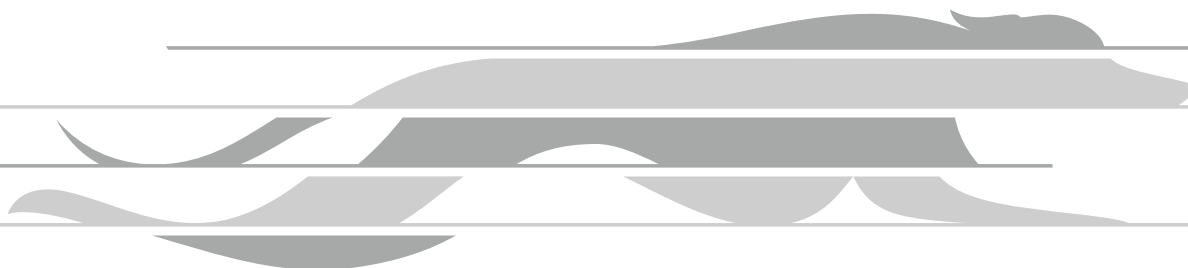
Getting ready for the Code

GRV delivered a range of information and education initiatives in 2018-19 to help participants make sure they will be compliant with the new Code of Practice. These included the Code Support Book, released in monthly sections with supporting videos, covering issues such as facility construction and management, breeding, retirement and rehoming along with sample protocols for the Establishment Health and Management Plans required by the Code for all greyhound facilities. A Participant Support Program was also developed in conjunction with Cranbourne and Traralgon Clubs to deliver a series of Code Information sessions and workshops in the second half of 2019.



Finally, I would like to thank the GRV Board and staff, and all the volunteers, for their focus and commitment over 2018-19 and I particularly thank Bernie Carolan for his support, advice and direction during his term as GRV Chair. I would also like to thank Victoria's greyhound racing clubs and participants for their support and active engagement during the year. It has been a very busy and productive year that has seen major initiatives completed and significant new projects initiated which will all help secure a sustainable future for greyhound racing in Victoria.

Alan Clayton



THE YEAR'S HIGHLIGHTS



Best and fastest

The 2017-18 Victorian Greyhound Awards were held at Crown Palladium 18 October 2018.

Recipients were:

- Greyhound of the Year: Fanta Bale
- Sprinter of the Year: Up Hill Jill
- Stayer of the Year: Fanta Bale
- Metropolitan Trainer of the Year: Andrea Dailly
- Provincial Trainer of the Year: Andrea Dailly
- Hall of Fame Inductee: Max Wintle (Trainer)
- Hall of Fame Inductee: Arvo's Junior (Racing Greyhound)
- Ken Carr Medal: Neil Brown
- Ned Bryant 'Silver Fox' Award: Ashlee Terry
- GRV Welfare Award: Pam Priestley
- 2014 GOBIS Breeder of the Year: Lenny Jones (awarded retrospectively)



Pictured left to right: GRV Board members Emmett Dunne, Marika McMahon, Peita Duncan, Rob Greenall, GRV Chair Bernie Carolan, Robert Britton, VGA presenter

Give a dog a home

GRV's Greyhound Adoption Program (GAP) held four Adoption Days in 2018-19 at greyhound racing clubs and its Seymour facility which saw 95 greyhounds find new homes. GAP also helped co-ordinate a National Adoption Day on 28 April 2019 where 207 greyhounds across Australia were re-homed including 71 in Victoria. Theatre star, radio host, TV personality and greyhound owner Todd McKenney was once again GAP National Ambassador for the 2019 National Adoption Day as he was in 2018. GAP also held a special three-day adoption event at its Seymour facility in January which saw a record 111 greyhounds adopted and hosted a stand at the 2018 Royal Melbourne Show on 22 September – 2 October 2018 to showcase greyhounds as pets and provide information on adopting and caring for them.





The Great Chase

Victorian greyhound racing's premier community event, the TAB Great Chase, donated \$24,000 in 2018 for dozens of community groups that care for the intellectually and physically disabled across the state. These groups enjoyed a complimentary outing at their local greyhound racing club including catered meals, showbag giveaways and opportunities to meet the stars of the day, the greyhounds. The groups also shared in \$2,000 cash prizes at each event through being matched to greyhounds competing on the day. Since 2003, GRV and TAB have combined through the Great Chase to donate more than \$600,000 to over 100 Victorian community groups. For the second year running, the community arm of the Great Chase was run separately to the racing series, before both arms came together for the TAB Great Chase Grand Final at The Meadows on 24 October 2018. More than 500 people attended the Grand Final where seven community groups each won \$2000 and Autism Plus from Melton took home a \$10,000 cheque after drawing the winning greyhound for the Grand Final.



Love the dogs, love the thrills

GRV's new brand and slogan for greyhound racing in Victoria was launched on 25 August 2018 during the National Sprint and Distance Championships at Sandown Park. The colourful new theme incorporated the traditional colours of the eight greyhound boxes and is accompanied by a bold V, emphasising Victorian greyhound racing's point of difference. The new look and feel of Victorian greyhound racing was also complemented by an accompanying tag line "Love the Dogs, Love the Thrills". Following the launch, the new branding was rolled out at Victoria's 13 greyhound racing clubs and GRV's head office as signage, in uniforms and communication materials and to badge Victorian greyhound racing coverage on Sky TV.



Melbourne Cup



One of the world's most prestigious greyhound races, the \$630,000 Melbourne Cup, was won on 22 November 2018 by My Redeemer, trained by Victoria's David Geall. Drawn in box one in the Group 1 race, My Redeemer used the inside draw to full advantage, holding the rail throughout the 515-metre feature race to win in 29.38 seconds and take home the first prize of \$435,000. Black Opium placed second and She's Gifted third, in front of a crowd of more than 3,000 people at Sandown Park. Other feature races, including the \$150,000 Group 1 Bold Trease, took the total stake money for the night to \$1 million, making it one of the richest race meets worldwide.

Greyhound Community Days



More than 600 people and 400 greyhounds joined in the fun at Greyhound Community Days hosted by The Meadows on 18 November 2018 and Sandown Park on 23 March 2019. The free events, presented and funded by GRV, celebrated all things greyhound and included dog washing booths, information sessions on greyhound care, track tours, a range of dog related merchandise stalls, food trucks, live music and kids' activities. GAP had greyhounds up for adoption at these events and 24 greyhounds found their forever homes over both Community Days.

National Championships



Pictured left to right: Handler Peter Riley, Tornado Tears, trainer Robert Britton

2018 was Victoria's turn to host the Crocmmedia National Championships with national heats held at Sandown Park followed by the Finals on 24 August. Victorian trainer Robert Britton won his second consecutive National Distance Championship with Tornado Tears, claiming the \$75,000 first prize while the Chris Halse-trained West On Augie took out the \$75,000 National Sprint Championship. The National Championships also hosted a range of events off track for participants and administrators from greyhound racing jurisdictions across the country including GRV's Integrity in Sport conference.

Chase for Charity



Pictured left to right: Liam Pickering, Craig Hutchinson, Peita Duncan, Ronald McDonald House CEO Peter Bishop, John 'Dr Turf' Rothfield

The Chase for Charity campaign, a partnership between GRV and Crocmmedia's Off The Bench radio program, raised \$38,680 over autumn and winter 2018 with \$13,320 going to the community group, Dogs for Kids with Disabilities, \$13,020 for the Victorian Men's Shed Association and \$12,329 for Ronald McDonald House. Off The Bench presenters Craig Hutchinson, Liam Pickering and Dr Turf each placed \$500 worth of bets on Victorian greyhound races across 30 consecutive weekends, with their winnings each going to their chosen charities.

Club support during bushfires

During the 2018-19 bushfire season, GRV provided advice and support to participants in preparing emergency plans while Victorian greyhound racing clubs in at risk regions established evacuation centres for greyhounds that needed to be relocated from properties under threat of fire. This planning paid off when the Cranbourne, Sale, Traralgon and Warragul Greyhound Racing Clubs opened their doors to around 130 greyhounds during the Gippsland bushfires over the summer. Club management and staff worked with local owners and trainers to swiftly relocate the dogs and ensure they were properly cared for during their time in club kennels.



Pictured left to right: Traralgon Club manager Steve Clarke, Traralgon Club staff member Andrew Inger

Gippsland Carnival

Australia's biggest regional greyhound racing event, the TRFM Gippsland Carnival, was launched at Warragul Greyhound Racing Club on 6 December 2018, with special guests including former England cricket captain, Sir Ian Botham and AFL Legend and GRV Racing Ambassador, Brent Harvey. Now in its third year, the Gippsland Carnival saw record crowds at the Sale, Warragul and Cranbourne Cups, along with an Australia Day meet at Sale to replace the Traralgon Cup, part of the Carnival in previous years, but postponed for a track upgrade.



Pictured left to right: GRV Racing Ambassador Brent Harvey, Sir Ian Botham

Waterloo Cup

Bear Left, trained by Ray Henness, took the \$12,970 first place prize at the 145th running of the Waterloo Cup on 18-19 August 2018 at Lang Lang. Considered Victorian greyhound racing's ultimate test of speed and stamina, the Waterloo Cup is Australia's oldest greyhound race and the culmination of the annual coursing season. To win, Bear Left had to course one-on-one six times up the 310 metre straight across the weekend without defeat. For the second year running the Waterloo Cup final was streamed live on GRV's Facebook page with hundreds of greyhound racing fans tuning in.



Pictured: Ray Henness, Bear Left

Warrnambool gets a major upgrade

Warrnambool Greyhound Racing Club reopened on Thursday 27 September 2018 after a \$1.4 million renovation, which included \$685,000 provided through the Victorian Government's Victorian Racing Industry Fund. Among the upgrades was an overhaul of the Wannan Function Centre, new LED lights and roof for the outdoor area, a replacement judge's tower, improved kennel block floor drainage and flooring, a new irrigation system and lure rail and a tractor turn pad on the back straight to reduce wear and tear to the racecourse.

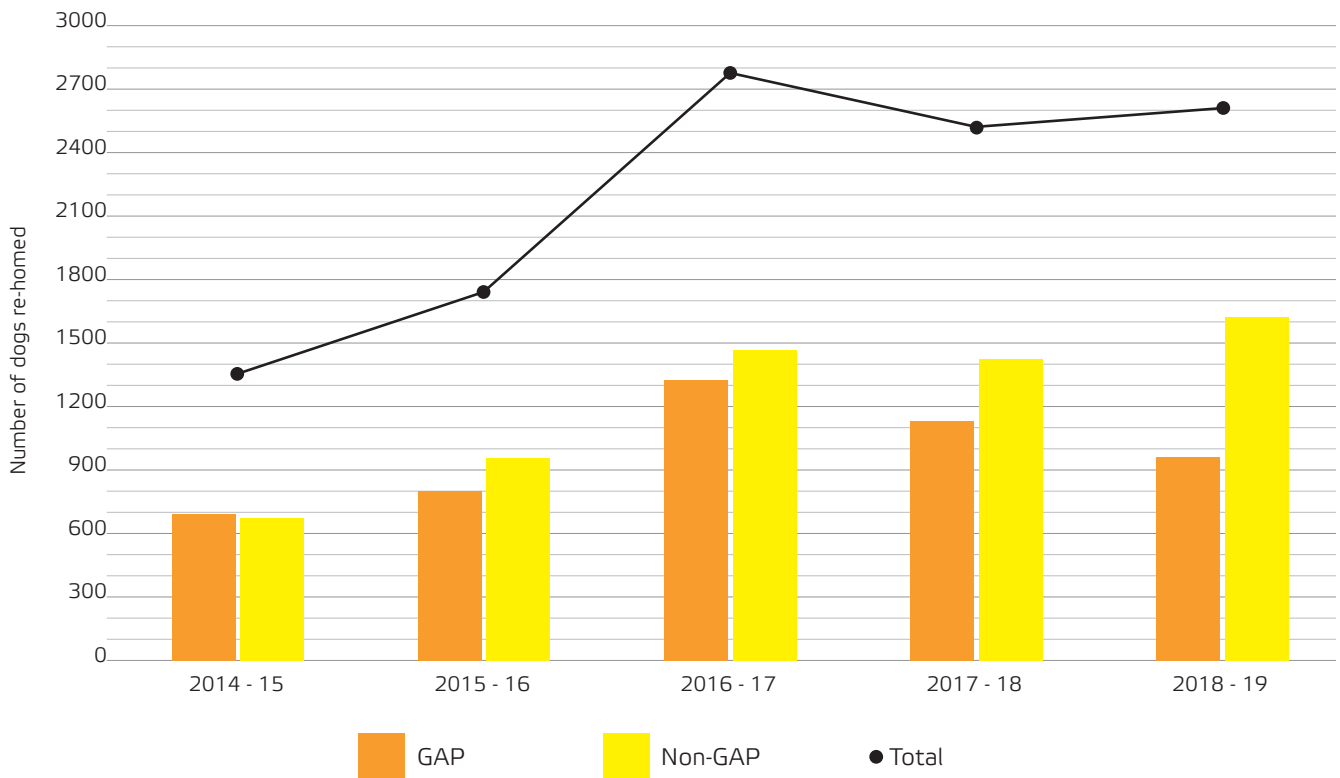


REPORT OF OPERATIONS

ANIMAL WELFARE

Re-homing

	2014-15	2015-16	2016-17	2017-18	2018-19	Change between 17-18 & 18-19
GAP *	692	798	1,314	1,163	987	-15%
Non-GAP **	683	961	1,483	1,415	1,644	16%
Total Re-homed	1,375	1,759	2,797	2,578	2,631	2%

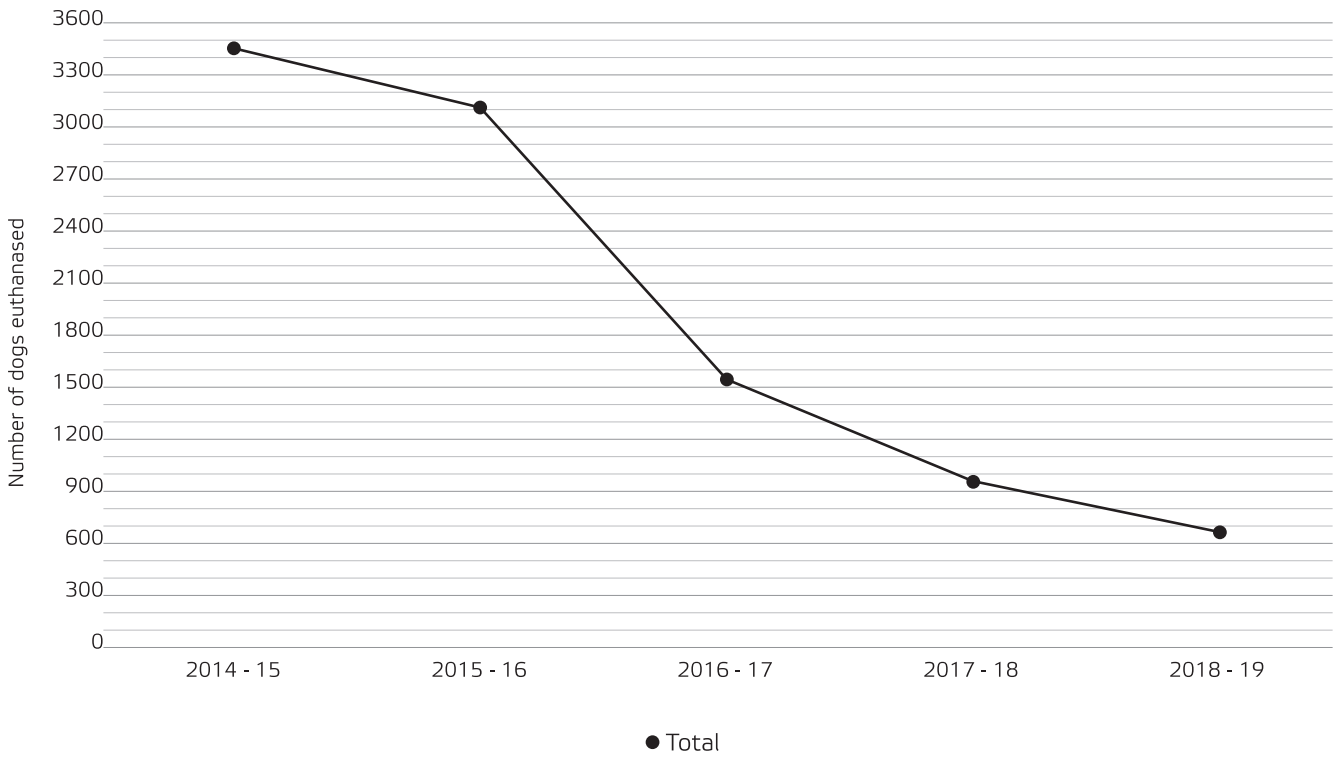


* Victorian and interstate-owned greyhounds adopted by GAP Victoria

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

Euthanasia

	2014-15	2015-16	2016-17	2017-18	2018-19	Change between 17-18 & 18-19
Euthanasia of Victorian-owned greyhounds (includes greyhounds euthanased on track and counted in race fatalities)	3,488	3,157	1,555	964	687	-28%



REPORT OF OPERATIONS

Race injuries

	2014-15	2015-16	2016-17	2017-18	2018-19	Change between 17-18 & 18-19
Race injuries at Victorian tracks per 1,000 starters Victorian and interstate-owned greyhounds	46.73	42.82	36.47	39.59	38.62	-2.5%

Race fatalities

	2014-15	2015-16	2016-17	2017-18	2018-19	Change between 17-18 & 18-19
Race fatalities at Victorian tracks Victorian and interstate-owned greyhounds	112	101	81	107	82	-23%

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

Greyhound Recovery Initiative

GRV's Greyhound Recovery Initiative (GRI), 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.

INTEGRITY

Total swabs by GRV's Greyhound Racing Integrity Unit

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Swabs	5,838	10,357	16,134	13,991	12,400

* Prior year total swab rates have been adjusted when received after the reporting period (June 30).

Samples taken by GRV

	At race meetings	Out of competition	Swabs - elective	Returned positive and irregular
2014-15	5,000	836	2	33
2015-16	9,089	1,243	25	99
2016-17	15,414	695	25	117
2017-18	12,443	1,541	7	83
2018-19	11,221	1,174	5	64

	2017-18	2018-19
Completed information reports	310	263
Briefs	24	28
Completed investigations	197	121
Active investigations	77	99

Prosecutions Overview	2018-19
RADB	96
VCAT	18
Supreme Court	0
Animal Welfare	17
Prohibited Substances	82
Misconduct	15

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 and www.greyhoundcare.grv.org.au

All calls and contacts are treated in confidence and can be made anonymously if needed.

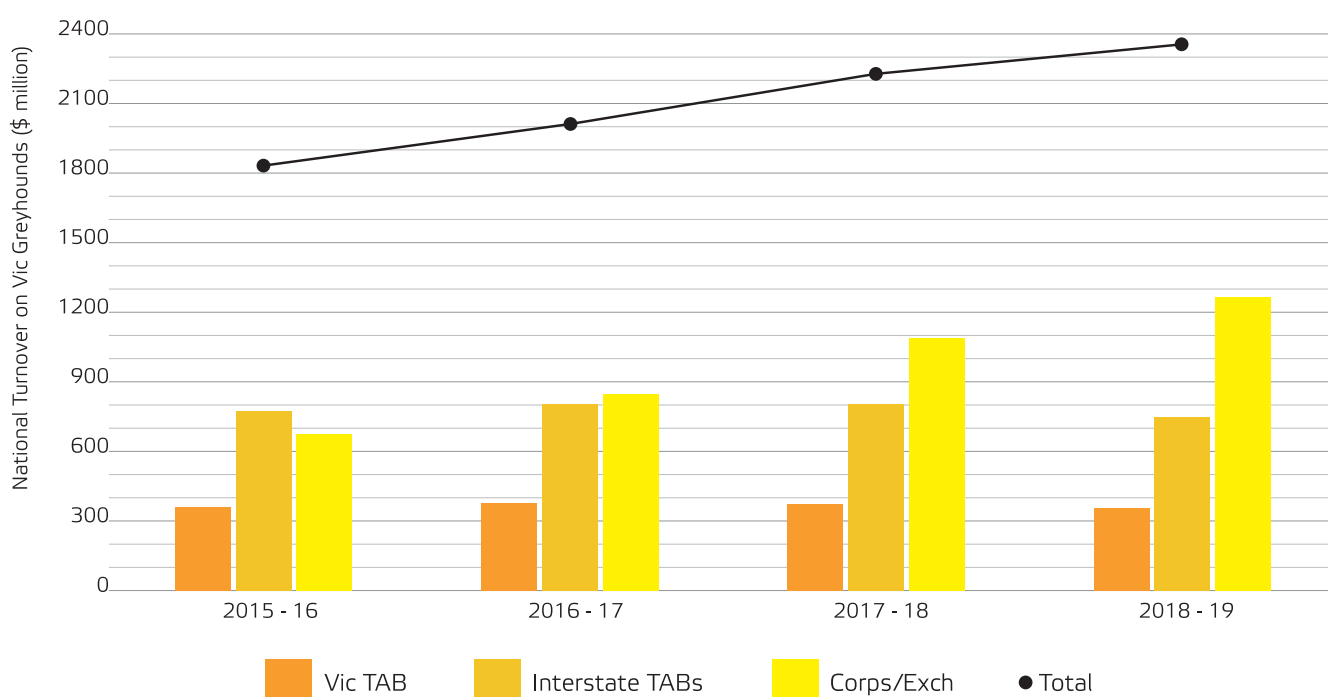
REPORT OF OPERATIONS

RACING AND COMMERCIAL DEVELOPMENT

National wagering on Victorian greyhound racing during 2018-19 reached a record \$2.37 billion in 2018-19, representing annual growth of 4.6% over the past four years. While GRV's projected Wagering Revenue for the year was impacted by several factors, total revenue for the year grew by \$3.6 million to \$98.9 million. These factors included abandoned meetings and meetings shifted to poor timeslots during an extremely hot late summer period, a downturn in race numbers and race starters due to a lower racing population and some weakening turnover following the introduction of Point of Consumption Taxes (POCT) on wagering by state governments across Australia.

In Victoria, the POCT replaced previous wagering and betting tax structures on 1 January 2019 and was applied at a rate of eight percent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria. This change resulted in a reduction in Product Fees received by the Victorian Racing Industry (VRI) and subsequently GRV, from the TABCORP Joint Venture. Under the new wagering taxation arrangements, the VRI now receives an additional funding stream from the state government, known as the VRI POCT Payment. This payment is equal to 1.5% of all taxable net wagering revenue to compensate for the reduction in Product Fees revenue received by the VRI from the TABCORP Joint Venture.

National Turnover on Vic Greyhounds (\$ million)	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Vic TAB	360	370	369	351	(17)	(4.7%)
Interstate TABs	787	800	800	742	(58)	(7.3%)
Corps/Exch	682	875	1,096	1,276	180	16.4%
Total	1,828	2,044	2,265	2,369	104	4.6%



GRV Wagering Revenue (\$ million)	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Tabcorp JV	60.7	60.8	54.6	52.4	(2.2)	(4%)
Intn'l & Domestic Rights			5.7	7.0	1.3	22.7%
Racefields & POCT	25.8	30.2	35.0	39.5	4.5	12.9%
Total	86.5	91.0	95.3	98.9	3.6	3.8%

GRV Revenue derived from the Victorian TAB Joint Venture was down \$2.2 million on the prior year reflecting the competitive Australian wagering market. VIC TAB turnover on all Australian greyhound racing was affected by a fall in the national greyhound racing population during 2018-19, with total greyhound turnover down 2.2% on the prior year. As a result, greyhound racing's VIC TAB 3-code turnover market share declined for the first time in four years, but still remained healthy at 21.26%.

Vic TAB Greyhounds Turnover (\$ million)	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Vic Greyhounds	360	370	369	351	(17)	(4.7%)
Other Greyhounds	504	531	558	554	(3)	(0.6%)
All Greyhounds	864	901	926	906	(21)	(2.2%)

Vic TAB 3-code Racing Turnover Market Shares	2015 -16	2016-17	2017-18	2018-19	Var%
Thoroughbred	66.18%	66.09%	66.36%	68.21%	1.9%
Greyhounds	21.34%	21.84%	21.95%	21.26%	(0.7%)
Harness	12.48%	12.07%	11.69%	10.53%	(1.2%)

REPORT OF OPERATIONS

RACING AND COMMERCIAL DEVELOPMENT continued...

Industry Performance Indicators

The number of races held in Victoria was down 198 on the prior year due to the impact of a lower available greyhound population from September 2018 onwards.

Meetings	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Metro	209	209	208	208	0	0.0%
Country	918	961	970	968	-2	(0.2%)
Coursing			13	13	0	0.0%
Total	1,127	1,170	1,191	1,189	-2	(0.2%)

Races	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Metro	2,459	2,492	2,446	2,379	-67	(2.7%)
Country	10,941	11,469	11,529	11,398	-131	(1.1%)
Total	13,400	13,961	13,975	13,777	-198	(1.4%)

Starters	2015 -16	2016-17	2017-18	2018-19	Var (\$M)	Var%
Metro	18,907	18,996	18,594	17,633	-961	(5.2%)
Country	84,553	88,771	88,508	85,073	-3,435	(3.9%)
Total	103,460	107,767	107,102	102,706	-4,396	(4.1%)

The fall in greyhounds available for racing this year was a direct result of lower breeding activity during the 2016-17 year in Victoria when only 2,655 pups were whelped from 410 litters in the state. Breeding is now returning to optimum levels with 698 litters and 4,533 pups registered with GRV during 2018-19.

Breeding	2015 -16	2016-17	2017-18	2018-19	Var	Var%
Victorian-bred litters registered	634	410	643	698	55	8.6%
Victorian-bred pups registered	4,082	2,655	4,105	4,533	428	10.4%

	2015 -16	2016-17	2017-18	2018-19	Var	Var%
Prizemoney, Bonuses, Travel & Starters (\$M)	43.8	42.8	45.1	46.5	1.4	3.1%

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



REPORT OF OPERATIONS

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

	FY15	FY16	FY17	FY18	FY19	Var	Var%
Income from transactions							
Tabcorp Income	62.4	60.7	60.8	60.4	59.4	(1.0)	(1.6%)
Race fields Income	21.4	25.8	30.2	35.0	37.5	2.5	7.2%
Other Income	4.9	4.1	3.4	3.5	6.7	3.3	94.1%
Total Income	88.7	90.6	94.3	98.8	103.6	4.8	4.9%
Expenses from transactions							
Prizemoney/Travel and Starter Fees/Breeders Schemes	42.6	43.8	42.8	45.1	46.5	1.4	3.1%
Expenses (excluding infrastructure)	28.1	36.1	50.3	50.7	52.8	2.1	4.2%
Infrastructure Expenses	13.4	4.8	7.1	7.8	5.5	(2.4)	(30.3%)
Total expenses from transactions	84.1	84.8	100.2	103.6	104.8	1.1	1.1%
Other economic flows	(0.7)	0.5	0.0	0.5	0.8	0.3	49.8%
Net Result	5.3	5.3	(5.9)	(5.4)	(1.9)	3.4	(63.7%)

Figures have been rounded to the first decimal point.

GRV reduced its deficit to \$1.9 million in 2018-19, being a 63.7% (\$3.4 million) improvement over the prior year result.

This was achieved with:

- expense growth being limited to \$1.1 million (1.1%), noting this incorporated a \$1.4 million (3.1%) prizemoney increase over the prior year; and
- a \$4.8 million (4.9%) increase in income to \$103.6 million, which incorporated a \$3.3 million increase in other revenue, which included \$2.0 million as GRV's share of revenue derived from the new Point of Consumption Tax (POCT).

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 2018-19, GRV consulted with Animal Welfare Victoria, Greyhound Clubs Victoria, 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, Animals Australia, Victoria Police, the Department of Jobs, Precincts and Regions, 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 2018-19, GRV's Facebook page received 3,837,833 unique views and GAP's Facebook page received 3,996,950 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 2019

- Dr Barbara Backhoy
- Steven Clarke
- Deborah Churchill
- Tracey Corneille
- Terry Davis
- Greg Doyle
- Mim Gilders
- Sheldon Hamilton
- Nigel Hebart
- Gerard O'Keeffe
- Sandra Reed
- Heather Villinger

Breeding Reference Group as at 30 June 2019

- Terrie Benfield (Chair)
- Ray Borda
- Geoff Collins (GOTBA nominee)
- Gavin Goble
- Molly Haines
- Angela Langton
- Scott Robins
- Jessica Sharp
- Barry Toner

Racing Reference Group as at 30 June 2019

- Scott Robins (Chair)
- Ken Bailey
- Robert Britton
- Alan Clayton
- Geoff Collins
- Glenn Fish
- Cory Hiscock
- Helen Ivers
- Marg Long
- Andrew Mills
- Stan Ralph
- Blake Reed
- Jason Sharp
- James Van de Maat
- Trevor Whitford

PROGRESS ON 2016-19 STRATEGIC PRIORITIES

Animal Welfare

Driving positive Animal Welfare outcomes

Provide an environment in which the safety and welfare of greyhounds comes first. Work to ensure that every greyhound will have the opportunity to live its life with quality care, while meeting positive physical and psychological requirements.

Key Areas of Focus Included:

- Reduce racing injuries;
- Eliminate unnecessary euthanasia;
- Re-home all Victorian bred greyhounds that are suitable for re-homing;
- Develop and implement programs and policies that drive positive animal welfare outcomes; and
- Ensure greyhound health and wellbeing at all stages of the greyhound lifecycle.

Regulatory standards

Driving an effective regulated environment

Program of enhanced industry regulation that drives improved outcomes. Uses a contemporary, integrated, risk-based and ethically driven approach to its regulatory role. Support, encourage and take actions that ensure greyhound welfare outcomes meet acceptable standards. Develop and implement animal welfare and integrity strategies supported by a program of monitoring and enforcement.

Key Areas of Focus Included:

- Enhance risk-based compliance for registered participants and properties;
- Drive integrity and consistency through regulation, standards and processes;
- Drive an industry culture of compliance, self-regulation and continuous improvement;
- Actively evaluate recommendations arising from government / industry / independent reviews and integrate where necessary.

Capability, culture and financial sustainability

Developing and sustaining core capabilities for effective regulation and promotion

Lead the industry by developing an enhanced organisational capability that delivers world leading regulation and promotion of the sport. Conduct and support the delivery of the Race Program. Create an organisational culture which effectively manages animal welfare, industry integrity and sustained wagering and commercial growth.

Key Areas of Focus Included:

- Align organisational capacity and capability to meet strategic direction;
- Ensure financial sustainability and growth;
- Develop technology capability that enables evidence-led decision-making and participant support;
- Create a safe environment for employees, clubs, participants, volunteers and customers;
- Draw on state, national, international industry models and regulation to enable innovation and improvement;
- Conduct an innovative effective, efficient racing program; and
- Avoid overbreeding but sustain greyhound breeding and optimise utilisation of the population.

Social Responsibility

Recognising public expectations to achieve balanced racing, welfare, wagering and community outcomes

Develop a culture where the industry follows contemporary rules, laws and ethical behaviours. Understand the importance of community and participant attitudes towards greyhound racing, and GRV as the sport's regulator, and consider in the discharge of its role. Assist the industry to meet its social responsibilities.

Key Areas of Focus Included:

- Influence and maintain productive relationships and engagement across the industry and community;
- Provide effective and informative communication and education; and
- Promote diversity and equity in all employment throughout the industry.

Club support

Enabling club performance, racing program delivery and community support

Clubs are the sport's primary interface with local communities. Assist and support clubs in the delivery of the strategic plan, through relevant and timely advice for governance, management and corporate services support. Enable clubs to be an indispensable part of their local communities and assist clubs to strengthen their commercial and operational effectiveness.

Key Areas of Focus Included:

- Support clubs to deliver outcomes for the sport in alignment with GRV strategic priorities;
- Enable and support club management and operational capability;
- Assist clubs to meet obligations and minimum operating standards;
- Support clubs strengthening local community engagement; and
- Provide an effective communication and engagement channel for participants.

Sport and Customer Development

Driving customer and wagering growth and sustainability

GRV will position the industry for sustained wagering and commercial growth with a focus on expanding the sport's customer base through promotion and marketing of the sport. Careful management of wagering and broadcasting partnerships, the development of strong industry relationships and sustainable business growth strategies.

Key Areas of Focus Included:

- Increase the fan and participation base diversity for the sport;
- Develop strategies and options to encourage greyhound ownership and participation;
- Promote and market the sport of greyhound racing;
- Develop Wagering Strategy to drive revenue and customer engagement; and
- Leverage technology and data to further promote greyhound racing.

Participant Engagement and Support

Enabling positive, effective outcomes for participants

GRV recognises the role and needs of participants within the Sport and will support and facilitate participant growth and compliance that ensures they contribute to a viable future for greyhound racing.

Key Areas of Focus Included:

- Facilitate the delivery of information and education to participants to improve knowledge and capability across the complete greyhound lifecycle;
- Support participants throughout the changing environment; and
- Support participants in their commercial and economic considerations and expectations.

STATEMENT OF EXPECTATIONS

Victoria's Minister for Racing issued the Statement of Expectations (SOE) for the period 1 January 2018 to 30 June 2019.

Achieve more efficient breeding application processes through:

- **reducing the time taken to finalise a greyhound breeding approval in Victoria; and**
 - **reviewing end to end breeding application processes.**
- Review of breeding registration criteria undertaken.
 - Implemented new breeding registration process which allows participant to fast track applications concurrently with DNA request.

Continual improvement of disciplinary procedures through:

- **reducing the time taken to finalise racing disciplinary matters; and**
 - **improving disciplinary system processes.**
- KPIs implemented to reduce investigation time.
 - Majority of cases are dealt with expediently.
 - A mention system that expedites matters where a guilty plea is received is being developed.

Improve GRV's inspection and swabbing programs to focus on areas of greatest risk to the achievement of regulatory outcomes through:

- **enhanced review process for both inspection and swabbing programs;**
 - **risk based model utilised for swabbing program; and**
 - **risk based model focused on properties and participants at greatest risk of non-compliance.**
- Developed risk-based compliance and enforcement strategy to incorporate future Prevention of Cruelty to Animals and Domestic Animals Act related activities (on hold until authorisations progressed by Victorian Government).
 - Internal re-organisation has streamlined processes relating to inspections and audits.
 - Targets are profiled and prioritised according to risk rating with a series of metrics developed to assess the level of risk for each person and/or property.
 - Program balanced between swabbing (race day and non-race day), property inspections and investigative activity to ensure targeted risk areas.

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Increase awareness and understanding amongst participants of their obligations as greyhound racing participants (including animal welfare requirements) through:

- participant focused education and training framework

- Implementation of Code support program, including development and publication of GRV Code Support Booklet, in consultation with government implementation group and participant reference group.
- Code support helpline implemented with 85 calls received that are responded to within 6-12 hours.
- Created draft EHMP that can be adopted by participants.
- Creation of an EDM capability for GRV.
- 95% of EDMs successfully delivered.
- 13 Code of Practice information sessions held at Clubs.
- Training programs / workshops covering issues such as first aid, nutrition, racing preparedness, travel and re-homing.

Increase awareness and understanding amongst participants of greyhound racing penalty framework through:

- penalty guidelines and regimes clearly identified in framework to be implemented in 2018

- Publication of updated animal welfare penalty guidelines.
- Media release of RADB prosecutions with penalties.
- Code implementation support program commenced.
- Education and support is delivered through GRV authorised officers during field activities.

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STATEMENT OF EXPECTATIONS continued...

Increase awareness and understanding amongst participants of their obligations as greyhound racing participants (including animal welfare requirements) through:

- participant focused education and training framework.

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- Creation of an EDM capability for GRV.
- 95% of EDMs successfully delivered.
- 13 Code of Practice information sessions held at Clubs.
- Training programs / workshops covering issues such as first aid, nutrition, racing preparedness, travel and re-homing.

Improved uniformity between jurisdictions by developing strategies to enhance cross-code collaboration and improve regulatory outcomes through:

**- utilising Victorian Racing Industry forums to identify good regulatory practice; and
- joint data sharing and lessons learnt processes**

- GRV, Animal Welfare Victoria and Office of Racing collaboration on Code implementation activities.
- Establishment of Local Council and Participant Liaison officer position, enabling greater coordination and collaboration, particularly on planning related participant issues.
- Ongoing collaboration between Victorian Racing codes through various forums, particularly in relation to participant education initiatives.
- Strong relationships with information across VicPol, Local Councils and RSPCA.
- Delivery of an all-inclusive Integrity in Sport conference in August 2018, with a specific focus on the Victorian racing industry.

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Increased industry awareness of incentives to drive positive regulatory outcomes through:

- **collecting data to evaluate regulatory outcomes and inform incentive-based regulatory approaches;**
- **formal review of incentives by June 2018;**
- **incentive strategies to drive preferred regulatory and industry-based outcomes; and**
- **publication of key performance measures in Annual Report.**

- Breeding incentive review completed to encourage sustainable breeding.
- Naming fee and breeding fees waived for specified period.
- Breeding data published in 2017-18 Annual Report.

More transparency in GRV's regulatory approach by informing participants about GRV's regulatory approach to risk, enforcement and regulatory action through:

- **publication of GRV regulatory approach by April 2018; and**
- **GRV Risk based approach to compliance and enforcement publicly available.**

- Complaints framework and function established and visible to ORIC including extensive participant awareness campaign.
- Stakeholder sessions conducted to explain changes to the Greyhound racing landscape including the implementation of the Code of Practice for keeping Greyhounds.



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 2019)

- Bernie Carolan: Chair
- Peita Duncan: Deputy Chair
- Robert Greenall (Member)
- Emmett Dunne (Member)
- Marika McMahon (Member)

GRV Leadership Team (at 30 June 2019)

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, Greyhound Welfare and Re-homing
- Donna King: General Manager, People and Culture
- Stuart Laing: General Manager, Clubs and Commercial Development and Acting General Manager – Racing
- Louise Martin: General Manager, Strategic Communication and Marketing
- Scott Robins: Director, Safe Racing and Breeding Sustainability
- Steve Rose: General Manager, Business Information and Technology Services
- Robert Shaw: General Manager, Finance
- Dennis Timewell: Manager, Board Secretariat
- Mark Wells: Director, Strategy and Programs

GRV also has the following oversight 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, Samantha Ball. 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 2018-19, five freedom of information requests were received by GRV with access granted in full for three, access granted in part for one and one denied as it related to personal information about other people.

NATIONAL COMPETITION POLICY

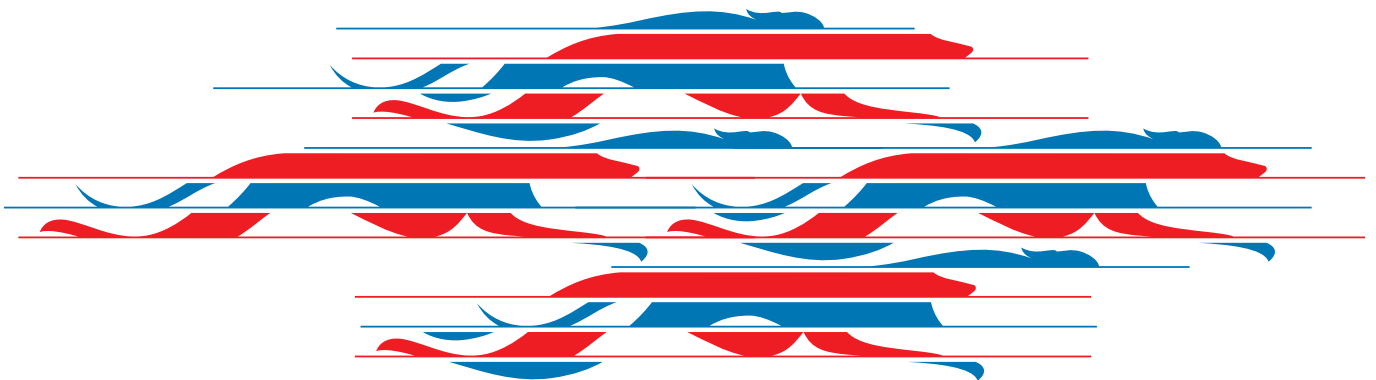
GRV complies with the requirements and application of principles in respect to competition policy and will continue to review and implement policies as and when directed by the Government.

PROTECTED DISCLOSURES ACT 2012

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

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

GRV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. At 30 June 2019, GRV complies with the Act and guidelines in conjunction with the Independent Broad-based Anti-corruption Commission.



STATUTORY INFORMATION

WORKFORCE DATA

As at 30 June 2019, GRV employed 230 full-time, casual and part-time staff, equivalent to 178.73 Full Time Equivalent (FTE) positions

Employees	Ongoing employees				Fixed term and casual
	Number Headcount	Full Time Headcount	Part Time Headcount	FTE	FTE
June 2018	242	132	20	143.92	36.04
June 2019	230	127	26	135.13	43.6

Executive Level Positions	June 2018	June 2019
	7 + CEO	8 + CEO

	June 2018				June 2019			
	Ongoing		Fixed term and Casual		Ongoing		Fixed term and Casual	
	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE	Number Headcount	FTE
Gender								
Male	86	83.54	52	18.16	88	81.76	43	21.89
Female	66	60.38	38	17.8	65	53.37	34	21.71
Age								
Under 25	4	4	17	5.91	2	1.8	15	8.05
25-34	41	39.54	12	3.59	38	33.67	11	7.35
35-44	40	37.88	17	8.34	42	37.88	13	9.87
45-54	33	31.05	16	5.76	34	30.68	15	7.31
55-64	28	26.74	15	8.18	31	27.54	15	7.59
Over 65	6	4.71	13	4.26	6	3.56	8	3.43

Equal Employment Opportunity

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

OCCUPATIONAL HEALTH AND SAFETY (OHS)

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

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 Commercial 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

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, Peita Duncan, 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. As previously reported GRV is providing funding and resources to address this issue over the period 2018-2020.



Chair, GRV Board (Acting)

LOCAL JOBS FIRST POLICY

The Victorian Government's Local Jobs First Policy is comprised of the Victorian Industry Participation Policy and the Major Projects Skills Guarantee. Departments and public bodies are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

In 2018-19, GRV did not announce any tenders for projects that would be subject to Local Jobs First Policy reporting requirements.

STATUTORY INFORMATION

CONSULTANCIES

Figure & Consultancies	2019		2018	
	\$000's	Number	\$000's	Number
Less than \$100,000	399	13	174	6
Greater than \$100,000	523	3	952	6

GRV incurred the following consultancies in FY19:

- Capability Network Pty Ltd provided strategic and operational support in development of GRV's new strategic plan which included the provision of an environmental scan; and, as a separate engagement conducted as the club funding review to determine the most appropriate model for the future, being \$197,800.
- Department of Justice and Regulation evaluated the Statement of Expectation issued by The Minister for Racing, being \$19,229.
- Integrity Governance assisted the Board undertake the annual Board self-assessment review, being \$29,173.
- Dexis Pty Ltd facilitated the development of an independent report on GRV racing injury action plan and developed the racing safety strategy; and, as a separate engagement the development of participant learning and support strategy and implementation plan, being \$55,250.
- Advisian Pty Ltd developed the greyhound racing syndicate strategy, being \$59,080.
- JWS Research conducted market research on the community and industry perceptions towards GRV, being \$139,861.
- Values Communication assisted in the implementation of marketing strategy, being \$32,400.
- Box Seat Media Pty Ltd assessed the requirements for the creation of digital capability for live streaming of GRV races, racing form and related content to web and mobile devices, being \$75,702.
- Nielsen Sports & Entertainment developed strategy to target the key digitally engaged audience within Victorian greyhound racing and wagering, being \$18,000.
- SED Partners Pty Ltd was engaged to develop Clubs master plan and business strategies, being \$17,267.
- Irwin Consult Pty Ltd conducted track lighting audit at Geelong Club, being \$16,000.
- University of Technology Sydney studied into GRV racing injury action plan, being \$185,000.
- Triplesdata Pty Ltd provided real time tracking services at Cranbourne Club, being \$17,035.
- University of Melbourne studied the socialisation of greyhounds to optimise their racing success in terms of minimising behavioural problems, loss rate and maximising successful re-homing, being \$17,768.
- Brook Group provided real time tracking services at Meadows Club, being \$21,418.
- DW & JM Allen developed risk control plans for GRV tracks, being \$21,000.



FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2019

Continuing Operations		2019	2018
Income from Transactions	Note	\$'000	\$'000
TABCORP Income	2.2.1	59,426	60,389
Racefields Fees Income	2.2.2	37,483	34,967
Other Income	2.2.3	6,730	3,467
Total Income From Transactions		103,639	98,823
Expenses from Transactions			
Integrity, Welfare and Racing Expenses	3.2	(19,328)	(19,934)
Stakemoney, Travel & Starters Fees	3.3	(46,491)	(45,076)
Clubs Expenses, Infrastructure and Maintenance	3.4	(20,727)	(21,220)
Industry Expenses	3.5	(5,078)	(5,509)
Administrative Expenses	3.6	(12,673)	(11,587)
Depreciation Expense	4.1.1	(497)	(321)
Total Expenses From Transactions		(104,794)	(103,647)
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		(1,155)	(4,824)
Other Economic Flows Included in Net Result			
Amortisation of Intangible Assets	4.3	(789)	(575)
Net Gain on Financial Assets		-	48
Total Other Economic Flows Included In Net Result		(789)	(527)
NET RESULT		(1,944)	(5,351)
Other Economic Flows - Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes to fair value of Investment in Radio 3UZ unit trust measured at fair value through other comprehensive income	8.1.4	76	-
Total Other Economic Flows Other Comprehensive Income		76	-
COMPREHENSIVE RESULT		(1,868)	(5,351)

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2019

		2019	2018
	Note	\$'000	\$'000
Current Assets			
Cash and Deposits	6.1	3,613	4,536
Receivables	5.1	11,269	11,161
Investments and Other Financial Assets	4.4	17,000	20,000
Prepayments		302	380
Total Current Assets		32,184	36,077
Non-Current Assets			
Investments and Other Financial Assets	4.4	1,252	2,277
Property, Plant and Equipment	4.1	11,256	11,228
Intangible Assets	4.3	4,317	3,482
Investment Property	4.2	4,727	4,727
Total Non-Current Assets		21,552	21,714
TOTAL ASSETS		53,736	57,791
Current Liabilities			
Payables	5.2	4,256	7,006
Provisions	3.1.2	2,816	2,590
Other Liabilities		94	102
Total Current Liabilities		7,166	9,698
Non-Current Liabilities			
Provisions	3.1.2	889	539
Other Liabilities		62	67
Total Non-Current Liabilities		951	606
TOTAL LIABILITIES		8,117	10,304
NET ASSETS		45,619	47,487
Equity			
Reserves	8.1	13,828	23,813
Contributed Capital	8.1.5	1,924	1,924
Accumulated Surplus	8.1.6	29,867	21,750
TOTAL EQUITY		45,619	47,487

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2019

		Distribution Reserve Fund	Infrastructure Reserve Fund	Physical Asset Revaluation Surplus	Financial Asset Revaluation Reserve	Accumulated Surplus	Contributed Capital	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017		7,500	12,332	6,252	-	24,830	1,924	52,838
Net result for the year	8.1.6	-	-	-	-	(5,351)	-	(5,351)
Transfer (to)/from accumulated surplus	8.1.2, 8.1.6	-	(2,271)	-	-	2,271	-	-
Balance at 30 June 2018		7,500	10,061	6,252	-	21,750	1,924	47,487
Change in accounting policy	8.1.4	-	-	-	76	-	-	76
Restated balance at 1 July 2018		7,500	10,061	6,252	76	21,750	1,924	47,563
Net result for the year	8.1.5	-	-	-	-	(1,944)	-	(1,944)
Transfer (to)/from accumulated surplus	8.1.2, 8.1.6	-	(10,061)	-	-	10,061	-	-
Balance at 30 June 2019		7,500	-	6,252	76	29,867	1,924	45,619

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the Financial Year Ended 30 June 2019

		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	Note	\$'000	\$'000
Receipts			
Receipts in the Course of Operations		112,414	108,334
Interest Received		465	506
Total Receipts		112,879	108,840
Payments			
Payments to Suppliers, Employees and Industry		(110,175)	(107,519)
Net GST paid to the ATO		(5,578)	(4,214)
Total Payments		(115,753)	(111,733)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	6.1.1	(2,874)	(2,893)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from Redemption of Investments		35,500	41,000
Net Proceeds from Club Loans		1,101	-
Payment for Property, Plant and Equipment		(2,150)	(1,697)
Payments for Purchase of Investments		(32,500)	(35,500)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		1,951	3,803
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(923)	910
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		4,536	3,626
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.1	3,613	4,536

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

1. ABOUT THIS REPORT

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

Reporting Entity

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

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

Basis of Preparation

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

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

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

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

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

Rounding

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

Compliance information

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

Where appropriate, those 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 also racefield fees and uses those funds to achieve the above stated objectives.

Structure

2.1 Summary of income that funds the delivery of our services

2.2 Income from transactions

		2019	2018
2.1 Summary of income that funds the delivery of our services	Note	\$'000	\$'000
TABCORP Income	2.2.1	59,426	60,389
Racefields Fees Income	2.2.2	37,483	34,967
Other Income	2.2.3	6,730	3,467
Total Income from Transactions		103,639	98,823

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.

2.2 Income from transactions

2.2.1 TABCORP Income

Racing Products Program Fee	13,215	13,315
Racing Products Fees	21,204	22,571
Vic Racing Industry Benefit (VRIB)	8,406	8,915
Vic Racing Joint Venture Profit	9,562	9,783
International Income	7,039	5,805
Total TABCORP Income	59,426	60,389

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

		2019	2018
2.2.2 Racefields Fees Income	Note	\$'000	\$'000
Racefields Fees Income		37,483	34,967

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

Infrastructure VRIF Contribution	963	631
Other VRIF Contributions	2,158	1,163
Point of Consumption Tax (POCT)	1,994	-
Registration Fees	268	343
Interest Received	505	517
Fines	59	79
Sundry Income	605	560
Rent Received	178	174
Total Other Income	6,730	3,467

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 received for programs and works approved by the Government and the income is recognised in the financial year that such amounts are earned by GRV.

Point of Consumption Tax (POCT) - From 1 January 2019, the Victorian Government replaced the previous wagering and betting tax structures with a point of consumption wagering and betting tax (POCT). The POCT applies at a rate of 8 per cent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria. This change resulted in a reduction in Tabcorp Racing Product Fees received by the Victorian Racing Industry (VRI) and subsequently GRV, from the TABCORP Joint Venture. Under the new wagering taxation arrangements, the VRI now receives an additional funding stream from the state government, the VRI POCT Payment. This payment is equal to 1.5% of all taxable net wagering revenue to compensate for the reduction in Product Fees revenue received by the VRI from the TABCORP Joint Venture. POCT revenue is recognised in the period the related net wagering revenue transactions occur.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

	2019	2018
	\$'000	\$'000
3.1.1 Employee benefits in the comprehensive operating statement		
Stewards, Integrity, Welfare Inspector Employee Expenses	7,643	6,617
Welfare Employee Expenses	1,098	2,942
Greyhound Adoption Program Employee Expenses	2,288	2,117
Racing Wages	1,420	1,337
Judges & Lure Driver Expenses	1,245	1,172
Board Wages and Expenses	671	606
Administrative Employee Expenses	5,708	5,178
Technology Costs Employee Expenses	1,874	1,990
Total Employee Expenses	21,947	21,959

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).

		2019	2018
	Note	\$'000	\$'000
3.1 Expenses incurred in delivery of services			
Integrity, Welfare and Racing Expenses	3.2	19,328	19,934
Stake money, Travel and Starters Fees	3.3	46,491	45,076
Clubs Expenses, Infrastructure and Maintenance	3.4	20,727	21,220
Industry Expenses	3.5	5,078	5,509
Administrative Expenses	3.6	12,673	11,587
Total Expenses Incurred in Delivery of Services		104,297	103,326

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.

	2019	2018
	\$'000	\$'000
Current Provisions		
Annual leave:		
Unconditional and Expected to Settle Within 12 Months	896	816
Unconditional and Expected to Settle After 12 Months	299	272
Long Service Leave:		
Unconditional and Expected to Settle Within 12 Months	71	66
Unconditional and Expected to Settle After 12 Months	1,180	1,096
	2,446	2,250
Provisions for On-Costs:		
Unconditional and Expected to Settle Within 12 Months	146	133
Unconditional and Expected to Settle After 12 Months	224	207
	370	340
Total Current Provisions for Employee Benefits	2,816	2,590
Non-Current Provisions		
Employee Benefits	772	468
On-Costs	117	71
Total Non-Current Provisions for Employee Benefits	889	539
Total Provisions for Employee Benefits	3,705	3,129
Reconciliation of Movement in On-Cost Provision		
Opening Balance	411	343
Additional Provisions Recognised	74	87
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits	(20)	(11)
Unwind Of Discount and Effect of Changes In Discount Rate	22	(8)
Closing Balance	487	411
Current	370	340
Non-Current	117	71
Total On-Costs	487	411

Annual leave

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

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

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

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

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

The components of this current LSL liability are measured at:

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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	2019	2018	2019	2018
	Paid Contribution for the Year		Contribution Outstanding at Year End	
	\$'000	\$'000	\$'000	\$'000
Defined benefit plans (a)				
State Superannuation Fund - revised and new	8	8	-	-
Defined contribution plans				
VicSuper	652	616	-	-
Other	1,097	1,117	-	-
Total	1,757	1,741	-	-

Notes:

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

	2019	2018
3.2 Integrity, Welfare and Racing Expenses	\$'000	\$'000
Integrity Expenses		
Stewards and Integrity Employee Expenses	7,643	6,617
Swab Analysis	2,268	2,599
Legal and Appeals Expenses	371	638
Contribution to Research	4	28
Ear Branding and Micro Chipping	130	110
Integrity Initiatives	420	209
Sub Total	10,836	10,201
Racing Appeals and Disciplinary Board	362	361
Welfare Expenses		
Welfare incl. Employee Expenses	1,361	3,115
Greyhound Adoption Program incl. Employee Expenses	4,104	3,748
Sub Total	5,465	6,863
Racing & Wagering		
Employee Expenses	1,420	1,337
Judges & Lure Drivers	1,245	1,172
Sub Total	2,665	2,509
TOTAL INTEGRITY, WELFARE AND RACING EXPENSES	19,328	19,934

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. Note in 2019 the Stewards and Integrity expenses included the cost of welfare inspectors which were previously allocated to Welfare employee costs.

3.3 Stakemoney, Travel and Starters Fees

	46,491	45,076
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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

On-Course Tote Commission	675	807
Distributions to Clubs	8,983	7,695
Insurance Allocation	368	280
Clubs Technology Development and Support Allocation	80	80
Marketing and Promotions	1,726	1,656
Club Sky Channel Linking and Video Costs	2,288	1,704
RSN Broadcasting and Deficit Funding	1,145	1,163
Infrastructure and Maintenance	5,462	7,835
Total Club Expenses, Infrastructure and Maintenance	20,727	21,220

GRV incurs expenses for infrastructure and maintenance works which are treated as an expense within the accounts as they are generally upgrades to facilities and infrastructure at greyhound racing clubs and are not GRV assets. These expenses were applied against the Infrastructure Reserve Fund in 2018, however as per note 8.1.2 the fund was discontinued.

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.

	2019	2018
3.5 Industry Expenses	\$'000	\$'000
Advertising, Promotions, Industry Awards, Market Research and Publications	4,340	4,729
Registration Expenses	174	172
Racing Industry Costs	56	57
Fields and Form Guides	508	551
Total Industry Expenses	5,078	5,509

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

3.6 Administrative Expenses

Board Wages and Expenses	671	606
Administrative Employee Expenses	5,708	5,178
Technology Costs incl. Employee Expenses	2,878	2,761
Audit, Legal and Consultancy	1,749	1,248
Fringe Benefits Tax	693	814
Insurance	122	93
Other Administrative Expenses	852	887
Total Administration Expenses	12,673	11,587

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Structure

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

4.1 Total Property, Plant and Equipment

	2019	2018	2019	2018	2019	2018
Gross carrying amount and accumulated depreciation	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value						
Land at fair value (i)	7,479	7,479	-	-	7,479	7,479
Buildings at fair value (i)	3,893	3,630	(695)	(364)	3,198	3,266
Work in progress	24	70	-	-	24	70
Equipment at fair value	442	343	(243)	(197)	199	146
Furniture and Fittings at fair value	118	35	(42)	(35)	76	-
Computer and Office Equipment at fair value	857	731	(577)	(464)	280	267
Total	12,813	12,288	(1,558)	(1,060)	11,256	11,228

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.

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

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

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

4.1.1 Depreciation and impairment	2019	2018
Charge for the period	\$'000	\$'000
Buildings	331	199
Equipment	46	33
Furniture and Fittings	8	1
Computer and Office Equipment	112	88
Total depreciation	497	321

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

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

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

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

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

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment	Land at fair value		Buildings at fair value		Work in progress		Equipment at fair value		Furniture and Fittings at fair value		Computer and Office Equipment at fair value		Total	
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Opening Balance	7,479	7,479	3,266	3,038	70	-	146	103	-	1	267	159	11,228	10,780
Additions	-	-	193	20	24	613	99	76	84	-	125	60	525	769
Transfers from (to) other asset class	-	-	70	407	(70)	(543)	-	-	-	-	-	136	-	-
Depreciation	-	-	(331)	(199)	-	-	(46)	(33)	(8)	(1)	(112)	(88)	(497)	(321)
Closing Balance	7,479	7,479	3,198	3,266	24	70	199	146	76	-	280	267	11,256	11,228

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

	2019	2018
	\$'000	\$'000
4.2 Investment Properties		
William Street Property		
Balance at the Beginning of Financial Year	4,727	4,727
Balance at End of Financial Year	4,727	4,727

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.

	2019	2018	2019	2018	2019	2018
4.3 Intangible Assets	Gross carrying amount		Amortisation		Amount	
Assets at Fair Value	\$'000		\$'000		\$'000	
Intangible Assets - FastTrack	7,205	5,815	(3,600)	(2,811)	3,605	3,004
Work in progress	712	478	-	-	712	478
Total	7,917	6,294	(3,600)	(2,811)	4,317	3,482

Reconciliation of movements in carrying amount of intangible assets.	Intangible assets		Work in progress		Total	
	\$'000		\$'000		\$'000	
Opening Balance	3,004	3,129	478	-	3,482	3,129
Additions	-	-	1,624	928	1,624	928
Transfers from (to) other asset class	1,390	450	(1,390)	(450)	-	-
Amortisation	(789)	(575)	-	-	(789)	(575)
Closing Balance	3,605	3,004	712	478	4,317	3,482

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

Initial recognition

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

Internally generated intangible assets are 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 produced and 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.

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

	2019	2018
	\$'000	\$'000
4.4 Investments and Other Financial Assets		
Current Investments and Other Financial Assets		
Term Deposits	17,000	20,000
Total Current Investments and Other Financial Assets	17,000	20,000
Non-Current Investments and Other Financial Assets		
Loan - Melbourne Greyhound Racing Association ⁽¹⁾	-	1,751
Loan - Sandown Greyhound Racing Club ⁽²⁾	650	-
Shares in Radio 3UZ Pty Ltd	1	1
Units in Radio 3UZ Unit Trust	601	525
Total Non-Current Investments and Other Financial Assets	1,252	2,277
Total Investments and Other Financial Assets	18,252	22,277

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

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

Where appropriate loans are recorded at amortised cost, using the effective interest rate method which applies the effective interest rate that exactly discounts estimated

future cash receipts through the expected life of the financial asset, or where appropriate, over a shorter period. GRV provided the following loan:

(1) The Melbourne Greyhound Racing Association ("MGRA")

The loan was advanced to assist MGRA with the purchase of a parcel of land, which was intended to be used for the building of a TABARET with no repayment terms or interest rate agreed to. However, GRV entered into a caveat over the property with MGRA. In 2019 the MGRA fully repaid the loan.

(2) Sandown Greyhound racing Club ("SGRC")

In 2019 the GRV Board reviewed and approved a loan application from the Sandown GRC for the purchase of a property in Toongabbie, Victoria for the purposes of developing a greyhound rearing, education and re-homing facility. The initial \$0.65m loan was advanced in accordance with GRV's innovation grants & loans application requirements with the balance to be finalised in 2020 at which time the loan will be discounted having regard to the likely repayment terms.

Investment in Radio 3UZ Pty Ltd:

GRV's investment in Radio 3UZ unit trust consists of an 8.75% unit holding in this trust which fully owns all of the issued shares in 3UZ Pty Ltd. 3UZ Pty Ltd, which operates commercial radio station Radio Sport National, formerly Sport 927, and a network of regional relay stations. The investment in Radio 3UZ unit trust in 2019 has been recognised at fair value as required by AASB 9 Financial Instruments, as Radio 3UZ unit trust is an unlisted trust and its units are not readily traded in an open market, an independent valuation has been obtained as at 30 June 2019. The independent valuation provided an indicative valuation range for the Radio 3UZ unit trust of between \$6.38m and \$7.35m. The investment has been brought to account based on 8.75% of the valuation mid-point of \$6.87m, being \$0.601m. The 2018 value of GRV's investment in Radio 3UZ Pty Ltd was recognised at cost in compliance with AASB139 due to lack of market data.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

	2019	2018
5.1 Receivables	\$'000	\$'000
Current		
<i>Contractual</i>		
Sundry Debtors	2,054	3,488
Trade Debtors	8,843	7,256
Total Contractual	10,897	10,744
<i>Statutory</i>		
GST Recoverable	372	417
Total Statutory	372	417
Total Receivables	11,269	11,161

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

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

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

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

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

	2019	2018
5.2 Payables	\$'000	\$'000
Current		
<i>Contractual</i>		
Trade Creditors	1,114	2,082
Sundry Creditors	2,164	3,976
Total Contractual	3,278	6,058
Statutory		
GST Payable	898	860
Payroll Tax Payable	80	88
Total Statutory	978	948
Total Payables	4,256	7,006

Payables consist of:

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

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

Maturity analysis of contractual payables (a)	Carrying Amount	Nominal Amount	Maturity Dates
			Less than 1 month
	\$'000	\$'000	\$'000
2019			
Payables	3,278	3,278	3,278
Total	3,278	3,278	3,278
2018			
Payables	6,058	6,058	6,058
Total	6,058	6,058	6,058

Notes:

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

6. HOW WE FINANCED OUR OPERATIONS

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.

		2019	2018
	Note	\$'000	\$'000
Total cash and cash equivalents		3,613	4,536
Balance as per cash flow statement		3,613	4,536

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

Net Result for the Period		(1,944)	(5,351)
Non-cash movements			
Depreciation and Amortisation	4.1.1, 4.3	1,287	896
Net Gain on Financial and Non-Financial Assets		-	(48)
Movements in assets and liabilities			
(Increase) in Receivables & Prepayments		(29)	(916)
(Decrease) Increase in Payables		(2,750)	2,005
Increase in Employee Benefits		575	532
(Decrease) in Other Liabilities		(13)	(11)
Net Cash Flows From / (Used In) Operating Activities		(2,874)	(2,893)

6.2 Commitments for Expenditure

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

6.2.1 Total commitments payable	Less than 1 year	1-5 years	Total
Nominal Amounts	\$'000	\$'000	\$'000
2019			
Club Infrastructure commitments payable	-	-	-
Operating and lease commitments payable	850	574	1,424
Other commitments payable	2,695	8,414	11,109
Total commitments (inclusive of GST)	3,545	8,988	12,533
Less GST recoverable			(1,139)
Total commitments (exclusive of GST)			11,394
2018			
Club Infrastructure commitments payable	1,268	-	1,268
Operating and lease commitments payable	721	174	895
Other commitments payable	2,441	11,110	13,551
Total commitments (inclusive of GST)	4,430	11,284	15,714
Less GST recoverable			(1,429)
Total commitments (exclusive of GST)			14,285

Club Infrastructure commitments payable

At 30 June 2019, GRV has no outstanding commitments for infrastructure works (2018: \$1.268Mil).

Operating and lease commitments payable:

Operating lease commitments include vehicle leases with average lease terms of 29 months (2018: 30 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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*.

From 1 July 2018, GRV applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

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

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

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

GRV recognises the following assets in this category:

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

Financial assets at fair value through other comprehensive income

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and GRV has irrevocably elected at initial recognition to recognise in this category. These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income. Upon disposal of these

equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

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

Categories of Financial Assets previously under AASB 139

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.

Held to maturity financial assets: If GRV has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Categories of financial liabilities under AASB 9 and previously under AASB 139

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.

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

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

7.1.1 Financial instruments - Categorisation			\$'000
2019			
Contractual Financial assets			
Cash and deposits	6.1	Cash and deposits	3,613
Receivables ^(a)	5.1	Financial assets at amortised cost (AC)	10,897
Loan - Sandown Greyhound Racing Club	4.4	Financial assets at amortised cost (AC)	650
Term deposit	4.4	Financial assets at amortised cost (AC)	17,000
Investment in Radio 3UZ unit trust	4.4	Financial assets measured at fair value through other comprehensive income (FVOCI)	602
Contractual Financial liabilities			
Payables ^(a)	5.2	Financial liabilities at amortised cost (AC)	3,278
2018			
Contractual Financial assets			
Cash and deposits	6.1	Loans and receivables and cash	4,536
Receivables ^(a)	5.1	Loans and receivables and cash	10,744
Loan - Melbourne Greyhound Racing Association	4.4	Loans and receivables and cash	1,751
Term deposit	4.4	Held to maturity financial assets	20,000
Investment in Radio 3UZ unit trust	4.4	Available for sale	526
Contractual Financial liabilities			
Payables ^(a)	5.2	Financial liabilities at amortised cost (AC)	6,059

Notes:

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

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

	2019	2018	2019	2018	2019	2018
	Net Holding Gain/(Loss)		Total Interest Income/(Expense)		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Financial assets - Loans and receivables	-	48	-	517	-	565
Financial assets at amortised cost - other than on derecognition	-	-	505	-	505	-
Total contractual financial assets	-	48	505	517	505	565

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, financial assets at amortised cost and equity instruments that are classified as financial assets at fair value through other comprehensive income, 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.

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 Notes throughout the financial statements.

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

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

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

Risk management is carried out by management and reported on an exception basis to the Board. The Board reviews and agrees policies for managing each of these risks

in consultation with management and undertakes regular monitoring of the performance of GRV's financial assets and liabilities.

Credit risk

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

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

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

7.1.3 Financial risk management objectives and policies continued...

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

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.

Impairment of financial assets under AASB 9 - applicable from 1 July 2018

From 1 July 2018, GRV has reviewed any expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's expected credit loss approach. GRV's financial assets at amortised cost are subjected to AASB 9's impairment assessment.

Contractual receivables at amortised cost

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

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

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables

GRV's non-contractual receivables arising from statutory requirements are not financial instruments. However, they

are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

Liquidity risk

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

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

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

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

Market risk

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

Interest rate risk

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

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

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

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

	Interest Rate Exposure				
	Weighted Average Interest Rate	Carrying Amount	Fixed Interest Rate	Floating Interest Rate	Non Interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
2019					
Financial assets					
Cash and deposits	1.65%	3,613	-	3,613	-
Receivables ^(a)	-	10,897	-	-	10,897
Investments and other contractual financial assets					
- Term Deposit	1.93%	17,000	17,000	-	-
- Loans receivable	2.50%	650	650	-	-
- Investments	-	602	-	-	602
Total financial assets		32,762	17,650	3,613	11,499
Financial Liabilities					
Payables ^(a)	-	3,278	-	-	3,278
Total Financial liabilities		3,278	-	-	3,278
2018					
Financial assets					
Cash and deposits	1.25%	4,536	-	4,536	-
Receivables ^(a)	-	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
Total financial assets		37,557	21,751	4,536	11,270
Financial Liabilities					
Payables ^(a)	-	6,059	-	-	6,059
Total Financial liabilities		6,059	-	-	6,059

Notes:

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

7.1.3 Financial risk management objectives and policies continued...

Sensitivity disclosure analysis and assumptions

GRV reviews the sensitivity of its cash investments, noting GRV cannot be expected to predict movements in market rates and prices. A sensitivity analysis indicates what is "reasonably possible" over the next 12 months which allows for a movement of 100 basis points up and down (2018:100 basis points up and down) in market interest rates (AUD). GRV has assessed the impact of changes in market rates of 100 basis points to be immaterial.

Interest rate risk sensitivity

A movement of 100 basis points either up or down is not expected to have a material effect on GRV's financial instruments as the majority are held at fixed interest rate or non-interest bearing.

Other price risk

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

7.2 Contingent Assets and Contingent Liabilities

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

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 2019 (2018: 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 2019, (2018: None)

7.3 Fair Value Determination

Significant judgement: Fair value measurements of assets and liabilities.

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

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value hierarchy

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

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

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

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

How this section is structured

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

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

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

7.3.1 Fair value determination of financial assets and liabilities

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

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

GRV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018-19 reporting period.

These financial instruments include:

Financial Assets

Cash and deposits

Investments and other financial assets:

- Term deposits
- Loan receivable
- Receivables

Financial Liabilities

Payables

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

7.3.1 Fair value determination of financial assets and liabilities continued...

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

Financial assets and liabilities measured at fair value	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Investment - Radio 3UZ Unit Trust	-	-	602	602	-	-	526	526
Total	-	-	602	602	-	-	526	526

There have been no transfers between levels during the period.

GRV recognises its investment in Radio 3UZ Unit trust as a level 3 financial asset. The shares are not listed and GRV has determined the fair value by way of an independent valuation of the shares and brought to account the increase in the share value to the valuation reserve and also through other economic flows under comprehensive income. In order to value units of Radio 3UZ Unit Trust, it has been necessary to determine a valuation of the licence of the radio station and then also determine the other net assets

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

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

	Valuation technique	Significant unobservable inputs	Assumption Range %	Sensitivity of fair value measurement to changes in significant unobservable inputs
Unlisted Security (Radio 3UZ unit trust)	Discounted cashflow method	Reduction in cash inflows for subsequent years average decrease	40-60%	10% increase or decrease on the cash inflow assumption would result in an increase or decrease of \$11,225 in fair value of our investment
				2019
				2018
Reconciliation of Level 3 fair value movements				\$'000
				\$'000
Investment in Radio 3UZ unit trust				
Opening balance				
				525
				525
Total gains or losses recognised:				
- Opening balance adjustment on adoption of AASB 9 through other comprehensive income				
				76
				-
Closing balance				
				601
				525
Total gains or losses for the period included in profit or loss for assets held at the end of the period				
				-
				-

7.3.2 Fair value determination: Non-financial physical assets

	2019	2018	2019	2018	2019	2018	2019	2018
Fair value measurement hierarchy	Written down value		Fair value measurement at end of reporting period using:					
			Level 1		Level 2		Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value								
Land at fair value	7,479	7,479	-	-	7,479	7,479	-	-
Buildings at fair value	3,198	3,266	-	-	1,402	1,452	1,796	1,814
Equipment at fair value	199	146	-	-	-	-	199	146
Furniture and Fittings at fair value	76	-	-	-	-	-	76	-
Computer and Office Equipment at fair value	280	267	-	-	-	-	280	267
Total	11,232	11,228	-	-	8,881	9,001	2,351	2,227

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 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

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

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

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

Specialised buildings

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

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

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

Reconciliation of Level 3 fair value movements	Buildings at Semour GAP		Plant and Equipment							
			Track and GAP Equipment		Furniture and Fittings		Computer and Office Equipment			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Opening Balance	1,814	1,480	145	103	-	1	267	159		
Purchases (sales)	108	-	100	76	84	-	125	60		
Transfer in from (out to) another class	17	407	-	-	-	-	-	136		
Depreciation	(143)	(73)	(46)	(34)	(8)	(1)	(112)	(88)		
Subtotal	1,796	1,814	199	145	76	-	280	267		

Description of significant unobservable inputs to Level 3 valuations

Plant and equipment

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

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

Specialised buildings

Valuation technique: Market value approach of comparative properties.

Significant unobservable inputs: Market data have regard to cost per square metre (refer Note 4.1.1)

Significant unobservable inputs have remained unchanged since June 2018.

Investment properties measured at fair value and their categorisation in the fair value hierarchy	Written down value	2019	2018	Fair Value measurement at end of reporting period using:					
		\$'000	\$'000	Level 1 (i)		Level 2 (i)		Level 3 (i)	
				\$'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 2019.

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

8. OTHER DISCLOSURES

Introduction

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

Structure

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

		2019	2018
8.1 Reserves	Note	\$'000	\$'000
Distribution Reserve Fund	8.1.1	7,500	7,500
Infrastructure Reserve Fund	8.1.2	-	10,061
Physical Asset Revaluation Surplus	8.1.3	6,252	6,252
Financial Assets Through Other Comprehensive Income Revaluation Surplus	8.1.4	76	-
Total Reserves		13,828	23,813
Contributed Capital	8.1.5	1,924	1,924
Accumulated Surplus	8.1.6	29,867	21,750
Total Contributed Capital and Surpluses		31,791	23,674
Total Equity		45,619	47,487

8.1.1 Distribution Reserve Fund (DRF)

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

Balance at beginning of financial year	7,500	7,500
Balance at end of financial year	7,500	7,500

8.1.2 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 2019 GRV now fully integrates all expenses relating to Clubs Infrastructure within each relevant department and therefore has discontinued the Infrastructure Reserve Fund and allocated the balance to accumulated surplus. GRV however benchmarks its overall liquidity position to ensure it can meet future infrastructure obligations.

		2019	2018
	Note	\$'000	\$'000
Balance at beginning of financial year		10,061	12,332
Expenses from Infrastructure and Maintenance	3.4	-	(7,835)
Victorian Racing Industry Fund Contribution	2.2.3	-	631
Annual Transfer from Accumulated Surplus		-	4,933
Transfer (to) Accumulated Surplus	8.1.6	(10,061)	(2,271)
Balance at end of financial year		-	10,061

8.1.3 Physical Asset Revaluation Surplus

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

Balance at beginning of financial year	6,252	6,252
Balance at end of financial year	6,252	6,252
The reserve comprises :		
Land	6,252	6,252
Balance at end of financial year	6,252	6,252

8.1.4 Financial Asset Revaluation Reserve

The investment in Radio 3UZ unit trust in 2019 has been recognised at fair value as required by AASB 9 Financial Instruments, as Radio 3UZ unit trust is an unlisted trust and its units are not readily traded in an open market, an independent valuation has been obtained as at 30 June 2019. The independent valuation resulted in an increase in the fair value by \$0.076m.

Balance at beginning of financial year	-	-
Opening balance adjustment on adoption of AASB 9	76	-
Balance at end of financial year	76	-

8.1.5 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.

1,924	1,924
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	2019	2018
8.1.6 Accumulated Surplus/ (Deficit)	\$'000	\$'000
Accumulated surplus/(deficit) at the Beginning of the Financial Year	21,750	24,830
Net Result	(1,944)	(5,351)
Total Available for Appropriation	19,806	19,479
Transfer from/(to) Reserves		
Infrastructure Reserve Fund	10,061	2,271
Accumulated Surplus/(Deficit) at the End of the Financial Year	29,867	21,750

8.2 Responsible Persons

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

Portfolio Minister:

The Minister for Racing The Hon. Martin Pakula, MP from 01.07.2018 to 30.06.2019

Governing Board:

Position	Member	From	To
Chairman	Mr. B Carolan	01.07.2018	30.06.2019
Member	Ms. P. Duncan	01.07.2018	30.06.2019
Member	Ms. J Billings	01.07.2018	11.09.2018
Member	Mr. R. Greenall	01.07.2018	30.06.2019
Member	Mr. E. Dunne	01.07.2018	30.06.2019
Member	Ms. M. McMahon	11.09.2018	30.06.2019

Accountable Officer:

Mr. A.K. Clayton - from 01.07.2018 to 30.06.2019

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	1	2
\$30,000 to \$39,999	1	-
\$40,000 to \$49,999	3	3
\$70,000 to \$79,999	1	1
\$410,000 to \$419,999	-	1
\$430,000 to \$439,999	1	-
Total Numbers	7	7
Total Remuneration - \$'000	680	649

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

8. OTHER DISCLOSURES continued...

8.3 Remuneration of Executives

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

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

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

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

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

	2019	2018
Remuneration of Executive Officers	\$'000	\$'000
Short-term employee benefits	2,083	1,826
Post-employment benefits	192	155
Other long-term benefits	68	50
Total remuneration^(a)	2,343	2,031
Total number of Executives	9	8
Total annualised employee equivalents^(b)	8.7	8.0

Notes:

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

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

8.4 Related Parties

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

Related parties of GRV include:

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

All related party transactions have been entered into on an arm's length basis and include (\$'000);

Mr B.Carolan as a Director on 3UZ Pty Ltd (trading as RSN) which provided radio broadcasting services to GRV at a total cost of \$1,145 (2018:\$1,163)

Mr S.Gillard as a Director on Racing Analytical Services which provided swabbing services at a total cost of \$2,268 (2018: \$2,599)

Key management personnel of GRV includes:

- (1) the Portfolio Minister: The Minister for Racing The Hon. Martin Pakula, MP;
- (2) the Governing Board (refer to Note 8.2 for list of Board members);
- (3) the Accountable Officer: Mr. A.K. Clayton; and
- (4) members of the LeadershipTeam, which includes:
 - Mr. R. Shaw
 - Mr. S. Gillard
 - Mr. S. Laing
 - Ms. L. Martin
 - Mr. G. Goble
 - Ms. D. King
 - Mr. S. Rose
 - Ms. T. Benfield
 - Mr. V. Lynch

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.

	2019	2018
Compensation of KMPs	\$'000	\$'000
Short-term employee benefits ^(a)	2,678	2,422
Post-employment benefits	266	237
Other long-term benefits	80	59
Total	3,024	2,718

Notes:

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

Transactions and balances with key management personnel and other related parties

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

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

Significant transactions with government related entities

(a) Department of Justice (DOJ)

- 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.

297	1,794
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(b) Department of Jobs, Precincts and Regions

- 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.

2,825	-
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(c) Treasury Corporation of Victoria (TCV)

- Term deposits held at end of the financial year.

15,000	18,000
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- Amounts recognised as income in the Comprehensive Operating Statement.

This is interest earned on term deposits with TCV.

321	402
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	2019	2018
8.5 Remuneration of Auditors	\$'000	\$'000
Victorian Auditor-General's Office		
Audit of the financial statements	18	17
Internal Audit		
Audit services	197	170
Non-audit services	6	-
	203	170
Total remuneration of auditors	221	187

8.6 Subsequent Events

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

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

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

8.7 Other Accounting Policies

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

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

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

8. OTHER DISCLOSURES continued...

8.8 Change in Accounting Policies

GRV has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to hedge accounting. However, GRV does not use hedging therefore there is no impact.

This note explains the impact of the adoption of AASB 9 Financial Instruments on GRV's financial statements.

8.8.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, GRV's management has assessed all financial assets based on GRV's business models for managing the assets. The following are the changes in the classification of GRV's financial assets:

- (a) Investment in Radio 3UZ Unit Trust was previously shown at cost under AASB 139 as it was an unlisted investment but it is now classified as fair value through other comprehensive income under AASB 9 because this investment is held as long-term strategic investment that is not expected to be sold in the short to medium term. As a result of the change in classification, the related fair value gain of \$0.076m was transferred to a revaluation reserve to fair value through other comprehensive income reserve on 1 July 2018. There was no opening retained earnings adjustment.
- (b) Term deposits previously classified as held to maturity under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.
- (c) Contractual receivables previously classified as other loans and receivables and cash under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. No loss allowance for these assets was required with the opening retained earnings for the period.

GRV's accounting policies for financial assets and liabilities are set out in Note 7.1. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

	AASB 9 Measurement Categories			
	Notes	AASB 139 Measurement Categories	Amortised Cost	Fair Value Through Other Comprehensive Income
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2018				
AASB 139 Measurement Categories				
Loans and receivables and cash:				
- Receivables	8.8.1(c)	10,744	10,744	-
- MGRA Loan		1,751	1,751	-
Held to Maturity:				
- Term deposits	8.8.1(b)	20,000	20,000	-
Available for Sale:				
- Investment in Radio 3UZ unit trust	8.8.1(a)	602	-	602
As at 1 July 2018		33,097	32,495	602

8.8.2 Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, GRV applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method may result in an increase in the impairment loss. GRV reviewed the impairment and determined that no loss allowance was required for these financial assets during the financial year.

8.9 Australian Accounting Standards Issued that are Not Yet Effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 1059 Service Concession Arrangements: Grantor;
- AASB 16 Leases;
- AASB 15 Revenue from Contract with Customers; and
- AASB 1058 Income of Not-for-Profit Entities.

Service concession arrangements

Prior to the issuance of AASB 1059, there was no definitive accounting guidance in Australia for service concession arrangements, which include a number of public private partnership (PPP) arrangements. The AASB issued the new standard to address the lack of specific accounting guidance and based the content thereof broadly on its international equivalent: International Public Sector Accounting Standard 32 *Service Concession Arrangements: Grantor*.

For arrangements within the scope of AASB 1059, the

public sector grantor will be required to record the asset(s) used in the service concession arrangement at current replacement cost in accordance with cost approach to Fair Value under AASB 13 Fair Value Measurement (AASB 13), with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the "Grant Of A Right To The Operator" or GORTO liability) or a combination of both.

GRV has assessed that it has no service concession arrangements in place and therefore this will not have any financial impacts on GRV.

Leases

AASB 16 Leases replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS continued...

For the Year Ended 30 June 2019

8. OTHER DISCLOSURES continued...

8.9 Australian Accounting Standards Issued that are Not Yet Effective (continued)

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. GRV intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

GRV will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. GRV will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. GRV intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

GRV has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU \$1.17 m,
- increase in related depreciation \$0.66m,
- increase in lease liability \$1.17m,
- increase in related interest \$0.01m calculated using effective interest method, and
- decrease in rental expense \$0.66m.

Revenue and Income

AASB 15 supersedes AASB 118 Revenue, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.

- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors (2018-4)*, to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 *Contributions*.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. GRV intends to adopt these standards in 2019-20 financial year when it becomes effective.

GRV will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

GRV has performed a detailed impact assessment of AASB 15 and AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application and determined that no impact is applicable. The following is a brief summary of major income sources noting GRV obtains 93.5% of its income in 2018-19 from wagering income i.e. TABCORP and racefield fees. The following describes the various obligations that give rise to the income.

With respect to TABCORP Income, GRV has a clear contractual obligation to provide racing product and other obligations through extensive agreements that include a racing products agreement, program agreement and joint venture agreement with the Victorian Racing Industry (VRI)

Companies: Vic Racing Pty Ltd and Racing Products Pty Ltd with the TABCORP Joint venture. GRV receive its portion of the income earned through a contractual deed of operations as agreed between the VRI Codes.

With racefield income, GRV has a right to impose a fee on wagering providers who publish and use our racefields in order that they obtain wagering from their customers on our product. GRVs right to impose fees is provided through legislative rights under the Gambling Regulation Act 2003, however specific obligations are imposed by way of GRV agreed conditions on the wagering service providers. These conditions include requirements for payment of monthly fees in arrears.

GRV other sources of income include :
 Government Grants for Victorian Racing Industry Funding
 GRV is required to make formal application to the Department in order to obtain Ministerial approval for grants to assist in meeting various agreed common objectives. GRV is required to enter into a contractual /grants agreement which includes the requirements and payments provided and other obligations in order to meet the final required Government proposed acquittal.

Point of Consumption Tax
 On 1 January 2019 the Gambling Regulation Amendment (Wagering and Betting) Act 2018 (Vic) – which amended the Gambling Regulation Act 2003 (Vic) ('GRA') – came into where the Victorian Government replaced the previous wagering and betting tax structures with a point of consumption wagering and betting tax (POCT). The POCT applies a rate of 8 per cent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria. Under the new wagering taxation arrangements, the Victorian Racing Industry (VRI) now receives an additional funding stream from the State Government, the VRI POCT payment which is made a month in arrears and in turn Greyhound Racing Victoria receive its portion of the payment based on a contractual deed of operations as agreed between the Codes.

APPENDIX 1

DISCLOSURE INDEX

Appendix 1: The Annual Report of GRV is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of GRV's compliance with statutory disclosure requirements.

Legislation Requirement

Ministerial & Financial Reporting Directions

Report of Operations

Charter and purpose

FRD 22H	Manner of establishment and the relevant Ministers
FRD 22H	Purpose, functions, powers and duties
FRD 8D	Departmental objectives, indicators and outputs
FRD 22H	Key initiatives and projects
FRD 22H	Nature and range of services provided

Management and structure

FRD 22H	Organisational structure
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Financial and other information

FRD 8D	Performance against output performance measures
FRD 8D	Budget portfolio outcomes
FRD 10A	Disclosure index
FRD 12B	Disclosure of major contracts
FRD 15D	Executive officer disclosures
FRD 22H	Employment and conduct principles
FRD 22H	Occupational health and safety policy
FRD 22H	Summary of the financial results for the year
FRD 22H	Significant changes in financial position during the year
FRD 22H	Major changes or factors affecting performance
FRD 22H	Subsequent events
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 National Competition 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 24C	Reporting of office-based environmental impacts
FRD 25D <small>(pending)</small>	Local Jobs First
FRD 29C	Workforce Data disclosures
SD 5.2	Specific requirements under Standing Direction 5.2

Compliance attestation and declaration

SD 3.7.1	Attestation for compliance with Ministerial Standing Direction
SD 5.2.3	Declaration in report of operations

Legislation Requirement

Financial Statements

Declaration

SD 5.2.2 Declaration in financial statements

Other requirements under Standing Directions 5.2

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

SD 5.2.1(a) Compliance with Standing Directions

SD 5.2.1 (b) Compliance with Model Financial Report

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

FRD 9A Departmental Disclosure of Administered Assets and Liabilities by Activity

FRD 11A Disclosure of Ex-gratia Expenses

FRD 13 Disclosure of Parliamentary Appropriations

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

FRD 103G
(pending) Non-Financial Physical Assets

FRD 110A Cash Flow Statements

FRD 112D Defined Benefit Superannuation Obligations

FRD 114C
(pending) Financial Instruments – General government entities and public non-financial corporations

Legislation

Freedom of Information Act 1982

Building Act 1993

Protected Disclosure Act 2012

Carers Recognition Act 2012

Disability Act 2006

Local Jobs Act 2003

Financial Management Act 1994

Independent Auditor's Report

To the Board of Greyhound Racing Victoria

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

- balance sheet as at 30 June 2019
- 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 2019 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.

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.

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.

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.



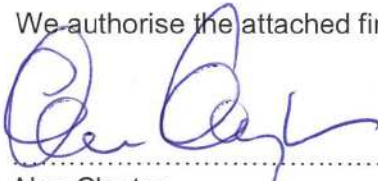
Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for Greyhound Racing Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2019 and financial position of Greyhound Racing Victoria at 30 June 2019.


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 27 August 2019.



Alan Clayton
Accountable Officer
PSM

Date: 27 August 2019



Robert Shaw
Chief Finance and Accounting Officer
CPA

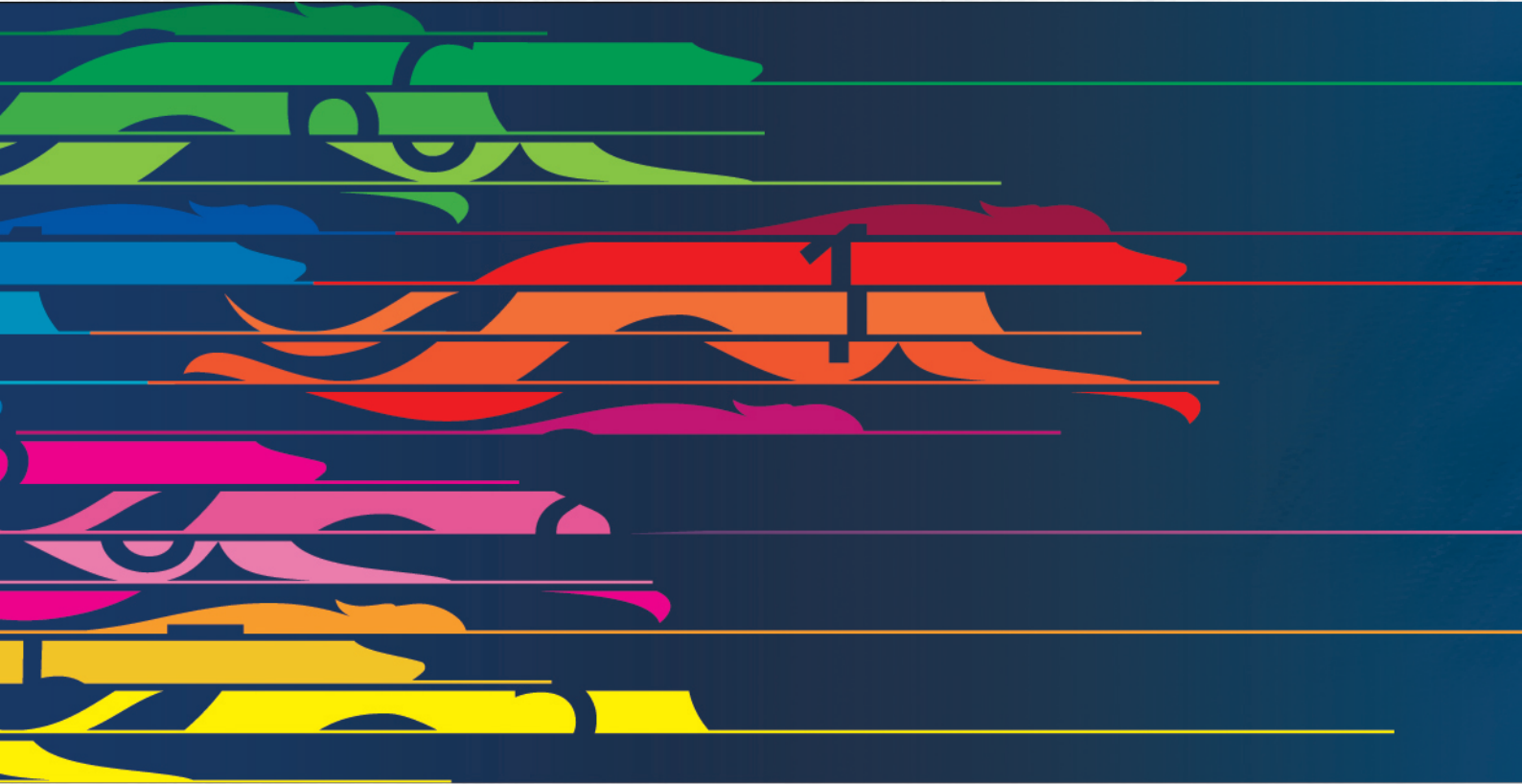
Date: 27 August 2019



Peita Duncan
Acting Chair

Date: 27 August 2019





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