



Peter Caillard

CHAIRMAN

(Commenced August 2011)

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

MEMBERS OF THE BOARD



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

Jenni Coustley

BOARD MEMBER

(Commenced July 2012)



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

Geoff Miles

BOARD MEMBER

(Commenced July 2012)



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

Stephen Silk

BOARD MEMBER

(Commenced July 2012)



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

John Tripodi

BOARD MEMBER

(Commenced November 2012)



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CHAIRMAN'S REPORT



Peter Caillard
CHAIRMAN

The last year has been a time of positive and necessary change for Greyhound Racing Victoria (GRV). From this period of change, GRV has emerged stronger and is now in a position to capitalise on the growing interest in the sport.

It was encouraging to read the strong support from the Victorian Ombudsman for GRV's recent program of change and his recognition of how much had been achieved since last year's Ombudsman's Report. At the same time, it was a confronting reminder of the extent of change that was still required.

I would like to thank the Board for their support throughout the year and the contribution they have made to the

industry. Stephen Silk, John Tripodi, Geoff Miles and Jeni Coustley have been valuable members of the organisation and I look forward to working with them to continue the trend of positive growth in this fun and exciting sport.

STRONG FINANCIAL PERFORMANCE

Our strong financial performance has been due, in part, to the new Joint Venture Agreement between Tabcorp and the Victorian Racing Industry (VRI) that provides a more equitable share of joint venture income. Overall wagering turnover increased by 8.1 per cent which highlights the growing popularity of greyhound racing. Consequently GRV's market share under the new licence (which is now calculated on revenue shares of each Code) rose by 0.63 per cent to 19.2 per cent.

Under the new licence, stakemoney to participants increased by 24.3 per cent (\$7.4 million) to \$37.8 million. The new stakemoney levels provide a deserved reward in an industry where participants spend so much of their valuable time caring and racing their greyhounds.

Additionally GRV made a profit of \$8.6 million which was assisted by the successful transition to the new wagering licence. This included GRV receiving a more equitable share of the VRI Codes distribution by way of GRV's fixed share increasing from 9.0 per cent to 14.75 per cent. This dramatically reduced the

subsidy we provided to the other racing codes, whose fixed distributions were above their market shares of revenue that they earned under the previous agreement.

Given GRV's strong profit that was also accentuated by delays in infrastructure works programs as a consequence of new procedures, GRV continued its commitment to improving club facilities by transferring \$9.0 million in 2012/13 to the Infrastructure Reserve Fund which will bring forward important track developments for 2013/14 and beyond.



ANIMAL WELFARE

A major focus at GRV throughout the year and into the future is animal welfare. We are acutely aware that community attitudes are changing and understand the need for our industry to change to reflect those community attitudes. There have been significant advancements made in this area and we will continue to drive various initiatives to highlight our commitment into the future. We are

strong in our position as industry leader in this area and the Board approved an extra \$2.658 million funding over the next three years. This is in addition to the current annual spend of \$4 million on integrity and animal welfare.

The formation of an Animal Welfare Department is one of the many initiatives that will be implemented in the new financial year as well as further funding to our nation leading Greyhound Adoption Program (GAP). Adoption is now more affordable and an education program is being developed to assist participants.

These changes have been achieved through a process of working with a broad range of people involved in the industry. It is fantastic to see that everyone in the industry is focused on achieving high animal welfare standards and we look forward to further development in this area.

OTHER KEY INITIATIVES

Given recent strong performance, the Board also announced for the 2013/14 year:

- continued investment in corporate governance and greater transparency
- a further 6.1 per cent increase in stake money which included an increase in the number of meetings
- an improved funding model for country clubs
- continued investment in out new media platforms with the launch of new Facebook, Twitter and YouTube sites; and
- a 28 per cent increase in the number of swabs for detection of prohibited drugs.

On top of the increased investment in swabbing, in May 2013, GRV announced it would be partnering with the University of Melbourne to undertake research into the detection of prohibited substances. The project will be strengthened by the assistance of Dr Steven Karamatic who, as a recent appointment to the Integrity Department, brings to GRV a wealth of veterinary greyhound knowledge.

One of the most enjoyable aspects of greyhound racing is the community feeling at many of the tracks. I have been lucky enough to attend many events throughout the year in different regions of Victoria which has allowed me to

engage with industry participants and have important discussions with them that benefit the industry. A focus of this organization is to consult with its stakeholders and work with industry participants. This is something that has driven many of the things we have done throughout the year.

The support of the State Government, led by Premier and Minister for Racing Dr Denis Naphine, has been extremely important in the development of the sport, with one of the key undertakings throughout the year being the redevelopment of the \$3.2 million Ballarat Greyhound Racing Club, which will service the local greyhound community as well as attract new patrons due to the upgraded entertainment facilities.

The relationship between Clubs and the staff at GRV is extremely important and this has been a major focus throughout the year. The major meetings at the metropolitan clubs such as; The Australian Cup at The Meadows and the Melbourne Cup at Sandown Park, both achieved a number of record results in regard to crowd attendance and wagering turnover. This was supported by a positive and proactive marketing relationship that has been developed with our 11 regional and two metropolitan greyhound clubs across the State. The further development of these critical relationships will lead to growth in the future. In addition to the major meetings, the State Government through its Raceday Attraction Program, assisted to run events such as; the Sensational Summer for Kids at Greyhound Racing promotion and the Girls Night Out, among the highlights for the year. This relationship with the State Government has been crucial in allowing GRV to develop its marketing plan.

There have been a number of new marketing initiatives that are aimed at increasing participation in the sport that have been developing during the last financial year. One of the major benefits of greyhound racing is the low barrier to ownership and the ease of following a greyhound throughout its career. This focus will continue to develop in the new year as we open up the sport to new audiences and participants through various channels and look to develop the area of syndication.

As a final point, I would like to repeat my gratitude to Adam Wallish, the team at GRV and the greyhound racing clubs. I am pleased with the performance of GRV and proud to be Chairman. It is an exceptional organization and is in a strong position to provide continued strong returns to its stakeholders.

There has been significant advances made over the last year and I look forward to working closely with the Board as we further strengthen the position of greyhound racing in the state.



CEO'S REPORT



Adam Wallish
CHIEF EXECUTIVE OFFICER

It has been a busy year at Greyhound Racing Victoria (GRV) with a number of changes occurring within the organisation and in particular the Senior Management Team (SMT). After last year's Victorian Ombudsman's Report that highlighted some deficiencies in operational matters, there had to be an increased focus on ensuring we comply with all relevant government legislation and policy given our position as a statutory body.

The 2012/13 financial year saw significant change at GRV. I would like to thank all staff for their commitment to the changes implemented and their continued support. The SMT has greatly assisted with the change in the organisation and taking responsibility for their respective areas whilst contributing to the overall growth in the industry.

Although it was a challenging year, it was necessary to put into place these changes to guide future activities and increase GRV's strong reputation in the racing industry. This new structure will help further propel greyhound racing's standing as a strong and prosperous sport. The year was extremely positive and our results indicate the extent of our growth. This year GRV made a profit of \$8.6 million. The profit was accentuated by the new Joint Venture agreement with Tabcorp and also between the Victorian Racing Codes, which delivered a more equitable return for greyhound racing by way of our fixed share increasing from 9.0% to 14.75%. This change resulted in reduced subsidization by GRV to the other racing Codes as further explained.

This distribution change and the significant delay in major capital works due to a wholesale development of GRV's procurement procedures, contributed to GRV's strong financial result this year. Accordingly GRV transferred a total of \$9.0 million to the infrastructure reserve fund to assist in future projects including; bringing forward major tracks works, plans for major OH & S works at Clubs and also assist in developing Metro Clubs facilities.

On top of a strong profit result it should be noted greyhound racing increased:

- our returns to participants by way of a \$7.4 million (24.3 per cent) increase in stakemoney and bonuses to \$37.8 million
- attendances on-course by 11.3 per cent
- wagering market share this year by 0.63 per cent from 18.58 per cent to 19.21 per cent as a consequence of our wagering revenue growing by 7.8 per cent

The 7.8 percent increase in revenue is an outstanding result and highlights the growing popularity of greyhound racing. The growth also incorporated a 129.3 per cent increase in fixed odds wagering turnover that was assisted by an increase in the number of meetings covered by our industry partner Tabcorp. While this is a positive result, it needs to be understood that yields (returns) on fixed odds betting are less than pari-mutuel wagering therefore impacting the overall increase in revenue.

GRV also received additional racefields income as a consequence of changes to the new licence and GRV's new charging regime of 1.5% of turnover as well as a share in a new international joint venture with Tabcorp called PGI (Premier Gateway International).

Initial forecasting shows that the profit made in 2012/13 will not be repeated in 2013/14 as the postponed capital works program can now commence as well as a number of strategies that were finalized in 2013 and incorporated into GRV's 2013/14 financial forecast as listed:

- The conduct of 20 meetings per week, which was communicated in the March 2013 announcement of a 6.1 per cent increase in stake money for the 2013/14 year (set to reach around \$40.0 million)
- To make a significant investment into animal welfare initiatives incorporating a pivotal restructure of the Animal Welfare Department
- To increase swabbing by 28 per cent and embark on a three year investment program for research into prohibited substances
- A commitment to a five year strategic plan that will provide stakeholders with an opportunity for input and importantly pave the way for a longer term direction
- To increase Clubs' distributions to ensure they remain financially sustainable
- To provide for a greater investment in marketing to promote our sport to a new audience

As mentioned before, GRV's profit during 2012/13 was accentuated by the deferral of some infrastructure projects as procurement processes were finalised. However, one development that previously commenced and was finalised during the year was the Ballarat track.

The \$3.2 million redevelopment which was completed with the assistance of the Victorian Government, and the club, saw the development of a fast, safe track, a new lure system, split timing and semaphore board, new lighting and fencing and a water saving irrigation system plus new patron facilities to service the growing crowds that attend the track.

The introduction of the new information system *FastTrack* was a significant development at GRV throughout the financial year. The project had been going for some time and in May of 2013, was fully launched.

This system brings GRV into line with many major corporations that have moved their business models online in an endeavour to streamline many outdated

processes. The majority of the feedback on the new system has been positive and GRV and its team continue to work closely with industry participants to ensure it delivers in full the wide range of benefits to the industry.

Some of the features of the system include; online nominations, live box draws, a new grading system, kennelling and an online participant portal that allows trainers and owners to fully integrate their greyhound racing experience.

This development was extremely important for GRV because it replaced an aging system that wasn't suited to the new greyhound racing environment and with further system developments and ongoing support, participants should reap the rewards of the new technology over time.

2012/13 NEW CODES ARRANGEMENTS

In explaining GRV's increase in distribution this year it needs to be appreciated that in prior years GRV earned (by way of its market share) a lot more than it was paid. The following Table 1.0 highlights the approximated shortfall in funding of 5.71 per cent in the previous financial year, if GRV was to receive its distribution based on the market share of turnover that it earned for the VRI.

Table 1.0 Approximated GRV Shortfall Funding 2011/12 (Actual Share compared to Market Share earned)

Old Code Share Summary	Fixed 49.3%	Var 50.7%	Total	Var to M/S
Thoroughbred	73.00%	65.08%	68.98%	3.91%
Harness	18.00%	14.34%	16.14%	1.80%
Greyhound	9.00%	20.59%	14.87%	-5.71%
Total	100.00%	100.00%	100.00%	0.00%

Table 2.0 Approximated GRV Shortfall Funding 2012/13 (Actual Share compared to Market Share earned)

New Code Share Summary	Fixed 50%	Var 50% (*)	Total	Var to M/S
Thoroughbred	73.00%	68.25%	69.12%	0.88%
Harness	15.25%	13.17%	14.21%	1.04%
Greyhound	14.75%	18.58%	16.67%	-1.92%
Total	100.00%	100.00%	100.00%	0.00%

(*) Variable share now based on revenue earned (including fixed odds). 12/13 payment based on prior year market share of 18.58%

Table 2.0 further highlights that under the new wagering licence this year, GRV with a new fixed distribution of 14.75 per cent received a 16.67 per cent share of the new joint venture income.

GRV's 16.67 per cent share was now only 1.92 per cent less than what we earned in market share of revenue for the VRI (as compared to a prior shortfall or subsidy to the other Codes of 5.71 per cent). Accordingly GRV's new improved distribution arrangements provide us with a fairer share of income and results in reduced subsidization to the other racing Codes.

GRV is becoming a far more transparent organisation where timely and relevant communication with all sections of the industry is improving. One of the major improvements throughout the year has been the level of consultation with industry participants in an attempt to be more open, allowing for a much more effective flow of information. This is something that we will continue to work on into the future. The 2012/13 Financial Year was characterised by change within the organisation and as we move into 2013/14 there is much excitement as we begin to enjoy the rewards of hard work, solidarity and a commitment to greyhound racing.

Finally, I would like to thank the Board and particularly Chairman Peter Caillard, for the leadership shown over the past year. I look forward to 2013/14 with great enthusiasm.



2012 TopGun at The Meadows



2012 TopGun at The Meadows



2012 Melbourne Cup at Sandown Park



2012 Melbourne Cup at Sandown Park



RACING AND OPERATIONS REPORT



Glen Canty
RACING AND OPERATIONS
MANAGER

ANIMAL WELFARE

In 2012/2013, GRV established the Animal Welfare Task Force (AWTF), a body represented by breeders, veterinarians, trainers, GOTBA representatives and GRV executives. The GRV Board considered the recommendations of the AWTF and in June 2013 announced the following wide-ranging series of initiatives:

- GRV will increase its financial commitment to animal welfare by \$2.568 million over the next three years, introducing a number of changes and initiatives to complement current programs that have been successful over the past decade

- The increased financial allocation will go toward programs such as; the restructuring of GRV's Animal Welfare department including the elevation of the Animal Welfare Manager to the Senior Management Team, further funding to the Victorian Greyhound Adoption Program (GAP) and a commitment to facilitating and promoting a national approach to animal welfare
- The GAP will also receive a further \$1.035 million over the next three years, with the introduction of Pet Insurance for all greyhounds adopted through the program and GRV will increase its subsidy of the cost to put a greyhound through GAP meaning that the fee to adopt a GAP greyhound is reduced to \$75. In addition to this, GRV has engaged with other bodies such as the RSPCA to work collaboratively on welfare strategy and finding homes for greyhounds
- GRV will also seek to lead the formulation of a national approach to animal welfare, with discussions already held with Greyhounds Australasia (GA) and the other State authorities. The adoption of a national animal welfare policy and the consistent compilation of statistics are among the priorities

BALLARAT REDEVELOPMENT

In October 2012, Minister for Racing Dr Denis Napthine opened the new world class racing and dining venue at Morshead Park Ballarat, following a six month closure.

The works include a new Burrumbeet sand racing surface, lure system, split timing and semaphore board, lighting, fencing and irrigation system. The redevelopment also consisted of an overhaul of the judges' tower and improvements to spectator amenities, including upgraded kitchen and bar facilities, improved disability access, and a new entrance to the grandstand which will make the facility more attractive for use as a multi-purpose function and event centre.

The \$3.2 million development was part-funded by the Victorian government to the tune of \$1.35 million.

The first race on the new surface was a special event restricted to local trainers, which was won by Steve McKenna's Hurunui Hitman.



READY 2 RACE

GRV's first ever *Ready 2 Race* Sales Auction took place at Bendigo's Lords Raceway on 24 November 2012 with interesting results.



Supported by the Victorian Government, the concept is designed to create an easier pathway for people to buy greyhounds, and it takes out the long wait associated with purchasing younger untried pups.

Of the 93 lots for sale, 53 were sold with one superbly bred half brother to dual country cups winner Mystic Apple fetching \$21,000.

Greyhounds sold on the day were then eligible to race for points in 2012/13, with the leading *Ready 2 Race* greyhounds racing for a \$32,000 purse in November 2013.

The *Ready 2 Race* Series is likely to become a regular fixture on GRV's calendar.

FastTrack

Whilst covered in further detail elsewhere in this report, the introduction of the *FastTrack* system in 2012/13 provided a greater level of transparency and objectivity to many functions within the Racing & Operations area. Items such as grading, registrations and form analysis all benefited from an automated approach. As part of the implementation, new kennelling arrangements were established in an effort to improve the integrity of the sport, with GRV now linking identification obtained using microchip scanners to live information within the *FastTrack* system, including greyhound identification and trainer/handler information.

GRV also commissioned an independent consultancy firm to carry out an audit of the new computer Box Draw program. That report concluded that the automatic box draw program operates in accordance with the Rules of Racing and generates a random box draw, and there is no evidence that the method of operation, details of the connections of the entrants, nor any previous performance or draws for entrants has any influence on the outcome.

GOBIS

2012/13 saw the introduction of greater incentives to breed and race greyhounds in Victoria, by offering owners, trainers and breeders who race Victorian-bred greyhounds access to even bigger GOBIS bonus pools.

A \$2.8 million package jointly funded by the Victorian Government through its Victorian Racing Industry Fund (\$1.55 million over four years) and GRV (\$1.25 million over four years) includes the following additional incentives for registered GOBIS greyhounds:

- A \$500 Metro GOBIS Bonus for the winners of all races at main metropolitan meetings. This is in addition to existing bonuses
- A \$10,000 Group GOBIS Bonus for the winners of all Victorian Group races

- If the winner of the above Bonus races is not a GOBIS registered greyhound, then 50 per cent of the bonus will be paid to the first GOBIS dog that finishes in the placing (i.e. 2nd or 3rd); and
- 50 per cent of the existing bonus will also be paid to the first GOBIS dog that finishes in the places (i.e. 2nd or 3rd) for the existing 740 scheduled GOBIS races across the State if the winner of those races is not GOBIS registered

In addition to the existing 740 GOBIS races, there were more than 1,000 metro and 32 Group races conducted across Victoria offering GOBIS bonuses.



RACING INTEGRITY REPORT



Brian Williams
RACING INTEGRITY MANAGER

GRV INTEGRITY SUB COMMITTEE

Under the continued Chairmanship of Rick Harley, this committee has maintained an active meeting schedule throughout the year and made numerous recommendations to the GRV Board regarding integrity related matters. Some of these recommendations are expanded upon further in this report.

During the reporting period, the GRV Board appointed an additional member to this committee – Dr Ray Ferguson. In addition to successfully practising as a veterinary surgeon for the past 35 years, Dr Ferguson is also currently the Secretary

of the Australian Greyhound Veterinary Association. His appointment clearly adds a great deal of veterinary expertise to the GRV Integrity Sub Committee.

In addition to regularly liaising with the Racing Integrity Commissioner, the GRV Integrity Sub Committee also oversees investigations and advises the GRV board regarding licensing matters.

SAMPLING - PROHIBITED SUBSTANCES

An increase in the number of samples taken each year is indicative of the emphasis associated with this regulatory function. In 2012/13 GRV stewards directed 3427 samples be taken, consisting of pre-race, post-race, random and out-of-competition swabs.

The escalating sample rate can be illustrated by a table which reviews activity over the past five reporting periods:

Financial Year	No. Samples Taken by GRV
2008/09	2176
2009/10	2333
2010/11	3104
2011/12	3133
2012/13	3427



RESEARCH AND POLICY ADVANCEMENTS – PROHIBITED SUBSTANCES

Following a proposal put forward during the year by the GRV Integrity Sub Committee, the GRV Board agreed to work in partnership with the University of Melbourne to conduct targeted research into enhanced detection methods of prohibited substances.

This research will see the GRV Board provide up to \$656,000 in additional research funding over the next five years, and underlines the Board's commitment to further advance integrity and animal welfare measures. The first phase of this program has now been initiated.



The GRV Board has also agreed to a future policy proposed by the Integrity Sub Committee in relation to retrospective testing. As a result, after initial testing the samples of the following greyhounds will be frozen for up to 5 years, and these samples will then be resubmitted for re-testing at some time in the future:

- All placegetters sampled in Group finals
- All greyhounds sampled after breaking a track record in Victoria
- A significant number of samples randomly determined by those submitted to RASL by GRV
- Any other samples selected at the discretion of GRV Stewards



INSPECTIONS OF KENNEL AND TRAINING FACILITIES

GRV Stewards conducted 766 kennel inspections in 2012/13, a rise of 206 additional inspections from the previous year. These inspections were undertaken at locations throughout Victoria, and were generally unannounced. Such an increase is indicative of the Board's ever-increasing emphasis on animal welfare measures.

GRV RACING APPEALS AND DISCIPLINARY BOARD (RADB)

In March 2013, GRV RADB Chairman John Wardle and Deputy Chairman Terry O'Connor were both re-appointed for a further term of three years.

Throughout 2012/13, the GRV RADB conducted 25 'serious offence' hearings and 11 appeals related to numerous racing matters. Results of all these hearings are publically communicated through the GRV website.



MARKETING AND COMMUNICATIONS REPORT



Campbell Davies MARKETING AND COMMUNICATIONS MANAGER

The GRV Marketing and Communications department continued to deliver against its key objectives of increasing market share of the wagering dollar for greyhound racing as well as increasing awareness of the sport and attracting new participants. There have been a number of changes in the team with the appointment of myself in December 2012, as well as appointments in design and digital marketing. These reflect the changing nature of our communication requirements and place GRV in a great position to capitalise on opportunities in the coming years.

SOCIAL MEDIA

Critical to any plan today is the need to be able to connect with participants, fans, and punters on a growing number of communications platforms and in 2013 GRV took the leap into social media with the establishment of a Facebook page, two Twitter handles (@GRV_News and @TheWatchdogTips) as well as the YouTube channel *GRVextra*. Just being in these channels is not enough, the content needs to be engaging and shareable.

Initiatives like Flashback Friday where we look back at great races of the past, polls to canvas opinion on upcoming feature events, feature videos on participants and other content have all helped to establish a very engaged community already. Next year the team will deliver more content in more mediums to more people with the message that greyhound racing is fun, exciting and accessible to everyone.

REGIONAL INITIATIVES

Throughout the past year we established relationships with content producers to be able to deliver a greyhound message to a previously untapped regional audience. Initiatives such as radio quiz's enabling regional listeners the chance to participate in the sport has been very successful. We have integrated key messages into the *AFL Live* football call, which is broadcast throughout regional Victoria and is the

most listened to call via the AFL App, by awarding the GRV 'Chase of the Day' to the player that best emulates the deeds of a great chaser such as persistence, speed and tenacity. In 2013/14 we will continue these relationships and expand them to drive awareness of the sport in regional Victoria, the heartland of greyhound racing.



COMMUNITY

Go The Pink Dog continued as a key initiative to help grow awareness and understanding of breast cancer and once again we were proud to support The McGrath Foundation to the tune of \$55,500 taking the total raised in four years past \$280,000. Ambassadors Jonathan and Kylie Brown again lent their support to the campaign and all clubs managed to contribute through donations from patrons, special events and having a pink lure for each race in February.



The Great Chase, supported by our Joint Venture partner Tabcorp, entered its tenth year and was once again an initiative that the entire industry feels proud to contribute to. In November, over 140 community groups catering to the needs of the physically and intellectually disabled and their carers, were given a day out at the races and the chance to interact with our participants and our beautiful greyhounds. More than 2,300 people from these community groups experienced greyhound racing, many for the first time, and it was a fantastic experience for all. Many more patrons turned out at each heat, semi, and the final to support this great cause. Boris Fields took out the series and continues to race for Dandenong based Your Respite Options. So far 'Boris' has won over \$100,000 this year and as a result GRV will donate the equivalent of 10 per cent of his earnings before November 28 to Your Respite Options.

Our greyhound racing clubs across the state also supported many local community groups, sporting clubs, charities and individuals in need with a host of terrific initiatives. In the coming year GRV will continue to support causes close to the greyhound racing community and provide opportunities for many members of our communities to have new and exciting experiences.



GREYHOUND ADOPTION PROGRAM (GAP)

The GAP initiative continues to be a focus for the Marketing and Communications team and in FY13 delivered tactile experiences for members of the public to get up close and personal with the noble breed.

Our relationship with the Royal Melbourne Show continued and we thank all the volunteers who gave their time, energy and passion to promoting the breed and the program. GRV also continued to be a part of the Royal Children's Hospital Good Friday Appeal and GAP was front and centre during the cheque presentation. In the future we will embark on a focused and targeted campaign to drive awareness of the greyhound breed and greyhounds as beautiful pets to new markets with a focus again being on taking the greyhounds to the people and letting them experience first-hand the gentle nature of these amazing animals.

INDUSTRY

This year saw the introduction of the 'GRV Informer' after feedback from the industry for a monthly publication to be reintroduced. The feedback has been very pleasing and we will continue to refine the content in coming months.

We do however encourage all participants to use the vast array of features in *FastTrack* to ensure you get the latest introduction.



TECHNOLOGY AND eBUSINESS REPORT



Andrew Gibson TECHNOLOGY AND eBUSINESS MANAGER

It has been a significant 'watershed' year for the Technology and eBusiness department at GRV. After more than two years of design, development and testing, the operations of greyhound racing were moved across to our new computer system, *FastTrack*, on 1 May, 2013. It has been a time of significant change for everyone associated with Victorian greyhound racing, and we appreciate the level of support received from all parties concerned during the period.

Not only was this the year for *FastTrack*, but this it was also my first year as the Technology and eBusiness Manager. I would like to acknowledge my predecessor, Geoff Milner, especially during the early

and mid-stages of the *FastTrack* project which presented many challenges. My challenge now is to bed-down *FastTrack* into this industry, and ensure the application is a reliable but flexible application successfully serving the needs of greyhound racing in Victoria.



FastTrack - A NEW WORLD OF ACCESS

FastTrack is a web-based application, replacing a 20 year-old legacy system that was primarily only available to staff within GRV. Having the application web-based now allows industry participants instant access to all their information through the *FastTrack* portal.

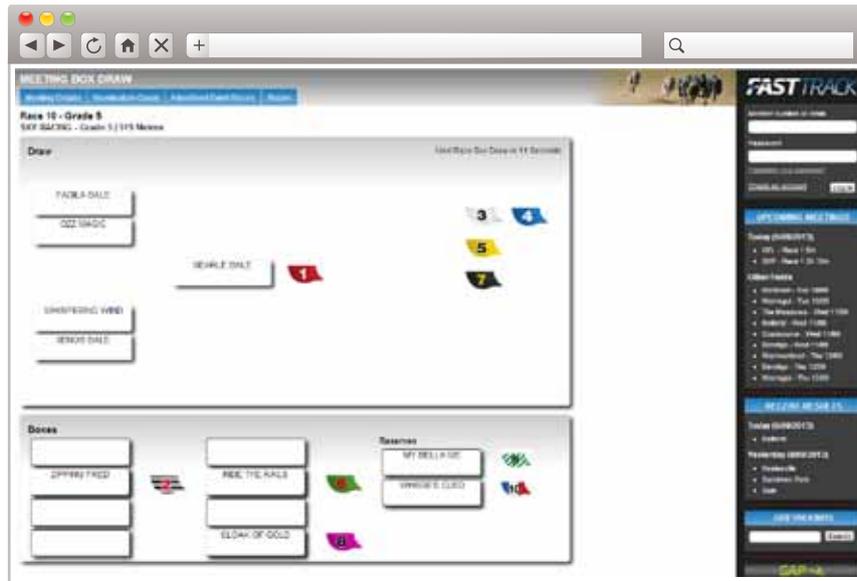
FastTrack provides various levels of access based on the type of participant. For example, the owner and trainer can now view relevant information regarding their dogs, registration and account, and can perform actions such as nominate dogs, renew registrations and view account statements for prize money won.

Administrators of the sport can now perform their duties directly via the *FastTrack* application whether on-course or off-course, whilst having immediate access to the information necessary for their work.

Not only is *FastTrack* the central repository for all information for greyhound racing in Victoria, but it also contains all relevant interstate data pertaining to dogs, people, races and penalties across all states through a series of data connections with other state bodies. This, together with the micro-chipping of all greyhounds in Victoria, the full record of all activities for each greyhound from whelping to retirement are now stored in *FastTrack*, assisting with integrity and animal welfare initiatives being run by GRV.

TRANSPARENT GRADING

One of the more significant changes implemented through *FastTrack*, was the introduction of automated grading. During the design phase, considerable time was spent formalising the guidelines used by the graders when grading a meeting and translating these rules into the *FastTrack* grading module. These guidelines are now published and provide a highly transparent process for grading dogs into races. Races are now graded by the system – albeit with human oversight – in a fraction of the time it previously took to manually grade races. It has also removed possible grading inconsistencies which can occur when performed manually.



The Online Box Draw is a very popular feature.

FUTURE PROOF

FastTrack is built using modern tools and technologies, replacing an inflexible legacy system. Having a modern *FastTrack* allows it to be used as a platform for other advances the organisation would like to make, including mobile applications, real-time data availability and interactions with external systems. The IT foundations are now built to serve GRV for the foreseeable future.

DATA DISTRIBUTION QUALITY

GRV continues to be a major distributor of national greyhound data to wagering operators, promoters, data wholesalers and punters. This data currently includes race fields and results, but this year will extend out to include calendar and dog form.

As part of the *FastTrack* development, a new National Data Repository was developed to better serve the needs for the exchange of Australian and New Zealand litter, dog, person and race data between all state greyhound bodies. GRV continues to work with these state governing bodies to provide high quality data to all participants and third parties in a timely fashion.

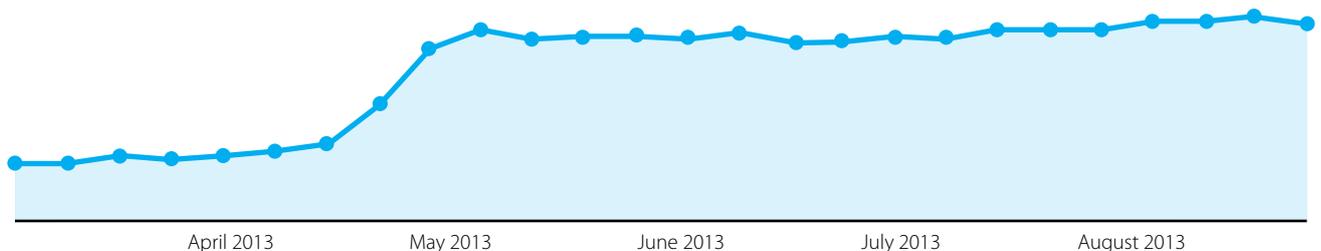
A key priority for our group is the quality and timeliness of all national greyhound data delivered. We will be looking to expand the number of places where greyhound information is distributed, to help grow our markets both in Australia and overseas.

SUPPORTING THE NEEDS OF THE BUSINESS

The department has begun the process of tapering away the remaining dependence on external consultants for the maintenance and support of our core systems, and complete the transfer of technical knowledge to internal GRV staff.

After the successful completion of the *FastTrack* project, the Technology and eBusiness department will now shift its focus to supporting new initiatives of the whole organisation in 2013/2014.

Page Views for the *FastTrack* Online portal now average more than 100,000 per day.





2012 Australian Cup at The Meadows



2012 Australian Cup at The Meadows



HUMAN RESOURCES REPORT



Donna King HUMAN RESOURCES MANAGER

The role of Human Resources Manager was introduced following the Victorian Ombudsman's Report in 2012, with the HR manager a member of the Senior Management Team. This was an important step for Greyhound Racing Victoria as the key focus of the HR Department was to introduce and communicate new policies and educate all staff across the organisation.

GRV saw a great deal of change in regard to compliance and integrity, with this came the development of key policies and procedures that ensured the organisation has an ongoing professional approach in line with Public Sector Values.

I would like to take this opportunity to thank the previous HR Manager; Louise Bowers for her contribution and dedication to ensuring the HR compliance objectives have been met across 2012/13 financial year.

GRV have also seen a number of changes across the organisation in relation to structure and job growth with the appointment of the following positions:

- Four new members of the Senior Management Team
- New staff in the areas of compliance, integrity and marketing.

With the introduction of the recent HR changes in relation to compliance and the continued education and monitoring of this, one of the next steps for the HR role is to ensure the development of an induction program which will ensure compliance initiatives are imbedded through the recruitment and on boarding processes.

GRV will also see the outsourcing of a benchmarking activity for both GRV Staff and Club Managers. This activity is a priority for GRV and will ensure that all positions are appropriately evaluated and remunerated against the correct criteria.

HR will continue to work in the compliance area ensuring the ongoing development of strong HR capabilities. As the communications of current practices has been an imperative step in the change process for GRV to date, it is important that HR endeavor to continue this throughout 2013/14 and beyond.



HALL OF FAME INDUCTEES

HALL OF FAME ALEC REID

The late Alec Reid was inducted for his achievements as a trainer (top left)

HALL OF FAME BOMBASTIC SHIRAZ

Represented by trainer Darren Cairns (pictured far top right) and owners Kaye and David Cairns (far top right)

HALL OF FAME TONY MCGRATH

Tony McGrath pictured with his family, was inducted for his breeding exploits (bottom)

HALL OF FAME SYDNEY GEM

Represented by owner Brian Lenehan (top right)





2012 GREYHOUND INDUSTRY AWARDS NIGHT

KEN CARR MEDAL

John Waugh (far top left & with family top left)

GREYHOUND OF THE YEAR

Don't Knocka Him - Trainer Jason Thompson and family (top right)

MOST POPULAR GREYHOUND

Dodge The Batton (connections bottom left)

METROPOLITAN TRAINERS PREMIERSHIP

Andrea Daily (bottom right)

NED BRYANT SILVER FOX

Troy Iwanyk (far bottom right)





Barcia Bale, G1 Maturity



David Bale (9), G1 TopGun



Got A Moment (2), G1 Melbourne Cup



Miata, G1 Bold Trease Carnival Cup



Destini Fireball (3), G1 Sale Cup



Renegade Chief, G1 Silver Chief

2012/13 HONOUR ROLL

VICTORIAN GROUP 1 RACE WINNERS: FINANCIAL YEAR 2012/13

G1 Maturity, The Meadows
G1 Topgun, The Meadows
G1 Melbourne Cup, Sandown Park
G1 Bold Trease Carnival Cup Sandown Park
G1 Sale Cup, Sale
G1 Silver Chief, The Meadows
G1 Temlee, The Meadows
G1 Rookie Rebel, The Meadows
G1 Zoom Top, The Meadows
G1 Australian Cup, The Meadows
G1 Superstayers, The Meadows
G1 Sandown Cup, Sandown Park
G1 Sapphire Crown, Sandown Park

Barcia Bale (Graeme Bate)
David Bale (Graeme Bate)
Got A Moment (Jason Thompson)
Miata (Paul Stuart)
Destini Fireball (Norm Rinaldi)
Renegade Chief (Kelvyn Greenough)
Cintiarna (Sandra Collins)
Proven Impala (Joe Borg)
Destini Fireball (Norm Rinaldi)
Spud Regis (Andrea Daily)
Destini Fireball (Norm Rinaldi)
Irma Bale (Graeme Bate)
Xylia Allen (Graeme Bate)



Cintiarna, G1 Temlee



Proven Impala, G1 Rookie Rebel



Destini Fireball, G1 Zoom Top



Spud Regis, G1 Australian Cup



Destini Fireball (1), G1 Superstayers



Irma Bale, G1 Sandown Cup



Xylia Allen, G1 Sapphire Crown



Blackalls Boss, G2 Shepparton Cup



El Brooklyn, G2 Healesville Cup



Maverick Tiger, G2 Ballarat Cup



Cintiarna, G2 Cranbourne Cup



Hurunui Hitman, G2 Geelong Cup

2012/13 HONOUR ROLL

COUNTRY CUP WINNERS:

G2 Shepparton Cup
G2 Healesville Cup
G2 Ballarat Cup
G2 Cranbourne Cup
G2 Geelong Cup
G2 Bendigo Cup
G2 Horsham Cup
G2 Warragul Cup
G2 Warrnambool Cup
G2 Traralgon Cup

Blackalls Boss (Michelle Mallia-Magri)
El Brooklyn (Jason Thompson)
Maverick Tiger (Kelvyn Greenough)
Cintiarna (Sandra Collins)
Hurunui Hitman (Steve McKenna)
Ronan Izmir (Jason Thompson)
Peter Rocket (Keith Hellmuth)
Nitro Burst (Wayne Vassallo)
Ronan Izmir (Jason Thompson)
Paw Licking (Kelvyn Greenough)



Ronan Izmir, G2 Bendigo Cup



Peter Rocket, G2 Horsham Cup



Nitro Burst, G2 Warragul Cup



Ronan Izmir, G2 Warrnambool Cup



Paw Licking, G2 Traralgon Cup



INDUSTRY FINANCE REPORT



Robert Shaw
CHIEF FINANCIAL OFFICER

The above key performance indicators are reflective of a very successful financial year for Greyhound Racing Victoria. GRV made strong profits with a more equitable share of distribution from the new racing industry joint venture licence. The number of meetings conducted by GRV increased; we grew wagering by 8.1 per cent and market share increased by 0.63 per cent. We also increased attendances on-course and most importantly our returns to participants grew by 24.3 per cent in stakemoney and bonuses.

KEY RESULTS

- Net result + \$8.6 million
- New wagering licence successfully commenced (with GRV now obtaining an equitable share)
- Total \$9.0 million transferred to Infrastructure Reserve Fund (for future works)
- Stakemoney + \$7.4 million +24.3 per cent
- Market Share + 0.63 per cent to 19.2 per cent
- Wagering Turnover + 8.1 per cent
- Meetings +7.5 per cent
- Attendances +11.3 per cent

NET RESULT (AND 5 YEAR SUMMARY TREND- TABLE 3.0)

GRV made a profit of \$8.6 million in 2013 (2012: loss \$2.4 million). This turnaround included \$15.8 million (28.7 per cent increase in income) that came mostly from an \$11.4 million (26.0 per cent) increase in Tabcorp income as a consequence of:

- GRV's new agreement negotiated between the Victorian Racing Industry, whereby our share of income under the new wagering licence increased by approximately 12.0 per cent as further noted (this came from a re-allocation to GRV of a 5.75 per cent increase in fixed distribution, thus reducing GRV's subsidisation to the other Codes as highlighted in the CEO's report)
- An overall increase in funding from the new wagering licence with Tabcorp that was also assisted by overall wagering revenues performing above budget
- The Victorian Racing Industry obtained the benefit of a new joint venture with Tabcorp called 'Premium Gateway International' that provided GRV with an additional \$0.5 million in income and given the relevance of international wagering is likely to be an important source of income to GRV

Also racefields income increased by \$4.1 million (43.1 per cent increase) driven by:

- NSW racefields fees being paid in full from 15 August 2012 (previously we only received a portion of these fees)
- Additional meetings covered and a new charging regime based on 1.5 per cent of turnover

Table 3.0- Five Year Summary of Comprehensive Operating Statement- \$'million (*)

	FY09	FY10	FY11	FY12	FY13	Var	Var %
Income from transactions							
Tabcorp Income	37.9	37.4	41.0	43.6	54.9	11.4	26.0%
Racefields Income	2.8	7.4	9.0	9.6	13.7	4.1	43.1%
Other Income	2.1	1.9	2.1	2.0	2.4	0.4	18.7%
Total Income	42.8	46.7	52.1	55.1	71.0	15.8	28.7%
Expenses							
Stakemoney/Starters/GOBIS	24.3	25.5	26.9	30.4	37.8	7.4	24.3%
Other Expenses (excluding infrastructure)	14.6	14.6	16.5	17.2	20.3	3.1	18.0%
Other Expenses (infrastructure)	4.6	5.4	6.7	9.8	4.5	(5.3)	-54.1%
Other economic flows	(0.5)	-	(0.9)	0.1	(0.2)	(0.3)	-300.0%
Total Expenses	44.0	45.5	49.2	57.5	62.4	4.9	8.5%
Net Result	(1.2)	1.2	2.9	(2.4)	8.6	10.9	464.0%
Return to Industry Participants %/TAB Revenue	64.1%	68.2%	65.6%	69.7%	68.8%		
Other Operating Expenses/Total Revenue %	36.4%	31.3%	31.7%	31.2%	28.6%		

(*) results include other economic flows separated

GRV's profit was also assisted by a reduction in infrastructure works expenditure of \$5.3 million (54.1 per cent) due to the deferral of works caused by the implementation of new procurement and compliance procedures following the Victorian Ombudsman's Report in 2012.

Expenses (including infrastructure) increased by \$4.9 million (8.5 per cent) however \$7.4 million of the increase in operating expenses was as a consequence of a 24.3 per cent increase in stakemoney and bonuses as further detailed.

Other expenses (excluding infrastructure) increased by \$3.1 million (18.0 per cent) noting;

- Administration expenses increasing \$1.2 million (34.8 per cent) noting
 - Approximately 60 per cent or \$0.75 million of the increase related to eBusiness & Technology with \$0.34 million being *FastTrack* SMS programming costs not amortised once the project commenced on 1 May 2013 and noting last year's costs incorporated funding from Greyhounds Australasia
 - \$0.36 million of the increase comprised wage cost increases which included; administrative changes as a consequence of the Ombudsman's report e.g. HR, Finance role and additional compliance support for a full year, a restructure to the Racing Department that also included responsibilities for the successful 'Ready 2 Race' series and also allowed for expansion of syndication

- Clubs expenses increased by \$0.88 Million (11.2 per cent) with 81.2 per cent of the increase being a 11.4 per cent increase in clubs distribution and consultancy as well as an increase in clubs marketing spend
- Stewards expenses increased \$0.56 million (25.2 per cent), noting that this is in line with the Board's further commitment to invest in integrity and included; one extra cadet steward, additional veterinary support, coverage of extra meetings and a 46 per cent increase in swab analysis costs
- Industry expenses increased \$0.35 million (10.6 per cent) with the majority of the expense pertaining to the greater investment in Herald Sun additional coverage

As a consequence of the strong profit earned in 2013, GRV transferred \$9.0 million to the Infrastructure Reserve Fund (an extra \$7.0 million than budgeted) in order to bring forward a number of future major works. This will assist with the final track upgrades of a number of Clubs and various car park works and assistance to Metro Clubs in proceeding with grandstand improvements.

Additionally, GRV announced on the 18 March 2013 a further 6.1 per cent increase in stakemoney that will see stakemoney and bonuses forecast to reach \$40.0 million in 2013/14. This increase was also assisted by GRV increasing the number of meetings to 1,040 i.e. 20 meetings a week.

STAKEMONEY + \$7.4 MILLION (24.3 PER CENT)

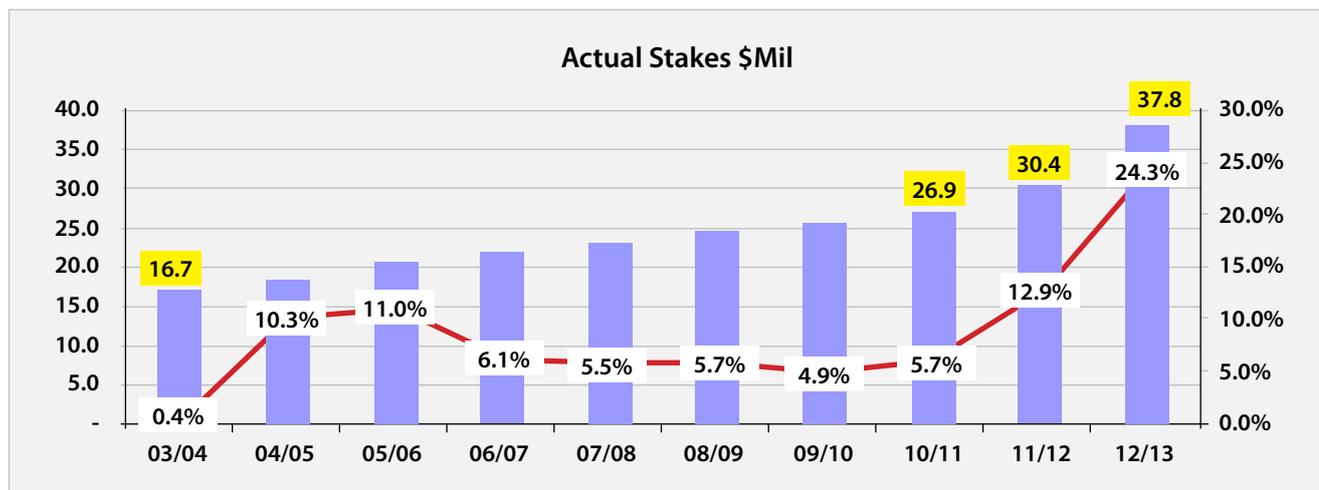
The \$7.4 million increase in stakemoney and bonuses in 2012/13 incorporated:

- An average increase to normal stakemoney of 12.9 per cent (Country 15.0 per cent and Metro 9.0 per cent)
- Additional race meeting due to Warrnambool having a new timeslot (having moved from Saturday twilight) and the additional Bendigo Tuesday morning meeting

- A major boost to Metro feature events
- The advent of the monthly Country 'Go Distance Racing'
- A 55.6 per cent increase in GOBIS bonuses assisted by the provision of Government and GRV Funding
- An increase in travel fees by 16 per cent from \$60 to \$70 in May 2013 (and including Coursing meetings being included)

These increases also came about from discussion with GOTBA and Clubs to ensure they reflected industry needs.

Graph 1.0 - History-Stakemoney and Bonuses (\$'million)



NEW WAGERING LICENCE

In August 2012, GRV with the other Victorian Racing Codes commenced its new wagering licence with its joint venture partner Tabcorp, under new terms.

Whilst the new wagering licence did not provide for profits from gaming, the overall amount negotiated to the Victorian Racing Industry exceeded the prior licence and included a better share

of profits (50 per cent) plus product fees from sports betting, trackside and also fixed odds betting.

As per Table 4.0 each of the Codes obtained income based on their new fixed and variable shares of wagering revenue earned in the prior year. GRV's overall share increased by approximately 1.79 per cent (which equates to a 12.0 per cent increase in income). This occurred due to the inter-code agreement to increase GRV's fixed share by 5.75 per cent i.e. from 9.0 per cent to 14.75 per cent.

Table 4.0- Application New Shares Applied in 2012/13 from 15th August 2012

New Code Share Summary	Fixed 50%	Variable 50%	Total	Prior (1)	Var
Thoroughbred	70.00%	68.25%	69.12%	68.98%	0.14%
Harness	15.25%	13.17%	14.21%	16.14%	-1.93%
Greyhound	14.75%	18.58%	16.67%	14.87%	1.79%
Total	100.00%	100.00%	100.00%	100.00%	0.00%

(1) prior 11/12 approximated at 49.3% fixed & 50.7% variable

MARKET SHARE OF OFF-COURSE WAGERING REVENUE

As indicated in Table 5.0 GRV's market share increased this year by approximately 0.63 per cent, noting the market share will apply in 2013/14. GRV grew its market share as a consequence of its wagering revenue increasing by 7.8 per cent (that being well above the other Code's wagering revenue growth).

Table 5.0 Market Share of Off-Course Wagering Revenue

Code	(1) 12/13	(2) 13/14	Var
Thoroughbred	68.25%	68.44%	0.19%
Harness	13.17%	12.35%	-0.82%
Greyhound	18.58%	19.21%	0.63%
Total	100.00%	100.00%	0.00%

(1) earned 11/12 (2) earned 12/13

KEY INDUSTRY STATISTICS

The following key indicators in Table 6.0 are used by GRV to monitor the performance of the industry. Results at Clubs may vary depending on the number of meetings conducted each year and therefore total figures are usually a better indication of trends. It should be noted that (excluding coursing) in 2012/13 GRV conducted 71 more meetings (a 7.5 per cent increase) and:

- Total wagering increased by 8.1 per cent
- Off-Course wagering increased by 8.0 per cent
- Attendances increased by 11.3 per cent
- On-course wagering increased by 15.6 per cent (note: this included the addition of fixed odds betting from the 15 August 2012)

The overall increase in wagering of 8.1 per cent is reflective of a very positive year for greyhound racing and also reflects on the popularity of wagering on our great sport.

The increase in attendances was a very positive result that was assisted by a 7.5 per cent increase in meetings (noting it does however include a number of approximated attendances at Clubs with Tabarets on-course that do not charge admission i.e. Sandown, Sale and Cranbourne). The increase in on-course wagering of 15.6 per cent is consistent with strong attendance figures and as mentioned also includes fixed odds betting.

Table 6.0- Clubs Indicators of Performance 2013 - Includes Comparison Percent with 2012 (adjusted for fixed odds)

CLUB	MEETINGS		ATTENDANCE		ON COURSE TURN (*)		BOOKMAKERS TURN		OFF-COURSE TURN		TOTAL TURNOVER		STAKEMONEY (INC START/ TRAV FEES)	
	2012	2013		%	(\$'000)	%		%	(\$'000)	%	(\$'000)	%	(\$'000)	%
Melbourne	102	104	32,018	8.0%	3,519	8.1%	344	-41.2%	32,420	0.0%	36,283	0.0%	7,961	19.4%
Sandown	102	105	35,943	11.0%	3,130	17.1%	246	-52.3%	31,849	-2.7%	35,225	-1.9%	8,216	24.9%
Total Metro	204	209	67,961	9.6%	6,649	12.1%	590	-46.4%	64,269	-1.4%	71,508	-0.9%	16,177	22.2%
Ballarat	66	67	9,010	21.2%	1,203	31.0%	-	-	15,463	-17.4%	16,666	-15.1%	1,646	16.7%
Bendigo	32	97	10,337	120.2%	1,133	171.7%	-	-	24,319	170.2%	25,452	170.2%	2,286	224.7%
Cranbourne	54	53	10,620	15.9%	571	21.0%	14	100.0%	13,577	-8.7%	14,162	-7.7%	1,606	18.8%
Geelong	114	103	10,459	15.4%	1,579	15.2%	-	-	31,789	-13.6%	33,368	-12.5%	2,574	0.0%
Healesville	42	56	6,859	6.7%	706	29.5%	-	-100.0%	9,321	34.0%	10,027	33.4%	1,068	55.5%
Horsham	52	49	5,319	-7.4%	349	-2.5%	-	-	13,900	-17.6%	14,249	-17.3%	1,401	16.3%
Sale	54	58	28,330	7.9%	1,215	6.7%	-	-	12,943	1.0%	14,158	1.5%	1,731	25.1%
Shepparton	99	100	8,877	4.3%	1,097	15.2%	-	-	23,110	-6.1%	24,207	-5.4%	2,353	12.3%
Traralgon	55	54	5,573	1.8%	452	-5.4%	-	-	11,947	-20.6%	12,399	-20.1%	1,627	28.3%
Warragul	91	98	12,749	9.5%	832	-5.2%	-	-	22,861	6.8%	23,693	6.3%	2,328	18.7%
Warrnambool	69	59	11,696	-5.4%	743	-12.0%	-	-100.0%	13,430	-13.8%	14,173	-13.8%	1,822	4.9%
Total Country	728	794	119,829	12.2%	9,880	18.0%	14	-50.0%	192,660	0.0%	202,554	0.7%	20,442	24.8%
Total Interstate, International & Auditorium	-	-	-	-	-	-	-	-	453,598	4.1%	453,598	4.1%	-	-
Fixed odds	-	-	-	-	-	-	-	-	74,416	124.2%	74,416	124.2%	-	-
G.O.B.I.S Bonus	-	-	-	-	-	-	-	-	-	-	-	-	1,044	55.6%
Coursing	12	12	-	-	-	-	-	-	-	-	-	-	101	9.8%
GRAND TOTAL	944	1,015	187,790	11.3%	16,529	15.6%	604	-46.5%	784,943	8.0%	802,076	8.1%	37,764	24.3%

(*)On-Course includes fixed odds by Club from start of the new licence 15th August 2012

2012/13 HIGHLIGHTS

TOP LEFT

2012 TAB Great Chase winner Boris Fields with representatives from community group Your Respite Options and trainer Jason Thompson.

BOTTOM LEFT

Hawthorn champion Jarryd Roughead was an ambassador for the 2012 Sandown Cup.

TOP/FAR RIGHT

The TAB Great Chase series links greyhounds and community groups caring for the intellectually and physically disabled together in a unique collaboration of community and sport.

MIDDLE/FAR RIGHT

Greyhounds from Greyhound Racing Victoria's Greyhound Adoption Program stole the show at the 2012 Royal Melbourne Show, showing how greyhounds are the perfect pet.

BOTTOM /FAR RIGHT

The inaugural Ready 2 Race Auction Series was held at Bendigo's Lord's Raceway in November and was a big success with the series set to be an annual event.







2012/13 HIGHLIGHTS

TOP LEFT/MIDDLE LEFT

Volunteers from Greyhound Racing Victoria's Greyhound Adoption Program were on hand to deliver a \$10,000 cheque for the Royal Children's Hospital Good Friday Appeal at Etihad Stadium.



BOTTOM LEFT

Eric & Jan Wilson Scholarship
From left to right:

Craig Wilson (son of Eric and Jan), Elizabeth Schultze, Lachlan Fasoli, Jacob Hunt, Premier Denis Naphthine, Alle Wood, Ben Vasey, Tom Westmore and GRV Chairman Peter Caillard.

TOP RIGHT

In September 2012 the Prison Pet Partnership celebrated its fifth birthday at Dhurringile Prison. From left to right: Roger Jorgensen (Prison Supervisor) Adam Wallish (GRV CEO) Andrew McIntosh (Minister for Corrections) Geoff Miles (GRV Interim Board Member) Denis Naphthine (Minister for Racing) John Duck (Department of Justice - Hume Regional Director) and Terry Jose (General Manager, Dhurringile Prison)



MIDDLE RIGHT

Sandown Park hosted their first '50 Shades of Greyhound - Girls Night Out' supporting the McGrath Foundation.

BOTTOM RIGHT

Greyhound Spud Regis – named after AFL Legend Danny Frawley – caused a media frenzy as he set alight the track throughout the year. Danny Frawley was instrumental in boosting the greyhounds profile.





STATUTORY INFORMATION

ESTABLISHMENT AND FUNCTIONS

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

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

VISION STATEMENT

In 2011 GRV adopted the 2011- 2020 strategic plan. Its vision was: Victorian greyhound racing will be a sustainable, cohesive and professional industry in 2020. The industry will involve the community at all levels and animal welfare standard will be exemplary. As an acknowledged leader in racing, greyhounds will be 20% of a \$5.0 billion Victorian racing industry. It will be extremely well marketed, both

on and off the track, attracting new generations and families. The industry will be a source of considerable respect for everyone engaged in the greyhound racing industry.

Given however a new Board was appointed in July 2012, GRV plans to have a further strategic planning session commencing around September 2013 and wants to ensure it goes through an extensive process that engages with all stakeholders in order to develop a new plan.

ORGANISATIONAL STRUCTURE

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

The Board appoints a CEO who is responsible for the day to day affairs of GRV. The CEO and Senior Management Team (SMT) implement strategies and manage operational aspects. The SMT Departments are as follows, noting that each department's objectives are highlighted in their Departmental reports:

- Human Resources
- Finance
- Integrity
- Marketing and Communications
- Racing and Operations :
 - Infrastructure , Clubs and procurement
 - Animal Welfare & Gap
 - Members Services

- Racing and Grading
- Special Projects (including ready to race & syndication)
- Technology & e-Business

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

FULL-TIME EQUIVALENT STAFF

At the 30th June 2013, GRV employed the equivalent of 72.8 full-time staff (2012: 63.7). This comprises 57.0 full-time staff and the full-time equivalent of 15.8 casual and part-time staff (which includes casual stewards and kennel assistants, the gap property and also noting GRV employs track data operators). This is an increase of 9.1 on the prior year, noting during the year GRV employed the following additional persons:

- (3.9) employees within the Racing & Operations Department that includes ; A Procurement Manager to assist GRV in meeting governmental requirements including implementing related recommendations made by the Ombudsman Victoria; Special Projects Co-ordinator to implement Ready to Race and other ownership initiatives; a restructure of the Racing Department which created the role of Racing Manager (to manage race programming, grading and GRV's relationship with Sky Racing) also 0.9 additional resource was utilised to assist

administration and compliance within the Animal Welfare department.

- (2.6) employees in Admin & Finance, with a Senior Accountant being appointed to provide for increased accountability and greater compliance in keeping with Ombudsman recommendations & Audit requirements, 0.6 extra part-time accounts support and a full-time Human Resources Manager to assist GRV and Clubs in meeting all HR related obligations
- (2.2) Integrity & Racing staff that included 1.7 additional Stewards, noting this includes one full-time and 0.7 casual Stewards with GRV increasing its meetings to 20 per week (from 18 at the start of the year); also a 0.5 part-time Veterinary Steward given GRV's focus on integrity which includes increased swab testing, kennel inspections and out of completion testing
- (0.4) Additional in marketing, with the appointment of a Clubs Marketing Manager that works closely with clubs to maximize club marketing opportunities including utilising the Governments funding via Raceday Attraction Program (less 0.6 marketing support not required)

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

WORKFORCE DATA

GRV is committed to providing a safe and healthy workplace for its office located at:

46-50 Chetwynd Street,
WEST MELBOURNE,
VICTORIA, 3003,
Tel: (03) 8329 1100 Fax: (03) 8329 1000

FREEDOM OF INFORMATION

Requests for access to documents under the Freedom of Information Act 1982 are directed to the Freedom of Information Officer, Mr. Dennis Timewell located at GRV's office.

All records are kept at GRV's office or otherwise when no longer current, archived in storage for the required period. Documents subject to the request will be considered by the Freedom of Information Officer.

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

During 2012/13, one freedom of information request was received and full access was granted.

COMPETITION POLICY

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

WHISTLEBLOWERS PROTECTION ACT 2001

At the 30th June 2013, GRV complied with the Whistleblowers Protection Act 2001 as part of its policies. In August 2013, GRV was seeking to alter the policy in order to take on the Protected Disclosures Policy as required by the Government.

OCCUPATIONAL HEALTH AND SAFETY

As at 30th June 2013, Mr. Glen Canty, Racing and Operations Manager, was responsible for the overall implementation of GRV OH & S reforms and practices. This extends to the development of strategies for Clubs where information is being provided to them to assist in minimizing any associated OH & S risks. GRV commissioned independent OH&S Audits for all Clubs in 2013, which highlighted several improvement areas which are currently being addressed. Additionally updated information is provided to Clubs where changes occur with regulations. Clubs meetings and annual track maintenance manager forums are also used to both update Clubs on changes and review the adoption of improvements to current practices.

The Infrastructure and Development Manager was also responsible for implementing where relevant the principles included within the Building Act 1993. GRV also employs a Compliance & Risk Manager to assist with risk mitigation strategies across GRV and Clubs. In 2012/13 GRV also established an OH&S Committee comprised of GRV Management and staff representatives, to consider and manage OH&S issues in the workplace.

ENVIRONMENTAL POLICY

In 2012/13 the Infrastructure Manager was responsible for Environmental policy and in doing so, GRV established the 'GRV Greening Team' to work towards the full benefit of a green work environment and to optimise energy efficiencies. The initial aim will be to achieve a material reduction in energy, waste and water consumption within GRV and Clubs, and to be ecologically responsible through the development of an annual Greening GRV plan.

To date GRV has implemented water recycling irrigation systems at more than 50% of Victorian greyhound tracks. The irrigation recycling captures approximately 70% of water used to be recycled, resulting in significant water savings & a positive environmental impact.

CONSULTANCY

The Board incurred the following consultancies in 2012/13 (\$'000):

	2013		2012	
	\$'000	No.	\$'000	No.
Less than \$100,000	51	6	81	5
Greater than \$100,000	-	-	-	-

- 'Lange Consulting Services' through Paul Lange, provided consulting services to GRV with Fast-track governance planning and advice, being \$1,300.
- 'Schutz Consulting' through Megan Schutz, assisted GRV with a planning system report to assist GRV with a number of greyhound council and planning matters, being \$19,508
- 'Keith Farfor and Associates' through Keith Farfor provided OH & S advice to GRV by way of audits of Clubs, being \$7,675
- 'Granite Consulting' through Wilson Lim provided GRV with training and process support with *FastTrack*, being \$4,750
- Avalon Veterinary Services, through Steve Karamatic provided GRV with Veterinary advice, being \$10,000
- 'BMM Australia' provided GRV with a box draw audit, being \$8,000.

FINANCIAL STATEMENTS

GREYHOUND RACING VICTORIA COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
Continuing Operations			
Income from Transactions			
TABCORP Income	2(a)	54,944	43,593
Racefields Fees Income	2(b)	13,689	9,565
Other Income	2(c)	2,353	1,983
Total Income From Transactions		70,986	55,141
Expenses from Transactions			
Depreciation Expense	3	156	156
Other Expenses	4(a)	58,695	53,914
Industry Expenses	4(b)	3,704	3,350
Total Expenses From Transactions		62,555	57,420
NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		8,431	(2,279)
Other Economic Flows Included in Net Result			
Amortisation of Intangible Assets	5(a)	(90)	-
Net Loss on Non-Financial Assets	5(b)	(1)	-
Net Gain/(Loss) on Financial Assets	5(c)	304	(93)
Total Other Economic Flows Included In Net Result		213	(93)
NET RESULT	13(f)	8,644	(2,372)
COMPREHENSIVE RESULT		8,644	(2,372)

The Comprehensive Operating Statement should be read in conjunction with the accompanying notes included on pages 36 to 60

GREYHOUND RACING VICTORIA BALANCE SHEET AS AT 30 JUNE 2013

Current Assets			
Cash and Cash Equivalents	7(a)	2,636	974
Receivables	7(b)	7,161	6,610
Other Financial Assets	9	17,259	10,881
Prepayments		119	129
Total Current Assets		27,175	18,594

	Note	2013 \$'000	2012 \$'000
Non-Current Assets			
Other Financial Assets	9	2,876	2,552
Property, Plant and Equipment	8(a)	6,159	6,271
Intangible Assets	8(b)	5,276	3,323
Investment Property	8(c)	2,500	2,500
Total Non-Current Assets		16,811	14,646
TOTAL ASSETS		43,986	33,240
Current Liabilities			
Payables	11(a)	6,170	3,586
Provisions	10(a)	909	977
Other Liabilities	11(b)	246	331
Other Financial Liabilities	11(c)	-	368
Total Current Liabilities		7,325	5,262
Non-Current Liabilities			
Provisions	10(a)	234	228
Other Financial Liabilities	11(c)	-	-
Other Liabilities	11(b)	117	84
Total Non-Current Liabilities		351	312
TOTAL LIABILITIES		7,676	5,574
NET ASSETS		36,310	27,666
Equity			
Reserves	13	15,827	10,109
Contributed Capital	13(e)	1,924	1,924
Accumulated Surplus	13(f)	18,559	15,633
NET EQUITY		36,310	27,666
Commitments for expenditure	14	7,264	3,681
Contingent assets	15(a)	1,981	-
Contingent liabilities	15(b)	-	-

The Balance Sheet should be read in conjunction with the accompanying notes included on pages 36 to 60

GREYHOUND RACING VICTORIA STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	Greyhound Owners and Breeders						Total
		Distribution Reserve Fund	Incentive Scheme Reserve	Infrastructure Reserve Fund	Asset Revaluation Reserve	Accumulated Surplus	Contributions by Owner	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011		6,755	535	6,929	2,063	11,832	1,924	30,038
Net result for the year	13(f)	-	-	-	-	(2,372)	-	(2,372)
Transfer (to)/from accumulated surplus	13(a),13(b), 13(c),13(f)	887	(116)	(6,944)	-	6,173	-	-
Transfer (to)/from another reserve		-	-	-	-	-	-	-
Balance at 30 June 2012		7,642	419	(15)	2,063	15,633	1,924	27,666
Net result for the year	13(f)	-	-	-	-	8,644	-	8,644
Transfer (to)/from accumulated surplus	13(a),13(b), 13(c),13(f)	(2,642)	414	7,946	-	(5,718)	-	-
Transfer (to)/from another reserve		-	-	-	-	-	-	-
Balance at 30 June 2013		5,000	833	7,931	2,063	18,559	1,924	36,310

The Statement of Changes in Equity should be read in conjunction with the accompanying notes included on pages 36 to 60

GREYHOUND RACING VICTORIA CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts in the Course of Operations		73,364	59,780
Interest Received		749	931
Total Receipts		<u>74,113</u>	<u>60,711</u>
Payments			
Payments to Suppliers, Employees and Industry		(63,597)	(61,188)
Total Payments		<u>(63,597)</u>	<u>(61,188)</u>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	12(b)	<u>10,516</u>	<u>(477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(44)	(332)
Payment for Intangibles		(2,043)	(2,672)
Receipts from Redemption of Investments		8,649	6,981
Payments for Purchase of Investments		(15,048)	(4,183)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		<u>(8,486)</u>	<u>(206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(368)	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		<u>(368)</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,662	(683)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		974	1,657
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	12(a)	<u>2,636</u>	<u>974</u>

The Cash Flow Statement should be read in conjunction with the accompanying notes included on pages 36 to 60

GREYHOUND RACING VICTORIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Objectives and Funding

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

- To register greyhounds for greyhound racing or for stud or other purposes and to regulate the breeding, kennelling and verification of lineage of greyhounds for greyhound racing or for stud or other purposes;
- To control and promote the sport of greyhound racing;
- To carry out research into aspects of greyhound racing and to assist in planning future development;
- To exercise such powers, functions and duties as are conferred on the Board by or under this or any other Act; and
- To conduct greyhound races.

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

Reporting Entity

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

1. Summary of Significant Accounting Policies

The annual financial statements represent the audited general purpose financial statements of GRV for the year ended 30 June 2013.

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

Statement of Compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The financial statements were authorised for issue by the Greyhound Racing Control Board trading as Greyhound Racing Victoria ("GRV") on 4 September 2013.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Basis of Accounting Preparation and Measurement

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

Critical Accounting Estimates

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

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

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

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

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss);
- financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. GRV assesses at each end of the reporting period whether a financial asset or group of financial assets is impaired; and
- financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit or loss over the period of the interest-bearing liability, using the effective interest rate method.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(b) Reporting Entity

The financial statements cover GRV as an individual reporting entity.

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

(c) Scope and Presentation of Financial Statements

Comprehensive Operating Statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

'Transactions' and 'other economic flows' are defined by the *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to Australian System of Government Finance Statistics 2005* (ABS Catalogue No. 5514.0) (the GFS Manual).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows in an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes in the volume or changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; fair value changes of financial instruments. The net result is equivalent to profit or loss derived in accordance with AAS.

Balance Sheet

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

Statement of Changes in Equity

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

Cash Flow Statement

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

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

Rounding of Amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(d) Income from Transactions

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

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

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

(e) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GRV's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

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

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

Financial liabilities at amortised cost

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

Financial instrument liabilities measured at amortised cost include all contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Offsetting financial instruments

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

(f) Financial Assets

Cash and Cash Equivalents

Cash and 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.

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

Loans to Clubs

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

Investment in Radio 3.U.Z. Pty Ltd

The investment in Radio 3.U.Z Unit Trust has been recognised at cost instead of fair value as required by AASB 139 *Financial Instruments: Recognition and Measurement* because the fair value of this investment cannot be determined and measured reliably. Radio 3.U.Z Unit Trust is an unlisted trust and its units are not readily traded in an open market. The value of the Broadcasting licence (which is an intangible asset) owned by 3.U.Z Unit Trust is extremely difficult to measure reliably because of the infrequent sale of radio broadcasting licences. Accordingly, GRV's investment in Radio 3.U.Z Unit Trust has been recorded at cost. Refer to Note 9 for further details.

Receivables

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

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

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

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

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GRV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- GRV has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where GRV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of GRV's continuing involvement in the asset.

Impairment of Financial Assets

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

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

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

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

(g) Impairment of Assets

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

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an "other economic flow", except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(h) Investment Property - William Street

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

Investment properties are initially measured at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to GRV. Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as "other economic flows" in the comprehensive operating statement in the period that they arise. These properties are neither depreciated nor tested for impairment. Rental income from the leasing of investment properties is recognised in the comprehensive operating statement on a straight-line basis over the term of the lease.

(i) Finance Income/Costs

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

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

(j) Property, Plant and Equipment

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

The fair value of furniture, fittings and equipment is normally determined by reference to the asset's depreciated replacement cost. For furniture, fittings and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

(k) Intangible Assets

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

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. 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. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

(l) Revaluations of Non-Financial Physical Assets

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

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in "Other economic flows - other movements in equity" and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

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

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

(m) Depreciation and Amortisation

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

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

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. Intangible assets with indefinite useful lives are not depreciated or amortised, but are tested annually for impairment.

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

(n) Payables

Payables consist of:

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

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(e)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

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

(o) Deferred Revenue

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

(p) Financial Liabilities and Borrowings

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

(q) Employee Benefits

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

(i) Wages and salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability; even where GRV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current LSL liability are measured at:

- nominal value-component that GRV expects to settle within 12 months; and
- present value-component that GRV does not expect to settle within 12 months.

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

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

(iii) Termination benefits

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

(iv) Superannuation

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

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

(v) Employee benefits on-costs

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

(r) Recognition of Infrastructure Projects

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

(s) Accounting for Leases

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating Leases

GRV as lessor

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

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

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

GRV as lessee

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

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

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Operating lease commitments are set out in Note 14(a).

(t) 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.

(u) Infrastructure and Maintenance

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

(v) Other Expenses

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

(w) Events After the Reporting Period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between GRV and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in 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 and which may have a material impact on the results of subsequent reporting periods. GRV has no material or significant events occurring after the reporting date.

(x) Comparative Information

Where applicable, comparatives have been restated to conform with current year disclosures, including the cash flow statement where term deposits have been excluded from cash balances as these deposits were for terms greater than 3 months.

(y) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 14) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(z) Contingent Assets and Liabilities

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

(aa) Equity

Contributions by Owners

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

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

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

(ab) Significant Accounting Judgements, Estimates and Assumptions

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

Significant accounting judgements

Impairment of non-financial assets

GRV assesses impairment of all assets at each reporting date by evaluating conditions specific to GRV and to the particular asset that may lead to impairment. These include product performance, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Despite the current uncertain economic environment management considered that the indicators of impairment were not significant enough and as such these assets have not been tested for impairment in this financial period.

Valuation of investments in 3.U.Z Pty Ltd

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

Significant accounting estimates and assumptions

Estimation of useful lives of assets

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

(ac) AAS Issued that are Not Yet Effective

Certain new AAS have been published that are not mandatory for the 30 June 2013 reporting period. DTF assesses the impact of these new standards and advises GRV of their applicability and early adoption where applicable.

As at 30 June 2013, the following AAS, that are applicable to GRV, have been issued by the AASB but are not yet effective for the financial year ended 30 June 2013. Standards and Interpretations that are not applicable to GRV have been omitted. GRV has not and does not intend to early adopt these standards.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on GRV's financial statements
AASB 9 <i>Financial Instruments</i> , AASB 2009-11 <i>Amendments to Australian Accounting Standards Arising from AASB 9</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12], and AASB 2010-7 <i>Amendments to Australian Accounting Standards Arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 January 2013	This may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements</i> [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1055 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector. The standard does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements</i> [AASB 101 & 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
AASB 13 <i>Fair Value Measurement</i> and AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This Standard outlines the general requirements for measuring the fair value of assets and liabilities and replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations. One significant aspect of AASB 13 is the introduction of a "fair value hierarchy" which was previously only applicable to financial instruments. Through the "fair value hierarchy", AASB 13 seeks to increase consistency and comparability in fair value measurements and related disclosures. The hierarchy ranks the inputs used in valuation techniques into three levels - Level 1 (unadjusted quoted prices in active markets for identical assets or liabilities), Level 2 (observable inputs other than those in Level 1) and Level 3 (unobservable inputs).	Beginning 1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 <i>Employee Benefits</i> and AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)</i> [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard replaces AASB 119 (December 2004, as amended) with updated accounting and disclosure requirements for employee benefits. The revised Standard changes the methodology applied to the calculation of superannuation expenses relating to defined superannuation plans. In particular, there is now a split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as other economic flows) as reported on the comprehensive operating statement.	Beginning 1 January 2013	While the total superannuation expense will not change under the revised Standard, the revised methodology is expected to have a negative impact on the general government sector's net result from transactions. Since actuarial gains and losses of Victorian Public Sector (VPS) superannuation defined benefit plans generally are not presented at agency level (refer to FRD 112 Defined Benefits Superannuations Obligations), this amendment will have a minimal impact for entities in the VPS.
AASB 2012-7 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard adds to or amends the Australian Accounting Standards - Reduced Disclosure Requirements for AASB 7 <i>Financial Instrument: Disclosures</i> , AASB 12 <i>Disclosure of Interests in Other Entities</i> , AASB 101 <i>Presentation of Financial Statements</i> and AASB 127 <i>Separate Financial Statements</i> . AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
AASB 2012-1 <i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements</i> [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This Standard applies to annual reporting periods beginning on or after 1 July 2013. Earlier application is permitted for annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013, provided that the following are also adopted for the same period: (a) AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> ; (b) AASB 13 <i>Fair Value Measurement</i> ; and (c) AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> .	Beginning 1 July 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 2012-5 <i>Amendments to Australian Accounting Standard arising from Annual Improvements - 2009-2011 Cycle</i>	These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to Standards.	Beginning 1 January 2013	

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

(ad) New Accounting Standards and Interpretations that Became Operative During the Year.

GRV has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB. None of the new standards & amendments to standards affected any of the amounts recognised in the current period or any prior period and

are likely to affect future periods. Amendments made to AASB 101 effective 1/7/12 resulted in the Comprehensive Operating Statement to show the items of comprehensive income grouped into those that are permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

2. INCOME FROM TRANSACTIONS

2 (a) TABCORP Income

	Note	2013 \$'000	2012 \$'000
Racing Products Program Fee		11,372	7,208
Racing Products Fee Off-Course-Fixed		18,947	5,552
Racing Products Fee Off-Course-Variable		10,883	3,928
Racing Products Marketing Fee		94	824
Racing Products & Vic Racing On-Course Paid to Clubs		39	424
Vic Racing Joint Venture Profit		12,378	25,328
Media and Other		1,231	329
Total TABCORP Income		54,944	43,593

2 (b) Racefield Fees Income

		13,689	9,565
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GRV charges Interstate TABs and Corporate Bookmakers for the use of GRV racefields pursuant to section 2.5.19C of the *Gambling Regulation Act 2003 (Vic)* (Act) and regulation 5 of the *Gambling Regulation (Race Fields) Regulations 2008*. GRV also meets its share of fees paid by TABCORP to interstate TAB's for wagering on interstate race meetings through the Victorian TAB. These fees are on-charged by TABCORP to the Victorian Racing Codes by making deductions (third party charges) from product fees payable to Racing Products Victoria Pty Ltd in accordance with agreed arrangements. GRV share of these fees that Racing Products deducts from fees received in 2013 was \$0.413 Mil (2012: \$3.409 Mil).

2 (c) Other Income

GOBIS Registrations & Interest	13(b)	218	195
GOBIS VRIF Contribution	13(b)	596	-
Registration Fees		378	451
Interest Received		733	931
Fines		45	40
Sponsorships		150	132
Sundry Income		-	2
Rent Received		233	232
Total Other Income		2,353	1,983

Total Income from Transactions

70,986 **55,141**

3. Depreciation Expense

Buildings		66	66
Track and GAP Equipment		11	10
Office Furniture and Fittings		28	16
Computer and Office Equipment		51	64
Total Depreciation		156	156

4. EXPENSES FROM TRANSACTIONS

4. (a) Other Expenses

Administration Expenses

Employees Wages & Associated Costs		2,487	2,122
Board Wages & Expenses		232	205
Audit Fees- External Audit of Financial Report		14	13
Audit Fees- Internal		121	74
Bank Charges & Payroll Processing		52	46
Maintenance & Rental Property Costs		131	151
e-Business & Technology Costs		1,155	400
Insurance Allocation		35	37
Industry Training, Memberships and Subscriptions		6	6
Legal & Consultancy		237	185
Postage, Printing & Stationery		93	122
Telephone & Membership Nomination Freeline		54	57
Fringe Benefits Tax		204	154
Sundry Expenses		5	8
Total Administration Expenses		4,826	3,580

	Note	2013 \$'000	2012 \$'000
Stewards Expenses			
Wages & Associated Costs		2,016	1,672
Swab Analysis		588	432
Legal Appeals Expenses		172	118
Sundry Expenses		25	15
Total Stewards Expenses		2,801	2,237
Stakemoney, Travel & Starters Fees		36,730	29,713
Club Expenses			
On-Course Tote		900	788
Clubs Distribution, Development, Consultancy & Legal		5,091	4,568
Insurance Allocation		183	193
Clubs Computer Development & Support		70	60
Cup Promotions		766	572
Club Sky Channel Linking & Video Costs		825	756
RSN; Landlines, Race Callers, Deficit Funding		921	937
Total Club Expenses		8,756	7,874
Greyhound Owners and Breeders Incentive Scheme			
GOBIS Expenses		93	24
GOBIS Bonuses		1,044	671
Total Greyhound Owners and Breeders Incentive Scheme	13(b)	1,137	695
Infrastructure & Maintenance	13(c)	4,445	9,815
Total Other Expenses		58,695	53,914
4 (b) Industry Expenses			
Advertising Promotions, Hall of Fame, GAP & Welfare, Market Research & GRV Q		2,108	1,835
Costs of Registrations, Ear Branding & Micro Chipping		231	335
Costs of Racing Analytical Services Laboratory		138	197
Racing Industry Costs		79	138
Newspaper Fields & Pricing & Form Guides		1,148	845
Total Industry Expenses		3,704	3,350
5. Amortisation, Revaluation and Gain/(Loss) on Financial and Other Assets			
5 (a) Amortisation of Intangible Assets			
Amortisation Expense		90	-
Total Amortisation of Intangible Assets		90	-
5 (b) Net Loss on Non-Financial Assets			
Loss on Disposal of Assets		1	-
Total Net Loss on Non-Financial Assets		1	-
5 (c) Net Gain/(Loss) on Financial Assets			
Finance revenue and costs arise on re-stating loans to their fair value allowing for assumption as to likely repayments, using the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, over a shorter period.			
Finance Revenue		304	-
Finance Costs		-	(93)
Total Net Gain/(Loss) on Financial Assets		304	(93)

6. Financial Instruments

Financial Risk Management Objectives and Policies

This note presents information about GRV's financial instrument risk management objectives, policies and processes for measuring and managing risk and the management of capital. The GRV Board has responsibility for the establishment and oversight of the risk management framework to guide GRV in identifying and analysing the risks faced. GRV Board's overall risk management approach seeks to minimise potential adverse effects on the financial performance of GRV and uses different methods to measure different types of risk to which GRV is exposed. These methods include monitoring interest rate and other price risks, ageing analysis for credit risk. GRV's principal financial instruments comprise cash and short term deposits, other financial assets, accounts receivable/payable and other financial liabilities. GRV's activities expose it primarily to the financial risks of changes in interest rates, price risk, liquidity risk and credit risk. GRV does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Board reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

Risk management is carried out by management and reported on an exception basis to the Board. The Board reviews and agrees policies for managing each of these risks in consultation with management and undertakes regular monitoring of the performance of GRV's financial assets and liabilities.

Significant accounting policies:

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements. GRV's financial instruments are limited to the following:

Categorisation of financial instruments

	Note	Category	2013	2012
			<i>Carrying amount (\$'000)</i>	
Financial assets				
Cash and cash equivalents	7 (a)	Contractual financial assets - Loans and receivables	2,636	974
Receivables ^(a)	7 (b)	Contractual financial assets - Loans and receivables	7,006	6,413
Other financial assets - loans	9	Contractual financial assets - Loans and receivables	2,386	2,082
Investments ^(c)	9	Contractual financial assets - Available for sale	17,749	11,351
Financial liabilities				
Payables ^(b)	11 (a)	Contractual financial liabilities at amortised cost	5,444	3,360
Other financial liabilities - loans	11 (c)	Contractual financial liabilities at amortised cost	-	368

Note:

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

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

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

Credit Risk

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

Credit risk associated with GRV's contractual financial assets is minimal because the main debtor is Tabcorp, being the Victorian Racing Industry's Joint Venture partner. For debtors other than Tabcorp, it is GRV's policy to only deal with entities assessed as being credit worthy and to obtain sufficient collateral or credit enhancements where appropriate. In addition, GRV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, GRV's policy is to only deal with banks with high credit ratings.

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

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

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

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

	Financial institutions Triple-A credit rating \$'000	Financial institutions AA- credit rating \$'000	Government agencies Triple A- credit rating \$'000	Other \$'000	Total \$'000
2012					
Financial assets					
Cash and cash equivalents	-	974	-	-	974
Loans receivable	-	-	-	2,082	2,082
Investments	-	9,800	1,025	526	11,351
Receivables	-	-	-	6,413	6,413
Total contractual financial assets	-	10,774	1,025	9,021	20,820

Note:

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

Contractual financial assets that are either past due or impaired

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

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

Credit risk exposure is as follows:

	Weighted Average interest rate	Carrying Amount \$'000	Interest Rate Exposure			Not past due and not impaired \$'000	Past due but not impaired					Impaired Financial Assets \$'000
			Fixed interest rate \$'000	Floating interest rate \$'000	Non interest bearing \$'000		Less than 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	
2013												
Financial assets												
Cash and cash equivalents	2.50%	2,636	-	2,636	-	N/A	-	-	-	-	-	-
Loans receivable	3.79%	2,386	2,386	-	-	2,386	-	-	-	-	-	-
Investments	3.79%	17,749	17,223	-	526	17,749	-	-	-	-	-	-
Receivables	0.00%	7,006	-	-	7,006	7,006	-	-	-	-	-	-
Total financial assets		29,777	19,609	2,636	7,532	27,141	-	-	-	-	-	-
2012												
Financial assets												
Cash and cash equivalents	3.25%	974	-	974	-	N/A	-	-	-	-	-	-
Loans receivable	5.82%	2,082	2,082	-	-	2,082	-	-	-	-	-	-
Investments	5.57%	11,351	10,825	-	526	526	-	-	-	-	-	-
Receivables	0.00%	6,413	-	-	6,413	6,413	-	-	-	-	-	-
Total financial assets		20,820	12,907	974	6,939	9,021	-	-	-	-	-	-

Note:

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

Liquidity Risk

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

GRV manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is considered to be minimal. GRV's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet. The following table discloses the contractual maturity analysis for GRV's contractual financial liabilities:

Liquidity risk exposure is as follows:

	Weighted Average effective interest rate	Carrying Amount \$'000	Interest rate exposure			Constructual Cash Flows \$'000	Maturity Dates					
			Fixed interest rate \$'000	Variable interest rate \$'000	Non interest bearing \$'000		Fixed Less than 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	
2013												
Financial liabilities												
Payables	0.00%	5,444	-	-	5,444	5,444	5,444	-	-	-	-	-
Other Financial Liabilities	0.00%	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities		5,444	-	-	5,444	5,444	5,444	-	-	-	-	-
2012												
Financial liabilities												
Payables	0.00%	3,360	-	-	3,360	3,360	3,360	-	-	-	-	-
Other Financial Liabilities	0.00%	368	-	-	368	368	-	-	368	-	-	-
Total financial liabilities		3,728	-	-	3,728	3,728	3,360	-	368	-	-	-

Note:

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

(b) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables)

Market Risk

GRV's exposures to market risk are primarily through interest rate risk and some exposure to price risk by virtue of its investment in the 3.U.Z Unit Trust. It does not have any exposure to foreign currency and other stated price risks. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

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

Other price risk

GRV is exposed to a low level equity price risk through its investments in 3.U.Z, which is an unlisted entity. Given that the investment's classification as a strategic asset central to the business strategy to GRV's operation, it is not traded and has been recognised at cost due to the factors outlined in Note 9. GRV actively monitors the financial performance of the underlying business by reviewing financial information of the underlying business as well as liaising with other investors and management of the underlying business in order to keep track of the performance and value of the underlying business.

Fair Values

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

Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

GRV considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full. A number of methods are available when estimating the fair value of a financial instrument. The methods comprise:

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

Ageing analysis of contractual receivables

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

Nature and extent of risk arising from contractual receivables

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

8 (a) Property, Plant and Equipment

Assets at Fair Value	2013 \$'000 At fair value	2013 \$'000 Accum Depn	2013 \$'000 Written down value	2012 \$'000 At fair value	2012 \$'000 Accum Depn	2012 \$'000 Written down value
Land - Chetwynd Street (1)	3,065	-	3,065	3,065	-	3,065
Land - Seymour Gap (2)	225	-	225	225	-	225
Buildings - Chetwynd Street (1)	1,995	(100)	1,895	1,995	(50)	1,945
Buildings - Seymour Gap (2)	640	(32)	608	640	(16)	624
Track and GAP Equipment	109	(77)	32	108	(69)	39
Furniture and Fittings	334	(92)	242	334	(66)	268
Computer & Office Equipment	548	(456)	92	584	(479)	105
Total	6,916	(757)	6,159	6,951	(680)	6,271

(1) 46-50 Chetwynd Street- Independent Valuation

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

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

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

Reconciliations	Note	2013 \$'000	2012 \$'000
Reconciliations of the carrying amounts for each class of asset is set out below:			
Land			
Balance at the Beginning of Year		3,290	3,290
Balance at the End of Year		3,290	3,290
Buildings			
Balance at the Beginning of Year		2,569	2,635
Depreciation		(66)	(66)
Balance at the End of Year		2,503	2,569
Track and GAP equipment			
Balance at the Beginning of Year		39	45
Additions		5	4
Disposals		(1)	-
Depreciation		(11)	(10)
Balance at the End of Year		32	39
Office Furniture and Fittings			
Balance at the Beginning of Year		268	10
Additions		2	274
Depreciation		(28)	(16)
Balance at the End of Year		242	268

	2013 \$'000	2012 \$'000
Computer and Office Equipment		
Balance at the Beginning of Year	105	117
Additions	42	52
Disposals	(4)	-
Depreciation	(51)	(64)
Balance at the End of Year	<u>92</u>	<u>105</u>
Total Property Plant & Equipment	<u>6,159</u>	<u>6,271</u>

8 (b) Intangible Assets

GRV engaged SMS Consulting to write and deploy a new racing management system for the greyhound racing industry. This system, known as *FastTrack*, was released on May 1, 2013. At 30th June, 2013, the carrying amount of *FastTrack* net of amortisation was \$5.276 Mil (2012: \$3.323 Mil).

Assets at Fair Value	2013 \$'000 At fair value	2013 \$'000 Accum Amtn	2013 \$'000 Written down value	2012 \$'000 At fair value	2012 \$'000 Accum Amtn	2012 \$'000 Written down value
Intangible Assets - <i>FastTrack</i>	5,366	(90)	5,276	3,323	-	3,323
Total	5,366	(90)	5,276	3,323	-	3,323

Balance at the Beginning of Year	3,323	650
Additions	2,043	2,673
Balance In Progress	<u>-</u>	<u>3,323</u>
Asset at Fair Value	<u>5,366</u>	<u>-</u>
Amortisation	(90)	-
Written Down Value	<u>5,276</u>	<u>3,323</u>

8 (c) Investment Property - William Street

438 William Street - Independent Valuation

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

Balance at the Beginning of Year	2,500	2,500
Balance at the End of Year	<u>2,500</u>	<u>2,500</u>
Amounts recognised in the comprehensive operating statement for the investment property		
Rental income	336	285
Direct operating expense from property that generated rental income	(50)	(32)
Direct operating expense from property that did not generate rental income	(53)	(21)
	<u>233</u>	<u>232</u>

Lease arrangements

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

Within 1 year	302	141
Later than 1 year but not later than 5 years	490	94
	<u>792</u>	<u>235</u>

	2013	2012
Note	\$'000	\$'000
9. Other Financial Assets		
Current - Investments		
Term Deposits	17,223	10,825
Total Investments	<u>17,223</u>	<u>10,825</u>
Loans		
Current		
Sale GRC Land Purchase (1)	36	56
Total	<u>36</u>	<u>56</u>
Total Current Other Financial Assets	<u>17,259</u>	<u>10,881</u>
Non-Current		
Sale GRC Land Purchase (1)	812	863
Melbourne Greyhound Racing Association (2)	1,538	1,163
Total	<u>2,350</u>	<u>2,026</u>
Total Loans	<u>2,386</u>	<u>2,082</u>
Non-Current - Investment in Radio 3.U.Z Pty Ltd		
Shares in Radio 3.U.Z Pty. Ltd.	1	1
Units in Radio 3.U.Z Unit Trust at Cost	525	525
Total	<u>526</u>	<u>526</u>
Total Non-Current Other Financial Assets	<u>2,876</u>	<u>2,552</u>

Loans

They are recorded at amortised cost, using the effective interest rate method which applies the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, over a shorter period. GRV provided the following loans and where interest is charged on outstanding loans the terms are consistent with the rate that GRV would otherwise receive on funds invested:

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

2) The Melbourne Greyhound Racing Club ("MGRA") - the loan was advanced to assist MGRA with the purchase of a parcel of land, which was intended to be used for the building of a TABARET with no repayment terms or interest rate agreed to, however GRV entered into a caveat over the property with MGRA. MGRA is currently assessing opportunities for sale and/or development. For the purposes of complying with the requirements of AASB 139 the amount has been valued at fair value as disclosed in Note 1(e).

Investment in Radio 3.U.Z Pty Ltd

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

It is GRV's policy to assess its adopted accounting policy in respect of the units in the trust as well as the carrying value of its investment in the trust on an annual basis to ensure that the amount is not overstated. In 2013, GRV evaluated and assessed that it was appropriate and in compliance with the requirements of AASB 139 to continue to value its investment in Radio 3.U.Z Unit Trust at cost, due to the lack of available market data as to the value of the units.

(a) Ageing analysis of other financial assets

Please refer to Note 6 for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from other financial assets

Please refer to Note 6 for the nature and extent of risks arising from investments and other financial assets.

	2013 \$'000	2012 \$'000
10. Provisions		
(a) Employee Benefits		
Current Provisions		
<i>Employee Benefits- Annual leave</i>		
Unconditional and Expected to Settle Within 12 months	202	202
Unconditional and Expected to Settle After 12 months	67	67
<i>Employee Benefits- Long Service Leave</i>		
Unconditional and Expected to Settle Within 12 months	147	166
Unconditional and Expected to Settle After 12 months	308	390
	<u>724</u>	<u>825</u>
Provision Relating to Employee Benefits On-Costs		
Unconditional and Expected to Settle Within 12 months	89	66
Unconditional and Expected to Settle After 12 months	96	86
	<u>185</u>	<u>152</u>
Total Current Provisions	<u>909</u>	<u>977</u>
Non-Current Provisions		
Employee Benefits	191	174
Employee Benefits On-Cost	43	54
Total Non-Current Provisions	<u>234</u>	<u>228</u>
Total Employee Benefits	<u>1,143</u>	<u>1,205</u>
(b) Employee Benefits and Related On-costs		
Current		
Annual Leave Entitlements	269	269
Long Service Leave Entitlements	455	556
Total Current	<u>724</u>	<u>825</u>
Non-Current Employee Entitlements		
Long Service Leave Entitlements	191	174
Total Non-Current	<u>191</u>	<u>174</u>
Total Employee Benefits	<u>915</u>	<u>999</u>
Current On-Costs	185	152
Non-Current On-Costs	43	54
Total On-Costs	<u>228</u>	<u>206</u>
Total Employee Benefits and Related On-Costs	<u>1,143</u>	<u>1,205</u>
Number of Employees at Year End	<u>73</u>	<u>64</u>
(c) Movement In Provisions		
Opening Balance	1,205	1,105
Additional Provisions Recognised	504	428
Reductions Arising From Payments/Other Sacrifices of Future Economic Benefits	(524)	(330)
Unwind Of Discount and Effect of Changes In Discount Rate	(42)	2
Closing Balance	<u>1,143</u>	<u>1,205</u>
11 (a) Payables		
Current		
Contractual		
Trade Creditors	518	746
Sundry Creditors	4,825	2,521
Statutory		
GST Payable	726	226
PAYG Tax Payable	101	93
Total	<u>6,170</u>	<u>3,586</u>

Maturity analysis of contractual payables

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

Nature and extent of risk arising from contractual payables

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

	Note	2013 \$'000	2012 \$'000
11 (b) Other Liabilities			
Deferred Revenue			
Current			
TABCORP Price-Caps		-	36
Other		<u>246</u>	<u>295</u>
Total Current		<u>246</u>	<u>331</u>
Non-Current			
Other		<u>117</u>	<u>84</u>
Total Non-Current		<u>117</u>	<u>84</u>
Total Deferred Revenue		<u>363</u>	<u>415</u>

11 (c) Other Financial Liabilities

Current

Loan TABCORP		-	368
Total Other Financial Liabilities		<u>-</u>	<u>368</u>

(a) Maturity analysis of other financial liabilities

Please refer to Note 6 for the maturity analysis of other financial liabilities.

(b) Nature and extent of risk arising from other financial liabilities

Please refer to Note 6 for the nature and extent of risks arising from other financial liabilities.

(c) Default and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

12. Notes to the Cash Flow Statement

12 (a) Reconciliation of Cash and Cash Equivalents

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

Cash and cash equivalents	7(a)	<u>2,636</u>	<u>974</u>
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12 (b) Reconciliation of Net Result for the Period

Net Result for the Period		8,644	(2,372)
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Add Non-Cash Items

Depreciation, Impairment of Assets, Loss on Disposal	3, 5(a), 5(b)	247	156
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Net Loss/(Gain) on Financial Assets	5(c)	<u>(304)</u>	<u>93</u>
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Net Cash Provided by Operating Activities before change in Assets and Liabilities:		<u>8,587</u>	<u>(2,123)</u>
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Change in Assets and Liabilities

(Increase) Decrease in Receivables & Prepayments		(541)	1,080
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Increase in Payables		2,584	568
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(Decrease) Increase in Employee Benefits		(62)	100
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Increase in Other Liabilities		<u>(52)</u>	<u>(102)</u>
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Net Cash Flows From / (Used In) Operating Activities		<u>10,516</u>	<u>(477)</u>
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13. Reserves

Distribution Reserve Fund	13(a)	5,000	7,642
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Greyhound Owners and Breeders Incentive Scheme Reserve	13(b)	833	419
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Infrastructure Reserve Fund	13(c)	7,931	(15)
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Asset Revaluation Reserve	13(d)	<u>2,063</u>	<u>2,063</u>
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		<u>15,827</u>	<u>10,109</u>
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13 (a) Distribution Reserve Fund (DRF)

The Board monitors the fund to ensure we have a sufficient level of reserves to meet a temporary disruption to its revenue base that could threaten the sustainability of current stakeholder money levels. In 2013 the fund balance has been decreased by \$2.642 Mil (increased 2012: \$0.887 Mil) to \$5.0 Mil given the associated risk of racefields income has reduced.

Opening Balance		7,642	6,755
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Transfer from Accumulated Surplus	13(f)	<u>(2,642)</u>	<u>887</u>
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Closing Balance		<u>5,000</u>	<u>7,642</u>
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	2013	2012
Note	\$'000	\$'000
13 (b) Greyhound Owners and Breeders Incentive Scheme Reserve (G.O.B.I.S)		
In 1994 GRV commenced the operation of the greyhound owners and breeders incentive scheme (G.O.B.I.S). GRV has set aside the fund to provide for payment of bonuses to registered persons. In 2013, GRV provided an allocation of \$0.737 Mil (2012: \$0.384 Mil) to assist in the payment of bonuses.		
Opening Balance	<u>419</u>	535
Revenue from Ordinary Activities- Registrations & Interest	2(c) <u>218</u>	195
Victorian Racing Industry Fund Contribution	2(c) <u>596</u>	-
Expenses from Ordinary Activities- Bonuses & Other	4(a) <u>(1,137)</u>	(695)
Net Result	<u>(323)</u>	(500)
Add Transfer from GRV	<u>737</u>	384
Transfer (to) from Accumulated Surplus	13(f) <u>414</u>	(116)
Closing Balance	<u>833</u>	<u>419</u>
13 (c) Infrastructure Reserve Fund (IRF)		
In 2002 GRV agreed to establish a reserve fund in order to provide for the on-going need to replace and maintain infrastructure within Victoria. In 2013 a budget of \$3.391 Mil (2012: \$2.871 Mil) was allocated to the fund. In 2013 an additional \$9.0 Mil was transferred from retained earnings to assist in new developments as agreed by the Board at its May 2013 meeting.		
Opening Balance	<u>(15)</u>	6,929
Expenses from Ordinary Activities	4(a) <u>(4,445)</u>	(9,815)
Net Result	<u>(4,445)</u>	(9,815)
Add Transfer from GRV	<u>3,391</u>	2,871
Add Additional Transfer from Accumulated Surplus	<u>9,000</u>	-
Transfer from (to) Accumulated Surplus	13(f) <u>7,946</u>	(6,944)
Closing Balance	<u>7,931</u>	<u>(15)</u>
13 (d) Asset Revaluation Reserve		
The asset revaluation reserve arises on the revaluation of land and buildings.		
Opening Balance	<u>2,063</u>	2,063
Closing Balance	<u>2,063</u>	<u>2,063</u>
The reserve comprises :		
Land	<u>2,063</u>	2,063
Closing Balance	<u>2,063</u>	<u>2,063</u>
13 (e) Contributed Capital		
In accordance with the requirements of 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.		
	<u>1,924</u>	<u>1,924</u>
13 (f) Accumulated Surplus/(Deficit)		
Accumulated surplus/(deficit) at the Beginning of the Financial Year	<u>15,633</u>	11,832
Net Result	<u>8,644</u>	(2,372)
Total Available for Appropriation	<u>24,277</u>	9,460
Transfer from/(to) Reserves		
Distribution Reserve Fund	13(a) <u>2,642</u>	(887)
Greyhound Owners and Breeders Incentive Scheme	13(b) <u>(414)</u>	116
Infrastructure Reserve Fund	13(c) <u>(7,946)</u>	6,944
Accumulated Surplus/(Deficit) at the End of the Financial Year	<u>18,559</u>	<u>15,633</u>
14. Commitments		
In 2013 GRV is required to fund the following commitments (inclusive of GST) :		
14 (a) Operating Lease Commitments		
In 2013 GRV committed to fund the following lease payment for vehicles. The rental is payable on a monthly basis and each lease has an average life of 23.5 months (2012: 19.5 months).		

	2013 \$'000	2012 \$'000
Within One Year	266	211
Later than One Year but not Later than Five Years	<u>75</u>	<u>74</u>
	<u>341</u>	<u>285</u>

14 (b) Infrastructure Commitments

At 30th June 2013 GRV is obligated in the next year (2014) to meet commitments of \$0.433 Mil for infrastructure works comprising; the Traralgon Greyhound Racing Club \$0.433 Mil. At 30th June 2012, GRV's commitment for the 2013 year was \$2.137 Mil comprising; the Ballarat Greyhound Racing Club of \$2.051 Mil and the Bendigo Greyhound Club remaining commitment of \$0.086 Mil.

Within One Year	<u>433</u>	<u>2,137</u>
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14 (c) Other Commitments

In 2013 GRV committed to payment for on-course broadcasting services over a 5-year period. The payments are based on the number of meetings that GRV conducts at the applicable Clubs, and the amounts shown below are based on the current racing calendar and the current prices.

Within One Year	1,298	1,259
Later than One Year but not Later than Five Years	<u>5,191</u>	<u>-</u>
	<u>6,489</u>	<u>1,259</u>

15. Contingent Assets and Contingent Liabilities

15 (a) Contingent Assets

The Victorian Racing Codes (VRI) represented through Vic Racing Pty Ltd, receives 25% of profits from the Joint Venture with TABCORP from the pre-16 August 2012 Joint Venture Agreement ("Old JV"). The majority of profits earned within the joint venture were from gaming activities. In May 2013 the Victorian Government through the State Treasurer applied a Health Benefit Levy on TABCORP's gaming business for an amount of \$42.1 Mil (full year charge) for Financial Year 2012-13. TABCORP believed that the levy should have been applied on a pro rata basis as the TABCORP gaming business ceased to operate gaming machines on 15 August 2012. TABCORP successfully appealed the Government's determination of the levy in the Supreme Court of Victoria on 24 June 2013. The Government has subsequently appealed the decision and given this, GRV has accrued its share of the reduction in joint venture profits given that the Government may be successful with its appeal and if not, may still have the option to apply a discretion. If TABCORP is ultimately successful in its defence, and the Government determines not to apply its discretion, GRV will receive a maximum 20.586% share of \$8.748 Mil i.e. \$1.801 Mil plus GST(2012: Nil).

	<u>1,981</u>	<u>-</u>
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15 (b) Contingent Liabilities

There were no contingent liabilities.

	<u>-</u>	<u>-</u>
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16. Responsible Persons

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

Responsible Minister:

The Minister for Racing The Hon. Dr Denis Napthine, MLA. The remuneration of the Ministers is reported in the financial statements of the Department of Premier and Cabinet.

Governing Board:

Chairman	Mr. P.H. Caillard	
Deputy Chairman (*)	Mr. W.E. Salter	
Member (*)	Mr. A.J. Dillon	
Member (*)	Mrs. M.E. Swindon	
Member (*)	Mr. A.L. Wallish	
Member (**)	Mr. D.J. Hall	
Member (***)	Dr. S.P. Silk	(*) Positions to 2nd July 2012
Member (***)	Mr. G.J. Miles	(**) Position from 3rd July 2012 to 2nd October 2012
Member (***)	Ms. J.M. Coustley	(***) Positions from 3rd July 2012
Member (****)	Mr. J. Tripodi	(****) Position from 7th November 2012

Accountable Officer:

Mr. A.L. Wallish (from 16th July, 2012)

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

Dr. J.R. Stephens (to 15th July, 2012)

The total remuneration received (including leave entitlements paid on cessation of employment) or receivable by the accountable officer for 2013 in connection with the management of GRV during the reporting period was in the range of : \$150,000 to \$159,999 (2012: \$290,000 to \$299,999).

16 (a) Remuneration of Responsible Persons

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

Income Band	Total Remuneration		Base Remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
\$0 to \$9,999	4	1	4	1
\$10,000 to \$19,999	4	3	4	3
\$20,000 to \$29,999	-	-	1	-
\$30,000 to \$39,999	-	2	-	2
\$40,000 to \$49,999	1	-	1	-
\$150,000 to \$159,999	1	-	-	-
\$260,000 to \$269,999	1	-	1	-
\$290,000 to \$299,999	-	1	-	1
Total Numbers	11	7	11	7
Total Remuneration - \$'000	541	412	414	412

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

16 (b) Retirement Benefits of Responsible Persons

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

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

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

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

No transactions of the above nature occurred.

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

No transactions of the above nature occurred.

16 (f) Executive Officers Remuneration

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

Income Band	Total Remuneration		Base Remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
\$130,000 to \$139,999	1	1	-	1
\$150,000 to \$159,999	1	1	1	1
\$160,000 to \$169,999	-	-	-	1
\$170,000 to \$179,999	-	2	-	1
\$180,000 to \$189,999	1	-	1	-
\$210,000 to \$219,999	1	1	1	1
Total Numbers	4	5	3	5
Total Remuneration - \$'000	887	853	830	802
Total Annualised Employee Equivalent (i)	5.7	5.7	5.7	5.7

Note:

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

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

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

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

The change in the total expenses from 2012 to 2013 was mainly driven by new functions being undertaken by GRV in the 2013 reporting period.

Expenses Band	Total expenses (exclusive of GST)	
	2013 No.	2012 No.
\$0 to \$9,999	-	1
\$120,000 to \$129,999	1	-
Total expenses (exclusive of GST)	125	5
Total number	1	1

17. Superannuation

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of GRV.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by GRV are as follows:

Fund	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Defined benefit plans:				
State Superannuation Fund - revised and new	23	23	-	-
Other	-	-	-	-
Defined contribution plan:				
VicSuper	248	223	-	-
Other	187	137	-	-
Total	458	383	-	-

Notes:

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

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

18. Subsequent Events

The financial report of GRV was authorised for issue by the GRV Board on 4 September 2013, in accordance with a resolution of the Board. No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of GRV, the results of its operations, or the state of affairs of GRV in future years.

	Note	2013 \$'000	2012 \$'000
19. Remuneration Of Auditors			
Victorian Auditor-General's Office			
Audit of the financial statements		14	13
Non-audit services		-	-
		<u>14</u>	<u>13</u>
Internal Audit			
Audit services		121	74
Non-audit services		-	-
		<u>121</u>	<u>74</u>
Total Audit Services		<u>135</u>	<u>87</u>

APPENDIX 1:

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

Legislation	Requirement
Ministerial Directions	
Report of Operations – FRD Guidance	
Charter and purpose	
FRD 22C	Manner of establishment and the relevant Minister
FRD 22C	Objectives, functions, powers and duties
FRD 22C	Nature and range of services provided
Management and structure	
FRD 22C	Organisational structure
Financial and other information	
FRD 8B	Budget portfolio outcomes
FRD 10	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22C, SD 4.2 (k)	Operational and budgetary objectives and performance against objectives
FRD 22C	Employment and conduct principles
FRD 22C	Occupational health and safety policy
FRD 22C	Summary of the financial results for the year
FRD 22C	Significant changes in financial position during the year
FRD 22C	Major changes or factors affecting performance
FRD 22C	Subsequent events
FRD 22C	Application of operation of <i>Freedom of Information Act 1982</i>
FRD 22C	Compliance with building and maintenance provisions of <i>Building Act 1993</i>
FRD 22C	Statement of National Competition Policy
FRD 22C	Application and operation of the <i>Whistleblowers Protection Act 2001</i>
FRD 22C	Details of consultancies over \$10,000
FRD 22C	Details of consultancies under \$10,000
FRD 22C	Statement of availability of other information
FRD 24C	Reporting of office-based environmental impacts
FRD 25A	Victorian Industry Participation Policy disclosures
FRD 29	Workforce Data disclosures
SD 4.5.5	Risk management compliance attestation
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation
SD 4.2 (g)	Specific information requirements
SD 4.2 (j)	Sign-off requirements
Financial Statements	
Financial statements required under Part 7 of the Financial Management Act 1994	
SD 4.2 (a)	Statement of changes in equity
SD 4.2 (b)	Operating statement
SD 4.2 (b)	Balance Sheet
SD 4.2 (b)	Cash Flow Statement
Other requirements under Standing Direction 4.2	
SD4.2 (c)	Compliance with Australian accounting standards and other authoritative pronouncements
SD4.2 (c)	Compliance with Ministerial Directions
SD4.2 (d)	Rounding of amounts
SD4.2 (c)	Accountable officer's declaration
SD4.2 (f)	Compliance with Model Financial Report
Other disclosures as required by FRDs in notes to the financial statements	
FRD 9A	Departmental disclosure of administered assets and liabilities by activity
FRD 11	Disclosure of ex-gratia payments
FRD 13	Disclosure of parliamentary appropriations
FRD 21B	Disclosures of Responsible Persons, Executive Officers and Other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report
FRD 102	Inventories
FRD 103D	Non-current physical assets
FRD 104	Foreign currency
FRD 106	Impairment of assets
FRD 107	Investment properties
FRD 109	Intangible assets
FRD 110	Cash flow statements
FRD 112C	Defined benefit superannuation obligations
FRD 113	Investments in subsidiaries, jointly controlled entities and associates
FRD 114A	Financial Instruments – General government entities and public non-financial corporations
FRD 119	Contributions by owners
Legislation	
<i>Freedom of Information Act 1982</i>	
<i>Building Act 1983</i>	
<i>Whistleblowers Protection Act 2001</i>	
<i>Victorian Industry Participation Policy Act 2003</i>	
<i>Financial Management Act 1994</i>	



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ABN 75 642 745 025

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

The attached financial statements for Greyhound Racing Victoria have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2013 and financial position of Greyhound Racing Victoria at 30 June 2013.

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 4 September 2013.


.....
Adam Wallish

Chief Executive Officer

Date: 4 September 2013


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

Date: 4 September 2013



VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Greyhound Racing Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of Greyhound Racing Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

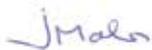
Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Greyhound Racing Victoria as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Greyhound Racing Victoria for the year ended 30 June 2013 included both in Greyhound Racing Victoria's annual report and on the website. The Board Members of Greyhound Racing Victoria are responsible for the integrity of Greyhound Racing Victoria's website. I have not been engaged to report on the integrity of Greyhound Racing Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
6 September 2013


for John Doyle
Auditor-General



2012 Sandown Cup at Sandown Park



2012 Sandown Cup at Sandown Park



CONSULTATION

RACING & GAMING ACTS (AMENDMENT) ACT 2004

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

FORMAL STAKEHOLDER CONSULTATION

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

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

Throughout 2012/13 Greyhound Racing Victoria has undertaken the following consultation practices as part of these statutory requirements:

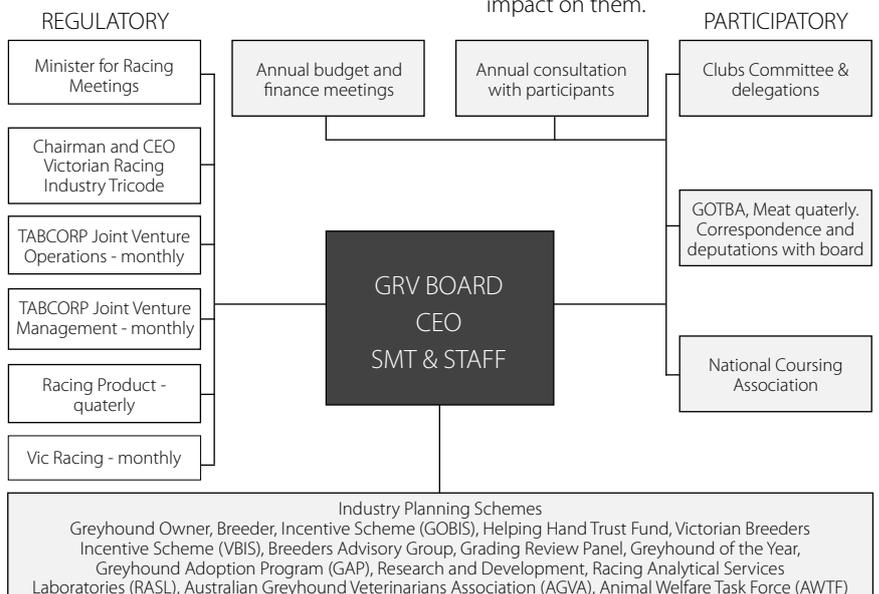
- The continuation of participant involvement in the following committees and task forces initiated by GRV to provide industry feedback

– Animal Welfare Task Force (AWTF), Greyhound Owner and Breeder Incentive Scheme (GOBIS) through the GOBIS Committee, Greyhound Breeders Advisory Committee (GBAC), Helping Hand Trust Fund (HHTF), and Grading Review Panel.

- Industry participants have the opportunity to contact the Grading department, and all queries are logged, reviewed by graders and GRV management, and responded to. A summary of grading queries received by GRV is reviewed by the Grading Review Panel and any subsequent changes to GRV's Grading Guidelines are published on the GRV website.
- Providing representative bodies of industry participants such as GOTBA with access to GRV Management and the Board to discuss important

industry matters. Members of the GOTBA Committee met with GRV Board Members and the GRV CEO on a regular basis. These consultations assisted GRV in making GRV aware of a number of industry issues as well as giving GRV an opportunity to obtain input on important strategic initiatives.

- Regional consultation sessions are planned for 2013/14 which will be attended by GRV Board Members, Senior Management and Racing Department staff where feedback will be used to form a new GRV strategic plan.
- Given the important role of Clubs dealing directly with participants, the Senior Management Team & the Board consult with Club Managers & their Committees in order to have an appreciation of changes that may impact on them.







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