



ANNUAL REPORT  
2018

# GREYHOUND RACING NSW

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# CHAIRPERSON'S REPORT



Following the reversal of the short-lived ban on greyhound racing in NSW in late 2016, the establishment and recommendations of the Greyhound Industry Reform Panel heralded a new era of greyhound racing in NSW.

The NSW Government adopted all but one of the Reform Panel's 122 recommendations for reform of the industry, including the establishment of the independent Greyhound Welfare and Integrity Commission (GWIC), tougher penalties (including a life ban for live baiting), and a complete overhaul to the way the industry engages with greyhound welfare.

This past financial year, the new Board of a reconstituted GRNSW has unreservedly embraced the opportunity to build a new industry, hallmarked by commercial growth and public confidence, with greyhound welfare at the forefront of everything the organisation does.

A key focus of GRNSW in the 2017/2018 year was the implementation of reform aimed at improving outcomes for greyhounds at all stages of the lifecycle, as we work towards our ultimate goal of zero unnecessary euthanasia. Part of GRNSW's important work was the adoption of a new euthanasia policy early in 2018. The euthanasia policy underscored GRNSW's commitment to implementation of the Reform Panel's recommendations, both in terms of meeting direct recommendations but also at a general level in encouraging cultural acceptance of the paramount position of animal welfare within the industry. From 1 July 2018, GWIC is responsible for the development and implementation of policies relating to greyhound welfare, such as policies relating to euthanasia. GRNSW will continue to work with GWIC to provide assistance for the betterment of the industry.

GRNSW's new euthanasia policy also shone a spotlight on GRNSW's vital work in the rehoming of greyhounds. The policy reinforced GRNSW's commitment to supporting physically healthy and behaviourally sound greyhounds being given the opportunity to be kept as a companion animal. In April 2018, GRNSW's greyhound rehoming program, Greyhounds As Pets (GAP), hosted its national adoption day in April, and has continued to support independent private rehoming providers through grants and schemes. There is still more ground to be gained and improvements to be made, with increasing demands on the capacity and work of GAP. Under the new industry model, GRNSW retains the function of managing greyhound adoption programs, and I look forward to seeing this pivotal work of GRNSW continue and grow in the coming years.

An indispensable function which was also a primary focus of GRNSW over the past year, and will continue to be at the forefront of reform in the near future, is the crucial reform around track safety. With the completion of the University of Technology's ongoing research due this year, GRNSW will continue to roll out a range of reforms to greyhound racing tracks across NSW. The goal of minimising greyhound racing injuries and on-track euthanasia has been, and continues to be, a pivotal focus of GRNSW. The research and work behind track safety is a long term project, and I look forward to seeing the tangible benefits and gains from this ongoing work in the near future.

Coming into the new financial year, the new regulator of the industry, GWIC, will take the reins and lead the way in upholding industry-leading animal welfare standards, ensuring the highest standards of integrity at all levels of the industry, and enforcing these standards through monitoring and compliance work. GRNSW will continue to work with GWIC to support the growth and development of the industry. I believe that the new industry model is well positioned to achieve the welcome reform and improvements to underpin the ongoing success and vibrancy of the industry.

Following the resurrection of the industry in late 2016, substantial reform supporting animal welfare was well overdue. Over the past financial year, GRNSW has made significant developments in this space, and from 1 July 2018, GWIC assumes many of the functions underpinning this vital work. During this time and going forward, GRNSW has been and continues to be keenly focused on the commercial and competitive side of the industry. Our industry cannot flourish without the valued industry participants and stakeholders underpinning it. GRNSW has worked towards, and continues to dedicate itself to, the commercial success and long-term sustainability of the industry. In support of this focus, part of this past financial year was heavily consumed with the planning and organisation behind the GRNSW + Ladbrokes Million Dollar Chase. The Million Dollar Chase combined GRNSW's initiatives in the areas of rehoming, greater prize money, and regional community engagement, amongst other things. It is ongoing projects like this that give me great excitement and enthusiasm for the future, with GRNSW embracing its role in the new industry model.

Importantly, GRNSW has now finalised its Strategic Plan for 2018-2021. This Strategic Plan is the first released by GRNSW and follows extensive consultation and engagement with industry participants and other key stakeholders, and reflects the outcome of those consultations in addition to GRNSW's functions and



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objectives in the new industry model. The Strategic Plan sets out GRNSW's vision to see greyhound racing in NSW embraced as socially responsible, world-leading racing entertainment. The Strategic Plan is founded on three core pillars:

- 1. Responsible** – welfare remains the key priority for GRNSW. Over the next three years, GRNSW will focus on its goals of modernising racing integrity, supporting the provision of care for all aspects of a greyhound lifecycle, enhancing rehoming, and providing a safe racing environment that reduces injuries.
- 2. Competitive** – GRNSW is committed to driving commercial growth across the industry. This will be achieved by pursuing goals surrounding increased prize money, sharing of revenue growth, diversification of revenue streams and enhancements to the racing experience of participants.
- 3. Sustainable** – vital to the continued success of the industry is financial sustainability, and the ongoing social contribution to the community. GRNSW's goals include optimisation of the race track portfolio, the optimal operation of registered clubs, and the benefits we give back to communities.

GRNSW will provide a progress report on the implementation of its Strategic Plan in its 2018/19 Annual Report.

The past few years have undoubtedly been tumultuous for the greyhound racing industry. The continued community support, and the support of the industry's valued participants, has been invaluable; so too has the tireless work of everyone involved in providing the framework for the industry to renew itself, and refocusing its goals and cultural changes. The new horizon is one which approaches on the back of much needed reform, which the industry has warmly embraced. While there is work to be done, the achievements of this past financial year are commendable, and I look forward to the bright future that the industry holds.

**THE HON. MORRIS IEMMA**  
CHAIRPERSON

# CEO'S REPORT



It is with great pleasure that I contribute to my first GRNSW Annual Report in my role as CEO.

The past year has undoubtedly been like no other in the history of our industry. It has been the first full financial year since the reversal of the short-lived ban on greyhound racing in NSW and the introduction of the *Greyhound Racing Act 2017* – following the recommendations of the Greyhound Industry Reform Panel. As such, it has been the first opportunity for the newly constituted GRNSW to implement much needed and wide-ranging reforms across all aspects of the industry, and breathe new life into greyhound racing in NSW.

An important first step for me was to engage with as many industry participants and stakeholders as possible to understand the sentiment of the industry and ways in which we can move the industry forward from a tumultuous few years. In my first few months as CEO, I had the opportunity to visit a number of race clubs across NSW on a 'road show' to meet with industry participants, clubs, and industry stakeholders. The roadshow helped bridge the gap between those regulating and promoting the industry, and participants. My discussions with participants and clubs provided invaluable insight which has helped shape the direction of the industry, and the focus of GRNSW.

One of the key issues that became clear to me from these discussions was the desire of many participants to see enhancement in the competitiveness and growth of the industry, such as through participant involvement and prizemoney. We listened to the feedback of participants and stakeholders. The record wagering growth in 2017/2018 bears testament, in my view, to the increasing interest in and growth of the industry amongst punters and fans alike. A significant portion of 2017/2018 was taken up developing and organising the richest greyhound race in Australian history: the GRNSW + Ladbrokes Million Dollar Chase, to take place in September and October 2018.

At the same time, it was GRNSW's last year as the primary regulator of the industry. With the enactment of the *Greyhound Racing Act 2017*, a significant recommendation of the Reform Panel was implemented – namely, the creation of the Greyhound Welfare & Integrity Commission (GWIC). From 1 July 2018, GWIC commenced in its role as regulator and GRNSW has been working, and will continue to work, closely with GWIC to continue to grow and support the greyhound racing industry in NSW in a competitive and sustainable manner, with greyhound welfare at the heart of everything we do.

In its final year as regulator, and under the direction of the newly appointed Board, there is no doubt that this has been one of the busiest years for GRNSW.

By August 2017, safety audits of all NSW greyhound racing tracks were completed. The audits provided invaluable information leading to the introduction of updated

procedures for the recovery and treatment of injured greyhounds at all tracks. With GWIC assuming regulatory functions relating to greyhound welfare broadly, and GRNSW retaining functions relating to racetracks, the two bodies will continue to work in tandem on the remaining work needed to improve track safety and prevent injuries associated with racing. The ongoing research into optimal track design for safety and welfare commenced by the University of Technology in 2016 has continued throughout 2017/2018, and is expected to be completed in 2020, which will be vital to informing GRNSW's strategic direction for overall track improvement work.

In December 2017, GRNSW effected changes to the Greyhound Racing Rules to enhance the existing requirements for the export of greyhounds and place greater responsibility on owners. The new rules were one aspect of GRNSW's extensive efforts to take action against unauthorised exports of Australian greyhounds. Throughout 2017/2018, the GRNSW Inquiry into the Unauthorised Exports of Greyhounds continued, with several significant decisions and penalties being handed down. From 1 July 2018, GWIC has assumed the functions of investigations and inquiries under the 2017 Act, but GRNSW retains authority to finalise its ongoing inquiries, including the Exports Inquiry.

Assuming its new role in the coming year, GRNSW will be embracing all aspects of the commercial and strategic side of the industry, track safety and design, conduct of greyhound racing clubs, and management of greyhound adoption programs. This will mean greater stakeholder engagement, new ideas, and greater commitment to all levels of the industry within GRNSW's mandate, to ensure the sustainability and competitiveness of our industry.

I would like to thank the GRNSW Board members for their assistance and guidance, as well as the staff for their efforts and commitment, throughout a novel and trying year. I am sure I speak for Board members and staff alike in expressing gratitude for the support shown by participants and enthusiasts over the past year, and great excitement for the year ahead. I would also like to take this opportunity to thank John Gibbons for his work as the Administrator throughout 2016 and into 2017. John's diligent work through that challenging period is commendable and greatly appreciated. I am honoured to have taken up leadership of GRNSW since my appointment in late 2017 and look forward to working with you all to ensure that our industry flourishes in the coming years.

**TONY MESTROV**  
GRNSW CEO





# SUMMARY OF FINANCIAL PERFORMANCE

The 2017/18 financial year delivered a positive result of \$4,762,483 driven by an increase in income of \$2,230,493 over the previous year, primarily from a strong performance in Race Field Information Use (RFIU) fees.

RFIU fee income increased by \$3,634,964, representing a year-on-year growth 17.4%. This is due to the continuing strong growth from the corporate bookmaker sector which continues to see greyhound racing product increase its overall market share in NSW.

GRNSW received \$5,149,482 in Tax Parity Receipts in 2017/18 which is down from the prior year due to an accrual taken up in the 2016/17 financial year for 2015/16 amounts awaiting payment. GRNSW receives Tax Parity payments on a quarterly basis, which has assisted with managing the company cash flow position.

Expenditure in 2017/18 increased by approximately \$2.5 million as a result of an increased focus and investment in animal welfare activities and the Greyhounds as Pets (GAP) program, as well as an increase in legal and compliance costs and additional prizemoney paid.

Investment in the GAP program initiative increased year-on-year with \$1,639,430 spent in 2018 (2017: \$1,189,609). In addition to this, overall spend in Animal Welfare programs was \$1,777,144, an increase of over \$500,000 compared to 2017.

GRNSW continues to support and invest heavily in all welfare and rehoming activities through further expansion and promotion of the GAP program, improvements and investment in on-course veterinary infrastructure and detailed injury reporting requirements.

Racing and Club Infrastructure expenditure increased by \$192,972, as GRNSW provided increased support to clubs for track surface preparation through standardising equipment and the provision of annual track renovations. As part of the ongoing track safety initiatives, GRNSW also carried out a number of critical track and infrastructure upgrades.

Combined returns to clubs and participants in 2017/18 increased to \$34,836,955, a year-on-year increase of \$708,740, driven by an increase in prizemoney and an increase in travel subsidy distributions in May 2018.

The 2017/18 financial year will be the last year that GRNSW will have oversight of regulatory services for the greyhound industry (excluding regulation of Clubs and legacy activities). As of 1 July 2018, all regulatory services will have moved to the Greyhound Welfare and Integrity Commission (GWIC). Regulatory services remained a key responsibility for GRNSW in 2017/18, with \$5,179,133 committed during the year with a focus on investigations and inquiries, compliance and drug detection activities.

Finance, Legal and Corporate costs increased by \$1,641,161 in 2017/18 due to staff redundancies and consultant costs related to legal and advisory matters and financial advisory requirements, and to implement the reforms and facilitate the transition to GWIC. IT costs increased by \$583,939 as the company prepares to move to cloud based services in 2018/19.

The majority of the 2017/18 surplus will be held in reserve to ensure there are adequate funds to support the transition to the GWIC and the implementation of GRNSW's Strategic Plan.





# TRANSITION TO NEW INDUSTRY MODEL

A number of provisions of the *Greyhound Racing Act 2017* (the Act) became effective on 3 July 2017, including Part 2 regarding establishment of the Greyhound Welfare and Integrity Commission (GWIC) and Part 3 regarding reconstitution of GRNSW as a statutory body corporate with commercial objectives. This marked the commencement of the transition to the new regulatory model for greyhound racing in NSW.

GRNSW, GWIC and the Office of Racing have been working collaboratively over 2017/18 to ensure the transition occurs as seamlessly as possible. This has included a combination of regular transition meetings between GRNSW and GWIC (at least bi-monthly) and regular briefings to the Office of Racing. The transition period is expected to continue through to 30 June 2019, as GWIC continues to develop policies and establish processes, and GRNSW progresses its new strategic objectives.

## RECONSTITUTION OF GRNSW

On 3 July 2017, the GRNSW Board was constituted in accordance with section 17 of the Act. The following Directors were appointed by the Governor on the recommendation of the Minister:

- Mr Morris Iemma (Chair)
- Ms Yvonne Howie (Deputy Chair)
- Mr Hugh Armenis
- Mr Matthew Waring
- Mr Michael Eberand

In July 2017, the Board resolved to appoint Mr John Gibbons (the Administrator appointed under the *Greyhound Racing Prohibition Act 2016*) to the position of Acting Chief Executive Officer (CEO) until the Board identified a suitable candidate to fill the role on an ongoing basis. In November 2017, the Board appointed Mr Tony Mestrov to the position of CEO and Mr Dayle Brown to the position of Deputy CEO.

In March 2018, Mr Brown resigned from his position as Deputy CEO. In May 2018, Mr Eberand resigned from his position as Director, and Ms Annette Mullen was subsequently appointed to the Board in July 2018. The current composition of the Board is:

- Mr Morris Iemma (Chair)
- Ms Yvonne Howie (Deputy Chair)
- Mr Hugh Armenis
- Mr Matthew Waring
- Ms Annette Mullen

The GRNSW Board held nine meetings between July 2017 and June 2018, with a focus on preparing for the transition of regulatory and welfare functions to GWIC and development of strategies to achieve GRNSW's new principle objectives as set out in the Act and the conditions of the Operating Licence.

## ESTABLISHMENT OF GWIC

In October 2017, a Chief Commissioner and two Commissioners were appointed to head the new industry regulator. The initial focus for GWIC was to identify a suitable location for the head office and recruitment of staff including the CEO and Senior Executive team. From 1 July 2018, GWIC became operational, and from this date, regulatory and welfare functions that were previously exercised by GRNSW were transferred to GWIC.



# WELFARE

## GREYHOUNDS AS PETS

In 2017/18 a total of 415 individual greyhounds were adopted through the Greyhounds As Pets (GAP) program. The National GAP adoption day in April 2018 saw 41 greyhounds adopted on the day at Wentworth Park. Adoption days have proven quite successful for rehoming of greyhounds and GAP will run adoption days at various locations in 2018/19.

The primary GAP facility is in Wyee, on the NSW Central Coast. The majority of greyhounds rehomed by GAP pass through this facility. In Western Sydney, GAP continued the relationship with a dog boarding facility in Londonderry to give greater access to GAP for people and families in the greater Sydney metropolitan area seeking to adopt a greyhound.

GAP also continued its involvement with the prison program at the Dillwynia Correctional Centre. This program fosters six greyhounds at a time, giving the greyhounds the opportunity to be socialised, undertake basic training and prepare for their future rehoming. Inmates at the Dillwynia Correctional Centre who have been selected to work in the program have the opportunity to gain valuable vocational skills and complete nationally recognised qualifications in animal care and welfare.

## PRIVATE REHOMING PROVIDERS

In addition to the GAP program, there are many independent greyhound rehoming organisations in NSW and, along with owners and trainers, these groups play an active and major role in the rehoming of greyhounds. In 2017/18, there were 1,395 greyhounds reported as having been rehomed by independent rehoming organisations, owners or trainers.

GRNSW continued to support independent greyhound rehoming organisations in 2017/18 through the Rehoming Contribution and Rehoming Grant schemes. In 2017/18, GRNSW awarded three Rehoming Grants to greyhound rehoming organisations. The grants of up to \$10,000 are awarded to independent animal welfare organisations to improve their capacity in rehoming greyhounds. GRNSW also awarded 37 Rehoming Contribution Scheme payments to veterinarians who provided services to greyhounds that have gone on to achieve Greenhound status. Under the scheme grants of up to \$350 for veterinary costs of desexing and vaccination are available for individuals who rehome greyhounds.

GRNSW will continue to offer these grants and payments to individuals and organisations as part of its commitment to rehoming and in recognition of the important role of independent providers in extending the network of rehoming services. A full review of how the rehoming opportunities for greyhounds can be enhanced commenced in 2018. It is expected that enhancements to existing arrangements and new initiatives will be introduced in 2018/19.

Providing increased opportunities for greyhounds to be rehomed will play a key role in reducing unnecessary euthanasia. In February 2018, GRNSW introduced a revised euthanasia policy to make sure that all retiring greyhounds were not being euthanased unnecessarily. The revised policy strengthened obligations and restrictions on industry participants regarding greyhound euthanasia.

## REHOMING TARGET

In October 2018, GRNSW finalised its Strategic Plan 2018-2021, which included as a key measure rehoming 1,000 greyhounds per year within the next 3 years through GAP and 1,500 through other rehoming providers. Pursuant to its Operating Licence, GRNSW is required to report against this target as part of its 2018/19 Annual Report.

## GREENHOUNDS

GRNSW administers the Greenhounds program in NSW. The program was established in 2011 and permits greyhounds to be in public areas without a muzzle once they have passed a certified temperament test.

In 2017/18, the Greenhounds program provided muzzling exemptions for 541 greyhounds, an increase of 3% compared to 2016/17 (from 507 muzzling exemptions). The total number of greyhounds in NSW that have been granted a muzzling exemption since the Greenhounds program was established in 2011 now exceeds 1900.

## BREEDING

Throughout 2017/18 GRNSW continued to promote responsible breeding practices, restrictions on the number of litters which a breeding female can have remained in place, as well as the rules on the age and frequency at which they can breed. These breeding measures are designed to encourage breeders to make informed and considered breeding decisions in order to increase the proportion of greyhounds that are suitable for racing.

In 2017/18, there were 577 litters whelped with the birth of 3,916 pups (compared to 3,052 greyhound pups whelped in 2016/17). The lower number of pups whelped in 2016/17 is seen as a reflection of the sharp reduction in breeding numbers that occurred during the period of uncertainty regarding the future of the industry in NSW.

GRNSW will continue to work with GWIC and the greyhound industry on maximising breeding outcomes, ensuring all breeding is regulated and that more greyhounds that are bred actually race and are rehomed once retired. Such work is expected to progressively reduce the number of pups bred in future years.

## RACING SAFETY AT NSW TRACKS

During 2016/17, GRNSW on-track veterinarians commenced a safety audit of NSW greyhound racing tracks. Audits of the racing tracks were completed by 30 August 2017. Based on the results of the audits, GRNSW has commenced introducing updated procedures for the recovery and treatment of injured greyhounds at all tracks. This has included training in greyhound first aid for staff at the tracks, new first aid cabinets, new portable first aid kits for use by track staff and new safes and cabinets to store pain relief medication at all TAB tracks, to ensure prompt and appropriate pain management of injuries.

In addition, injury response vehicles (electric carts) will be acquired by GRNSW for provision to all TAB tracks and select non-TAB tracks to more quickly and efficiently retrieve injured greyhounds from the track. These will be provided to the selected tracks in the second half of 2018.

## INJURY REPORTING

Since 2016, GRNSW has published Quarterly Greyhound Racing Injury reports which detail the injuries and fatalities that occur at race meetings in NSW. This is the second annual report to contain injury reporting covering the whole reporting period.

The Quarterly Greyhound Racing Injury report aims to improve transparency on the serious welfare issue of greyhound injury occurrence and supports evidence based decision making to improve greyhound welfare. GRNSW closely monitors injury data to best target race track interventions to decrease the incidence of greyhound injuries and associated euthanasia.

The injury reports published during 2017/18 reported a total of 2,670 injury incidents in 88,094 race starts at NSW greyhound racing tracks, corresponding to an overall rate of 30.3 injury incidents per 1,000 starts. The majority of these injuries were not classified as severe and consist of injuries such as mild skin abrasions/grazes, skin lacerations, mild muscle injuries and joint /ligament sprains. Recovery from these injuries generally required some veterinary treatment and is generally uneventful. Other injuries are classified as major (involving bone fractures or severe muscle damage) or catastrophic (where the injury involves fractures or spinal injuries so severe that the attending veterinarian at the track recommended euthanasia of the greyhound on humane grounds). In 2017/18, there were 5.2 major and 1.4 catastrophic injuries per 1000 starts.

GRNSW acknowledges that much work remains to be done to prevent injuries associated with greyhound racing and is determined to continue its ongoing work on preventing injuries associated with racing events and trials.

In 2018/19, GRNSW will work closely with the GWIC to identify and implement new initiatives to reduce the risk of greyhounds being injured on and off the tracks.

## WELFARE RESEARCH

Since April 2016 GRNSW has engaged the University of Technology Sydney (UTS) to conduct ongoing research into optimal track design for canine safety and welfare and the race track interventions that flow from the findings and recommendations of this research.

The research is being undertaken by a team with expertise in the fields of forensic engineering, control, automation and robotics. Industry experts on track design and surface were also consulted throughout the project to provide greyhound racing specific expertise. Computer modelling of greyhound tracks in NSW was also conducted to demonstrate the potential effects of various interventions related to track shape and lure design.

Following the initial report 'Identifying optimal greyhound track design for greyhound safety and welfare' received in June 2017, GRNSW has engaged UTS for advice on upgrades for several greyhound racing tracks in 2017/18. Further work in 2017/18 conducted by UTS has included a review of each NSW track and injury data.

As the project progresses the UTS project team will be able to recommend a final greyhound track design that is evidence-based. The overall project is to be delivered over a three-year timeframe to ensure sufficient data is collected both before and after any changes to ensure that recommendations are based on robust evidence. Completion is expected by 2020 and once completed, the research has the potential to improve greyhound welfare and safety throughout NSW and Australia more generally.



# REGULATORY

## REGULATORY APPROACH

In 2017/18 GRNSW effectively regulated the sport of greyhound racing through a robust, flexible, proportionate regulatory regime which provided all participants, enthusiasts and the community with the confidence that the sport was fair, transparent and accountable. GRNSW used a risk based approach to direct its regulatory resources. This involved identifying, analysing and monitoring regulatory risks, trends and threats and prioritising its approach, strategies and resources appropriately.

GRNSW's approach recognised that most participants are responsible, passionate about greyhound racing, comply with the Greyhound Racing Rules and care for their greyhounds. GRNSW worked with participants to encourage voluntary compliance by providing information and education.

## DETECTION OF PROHIBITED SUBSTANCES

Under its comprehensive swabbing policy, GRNSW tested 7,618 samples in 2017/18. All samples were forensically tested by Racing Analytical Services Limited (RASL). RASL is an internationally recognised sports and racing drug testing facility that is accredited by the National Association of Testing Authorities. RASL screened GRNSW's samples for thousands of different compounds, including performance enhancing biological substances such as EPO and peptides.

Of the 7,618 samples tested, 66 (or 0.87%) were detected as containing a prohibited substance. This was a decrease from 2016/17, during which period 0.95% of all samples were detected as containing a prohibited substance.

## DRUG ANALYSIS AND DETECTION

Year	% of Positives	Samples Tested
2012/13	0.62	5,562
2013/14	0.93	5,719
2014/15	0.88	5,773
2015/16	1.48	5,189
2016/17	0.95	8,121
2017/18	0.87	7,618

GRNSW categorises prohibited substances into five categories, with category one being the most serious. Of the prohibited substances detected in 2017/18:

- 3 (5%) were category one, being substances that negatively impact on performance;
- 16 (24%) were category two, being permanently banned substances;
- 3 (5%) were category three, being steroids;

- 23 (35%) were category four, being all other substances that impact performance; and
- 21 (32%) were category five, being substances registered in Australia for veterinary or human use.

GRNSW proactively provided information and alerts about prohibited substances to the industry in 2017/18. This included information on withdrawal times for particular substances and warnings about the risk of contamination from human medications.

## INQUIRIES

In 2017/18, GRNSW continued to build on and embed its significant reforms to industry discipline, allowing GRNSW to effectively and efficiently safeguard greyhound welfare and integrity of the greyhound racing industry in NSW by:

- Providing a deterrence against breaching the Rules;
- Ensuring participants are not disadvantaged by complying with the Rules; and
- Building community confidence that the sport takes prompt and appropriate action against the few industry participants who do the wrong thing.

The GRNSW Inquiry Panel heard all inquiries with a commitment to fair, impartial, proportionate and transparent evidence-based action and ensuring that participants were held accountable for their actions.

In 2017/18, the GRNSW Inquiry Panel conducted more than 135 inquiries into alleged breaches of the GRNSW Greyhound Racing Rules (excluding those arising from the Inquiry into the Unauthorised Exports of Greyhounds), leading to 39 disqualifications with licenses being cancelled, 49 suspensions and 30 monetary penalties.

### Summary of 2017/18 inquiries

Description	Number
Number of inquiries determined	135 (excluding those arising from the Inquiry into the Unauthorised Export of Greyhounds)
<b>Penalties issued</b>	
Disqualifications	39
Suspensions	49
Fines	30
Withdrawn / warnings issued	17
Cancellation of licence	1

GRNSW published all determinations of the GRNSW Inquiry Panel on its website. Examples of the GRNSW Inquiry Panel's significant decisions during 2017/18 include:

- Handing down a lengthy disqualification and cancelling the licence of Mario Multari after detecting peptides and human growth hormones in swabs taken from greyhounds owned by Mr Multari. This was one of the first detections of peptides in a racing context;
- Enforcing GRNSW's requirements in relation to animal welfare by disqualifying participants for animal welfare breaches including Nathan Goodwin, Katelyn Nash, John Horan and Lesley Mangold;
- Determining to disqualify Chad Achurch for life after Mr Achurch was convicted of committing an act of aggravated cruelty upon an animal and using an animal for training greyhounds under the *Prevention of Cruelty to Animals Act 1979* (NSW); and
- Taking action in relation to racing integrity issues, including preventing a sample from being taken from a greyhound, handling a greyhound without a licence and permitting an unlicensed person to train a greyhound.

## APPEALS TO THE RACING APPEALS TRIBUNAL

In 2017/18, 12 appeals from GRNSW Inquiry Panel decisions were lodged with the Racing Appeals Tribunal, with 11 appeals being determined (three of which were lodged in 2016/17). Of the appeals which were determined, all convictions were upheld by the Tribunal. The Tribunal dismissed five appeals, varied the penalty in four appeals and two appeals were withdrawn.

### Summary of 2017/18 appeals

Description	Number
Total number of appeals lodged	12
Appeal – conviction and penalty	5
Appeal – penalty only	4
Licence refusal	1
Withdrawn	2
Outcome of appeals heard	11
Conviction upheld	5
Penalty varied	4
Withdrawn	2

## STEWARDING

GRNSW continued to regulate the conduct of race meetings through its GRNSW Stewards and ensured that greyhound race meetings in New South Wales were conducted fairly and in accordance with the GRNSW Greyhound Racing Rules and other relevant policies.

In 2017/18, this involved the regulation of 1,121 race meetings consisting of 104 metropolitan meetings, 767 TAB meetings and 250 non-TAB meetings. TAB meetings were regulated by two GRNSW Stewards with non-TAB meetings regulated by one GRNSW Steward assisted by a Club Steward. GRNSW Stewards

found approximately 131 marring offences under Rule 69, 107 failing to pursue offences under Rule 69A, 36 failing to pursue due to injury offences under Rule 69B and 173 unsatisfactory performance offences under Rule 71.

### Race related offences in 2017/18

Greyhound Racing Rule	Penalty Count
Marring (R69)	131
Failing to pursue (R69A)	107
Failing to pursue – injury (R69B)	36
Unsatisfactory performance (R71)	173

## LICENSING

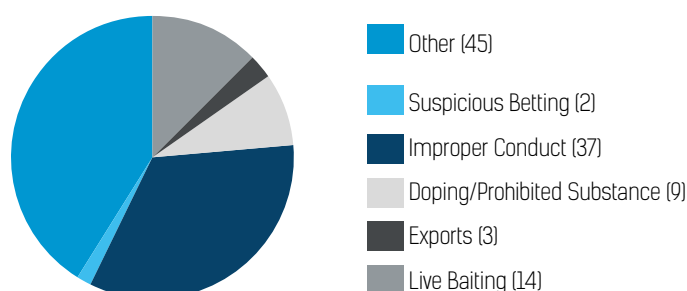
### Licences Issued in 2017/18

Licence Type	Approved	Refused
Public Trainer	35	6
Owner Trainer	84	1
Attendant	104	1
Breeder	62	1
Studmaster	8	1

## MONITORING AND INTELLIGENCE

In 2017/18, the GRNSW Intelligence function received 111 reports regarding welfare, integrity, improper conduct and compliance matters.

### Subject matter of intelligence reports



## COMPLIANCE

In 2017/18, GRNSW's compliance function inspected 2,328 properties where registered participants resided, up from 1,864 inspections in the previous year. Of the property inspections performed, 2,233 properties (95.9%) were found to be compliant.



“

In 2017/18 GRNSW effectively regulated the sport of greyhound racing through a robust, flexible, proportionate regulatory regime which provided all participants, enthusiasts and the community with the confidence that the sport was fair, transparent and accountable.

”



### Inspections

Total No. Property Inspections	2,328
Joint inspections with RSPCA, Police or council	13
Properties Compliant	2,233
Work directions issued	66
Work directions completed	46
Hot Weather Policy Inspections (greyhound meetings)	14

### INVESTIGATIONS

In 2017/18, GRNSW conducted 150 investigations including 64 related to positive swab results for prohibited substances, 28 related to animal welfare issues and 28 related to participant misconduct.

### COOPERATION WITH ENFORCEMENT AGENCIES

During 2017/18, GRNSW Compliance & Investigations assisted and liaised with a number of law enforcement agencies, as well as Greyhound Racing Stewards from Victoria. As in previous years those matters related to alleged greyhound welfare breaches, race fixing and other breaches of legislation.

Some of those matters included:

- Request from Greyhound Racing and RSPCA Victoria to assist in enquiries where a NSW trainer had collected a number of greyhounds from NSW trainers convincing them that he was going to train those particular greyhounds. He then took those dogs to Victoria where it was alleged he attempted sell those dogs. After receiving a complaint from residents in Victoria, the NSW dogs were located locked in a dog trailer with no food or water for two weeks. One greyhound was found to be deceased and the others taken to a shelter where they were treated. The NSW trainer is currently before the Victorian Courts charged with cruelty offences.
- Information from a member of the public that a NSW trainer had been involved in the theft of lethabarb from the Vets room at the Bulli track. The matter was also reported to the NSW Police as there were other criminal matters involving this person. An investigation into this and other matters resulted in the trainer being disqualified for three years. He is currently the subject of criminal charges before the NSW Local Court.

In addition, there have been a number of other matters referred to the RSPCA where GRNSW investigations have undertaken joint operations relating to animal cruelty matters.





# OPERATIONS

## STRAIGHT TRACK RACING

GRNSW is committed to providing straight track racing to improve welfare outcomes for racing greyhounds in NSW. In October 2017, GRNSW called for Expressions of Interest from relevant parties for the provision of straight track racing in NSW. GRNSW received submissions from , Goulburn, NSW GBOTA Appin and Richmond Greyhound Racing Clubs.

An evaluation process has commenced based on a range of guidelines which incorporate racing infrastructure, as well as welfare and integrity capabilities, on-course amenities and recommendations from the UTS. GRNSW has undertaken initial site inspections with the relevant parties to work through associated issues. Following the full evaluation process, GRNSW make recommendations to initiate track and infrastructure upgrades to accommodate 26 TAB race meetings in an initial 12-month period.

## TRACK MAINTENANCE

In order to improve safety and welfare outcomes for greyhounds, considerable time and effort was invested during 2017/18 to maintain and upgrade the State's race tracks and facilities.

The tracks and infrastructure team, responsible for the ongoing improvements to track surfaces, infrastructure projects and maintaining track safety standards, has continued to work closely with the club network, particularly with club track curators to drive key track maintenance initiatives including the collection of real time pre-race, track inspection data from TAB venues.

GRNSW continued to standardise its track equipment and tools for ongoing maintenance works across the clubs. Education and training was carried out by the tracks and infrastructure team throughout the year with a strong focus on the importance of track monitoring and the need for track curators to make educated maintenance and preparation decisions. Improved track inspection processes were developed and implemented during the year with GRNSW continuing to emphasise the need for clubs to monitor their track surfaces more frequently. All GRNSW managed track renovations involve the scientific testing and identification of compatible sands for each track, blending and rejuvenation of the track profile through using professional machinery and the provision of recommendations for each club to follow in order to best maintain and prepare the racing surface.

GRNSW will continue to prioritise its track maintenance work in 2018/19 as part of our goal to make all tracks safer in order to reduce racing-related injuries.

## INFRASTRUCTURE PROJECTS SUMMARY

Following repeal of the proposed ban on greyhound racing, the NSW Government announced it had allocated \$30 million over five years to make racetracks across NSW safer for racing greyhounds. Under its Operating Licence, GRNSW has the opportunity to submit business cases to the Minister for release of those funds to support track remediation and development. Throughout 2017/18, GRNSW worked with a number of clubs to develop business cases to request early access to capital funds for immediate remediation of animal welfare infrastructure and track safety. GRNSW submitted three business cases to the Minister for early access to the capital funds in 2017/18:

- \$762,570 for immediate remediation works to the track surface and sub-surface at Gosford;
- \$480,051.27 for immediate remediation works to address issues with the track surface at Gunnedah; and
- \$88,000 for immediate remediation works to the Judge/Steward tower at Tamworth.

In addition throughout 2017/18, GRNSW funded numerous other maintenance, capital and track safety projects across NSW greyhound clubs. These included:

- \$374,168 for track surface renovations across TAB tracks;
- \$240,697 for starting box relocation and restoration at Dubbo, Bulli, Gosford and The Gardens;
- \$209,300 for track rebuild at The Gardens;
- \$110,026 for irrigation system upgrades at Goulburn;
- \$54,195 for track upgrades at Greyhound Social Club (Yagoona);
- \$53,504 for weather stations at all TAB tracks to allow track curators to capture rainfall and temperatures, current weather patterns and monitor future weather events;
- \$49,931 for track upgrades at Tamworth;
- \$44,632 for track vision infrastructure at Wentworth Park;
- \$40,480 for air conditioning units at TAB tracks;
- \$39,291 for vet room upgrades at Grafton and Wagga;
- \$29,140 for kennel block air conditioning at The Gardens;
- \$10,437 for the installation of safety rails at Bathurst; and
- \$6,232 for hoop arm infrastructure at Wagga and Maitland;

## NSW STATISTICS

### Race meetings

	2018	2017	2016	2015	2014
<b>Number of Race Meetings Conducted</b>					
Metropolitan	104	100	105	103	104
TAB	767	745	758	810	820
Non-TAB	250	251	345	340	358
<b>Number of Races Conducted</b>					
Metropolitan	1,038	997	1,105	1,029	1,044
TAB	7,995	8,095	7,806	8,090	8,697
Non-TAB	2,374	2,504	3,408	3,303	3,409
<b>Number of Starters</b>					
Metropolitan	7,989	7,688	8,392	7,809	7,881
TAB	60,965	62,533	59,670	61,669	62,721
Non-TAB	17,200	18,893	25,482	24,744	25,130

### Abandoned race meetings

Reason for Abandonment	TAB	Non-TAB
Industry Suspension	0	0
NON TAB Racing Review	0	0
Wet Weather	9	2
Heat Policy	4	2
Track or Racing Infrastructure issue	4	5
Other	0	5
<b>Total</b>	<b>17</b>	<b>14</b>

Pursuant to its Operating Licence, GRNSW is required to propose, in consultation with the Commission, an annual serviceability rate target and report on its performance against that target each year as part of its annual report. The 'serviceability rate' is the proportion of race meetings cancelled due to safety concerns. GRNSW and the Commission have yet to set an annual serviceability rate and this will be reported on by GRNSW as part of its 2018/19 Annual Report. However, based on the data above the serviceability rate for 2017/18 would be 31 abandoned race meetings from a total of 1,121 race meetings in NSW (2.8%). This assumes that 'safety concerns' includes the Wet Weather, Heat Policy, Track or Racing Infrastructure Issue and Other categories in the table above.

### Greyhounds

Year	Litters Registered	Greyhounds Whelped	Natural Services	FSI Services	Greyhounds Named
2013/14	1,248	8,058	274	938	5,317
2014/15	1,232	7,964	211	888	5,645
2015/16	730	4,432	74	614	5,104
2016/17	453	3,052	54	482	5,087
2017/18	580	3,976	63	494	3,159

### Participants

Year	Public Trainers	Owner – Trainers	Attendants	Breeders
2013/14	1,419	1,744	1,004	N/A
2014/15	1,470	1,846	1,098	N/A
2015/16	1,342	1,695	983	1,247
2016/17	1,347	1,757	1,042	1,274
2017/18	1,346	1,798	1,122	1,304



Following repeal of the proposed ban on greyhound racing, the NSW Government announced it had allocated \$30 million over five years to make racetracks across NSW safer for racing greyhounds.



# MEDIA, COMMUNICATIONS AND WAGERING

## STAKEHOLDER ENGAGEMENT

GRNSW is required to develop a stakeholder engagement plan each financial year. In accordance with this requirement, GRNSW prepared a Stakeholder Engagement Plan 2017/18, which outlines GRNSW's commitment to effective stakeholder engagement with a range of stakeholders including participants, greyhound racing clubs, key stakeholder groups such as Wagering Service Providers and animal

welfare regulators and veterinary industry groups, the NSW Government and media outlets. The plan outlines a number of engagement activities including Stakeholder Forums, Education Workshops, engagement at NSW race meetings, and Stakeholder Magazine.

Pursuant to its Operating Licence, GRNSW's performance against the plan and the outcome of engagement activities is set out in the table below:

Stakeholder engagement activities	Completed in 2017-18	Outcome of engagement
Stakeholder forums	Yes	Stakeholder forums provided GRNSW with an opportunity to work collaboratively with stakeholders, to seek their ideas, feedback and input into GRNSW's policies and new strategic objectives.
Bi-monthly one-on-one meetings	No. This engagement was achieved through the Business unit forums. It is proposed that this activity is formally combined with the Business unit forums in 2018-19.	
Business unit forums (including welfare, regulatory, operations, racing, grading and governance)	Yes. These forums will be renamed to Business unit meetings and based on stakeholder feedback, will be held on a quarterly basis.	Business unit forums were crucial to further strengthening relationships with key stakeholders during 2017-18 and provided an opportunity for stakeholders to provide input into the reviews of existing policies and processes and to inform development of and new policies and processes.
Key project sub-committees	Yes	GRNSW established and participated in a number of sub-committees, which met regularly throughout 2017-18, including committees related to track safety, WH&S, OzChase, various inter-jurisdictional committees pertaining to welfare, rehoming, regulation and communications, and industry reference and advisory committees related to education. These project sub-committees enabled all relevant stakeholders to be involved in the development, progress and implementation of key projects and to evaluate their effectiveness.
Education workshops	Yes	GRNSW continued to roll out education workshops focused on the reforms and key areas such as injury prevention, first aid, injury rehabilitation, greyhound nutrition and care of breeding greyhounds. The education workshops will continue to provide an opportunity to inform participants about the importance of socialisation, rehoming responsibilities, greyhound welfare and best practice husbandry. Education workshops are a key enabler of positive cultural change within the greyhound industry.
Awards night	No. However other marquee events have been developed (e.g. Million Dollar Chase). This activity will not be undertaken in 2018-19.	
Stakeholder engagement at NSW race meetings	Yes	GRNSW continued to engage with stakeholders at race meetings across NSW to gain an understanding of what motivates participants, clubs, spectators and wagering operators to maximise participation, competitiveness and wagering outcomes and ensure the future sustainability of the sport.
Stakeholder magazine	Yes	The Chaser is released on a bi-monthly basis and provides an overview of the highlights and successes in the industry and educational pieces to keep the industry informed and engaged.
Stakeholder Survey	Yes	The Stakeholder Survey and the Economic Study enabled GRNSW to gain an understanding of the demographic interested in greyhound racing, perceptions of the greyhound racing industry and how it can be improved. This information was used to inform the development of new strategic priorities and objectives.
Economic Study	Yes. This activity will not be undertaken in 2018-19.	As above.



Stakeholder engagement activities	Completed in 2017-18	Outcome of engagement
Media releases	Yes	GRNSW made regular media announcements regarding significant regulatory decisions, new policies and changes in the industry. These media releases kept the industry informed of important information and demonstrated GRNSW's ongoing commitment to transparency.
Annual report	Yes	The Annual Report outlines GRNSW's work and activities in accordance with the Greyhound Racing Act 2017 and the Operating Licence.
CEO updates	Yes	Regular CEO updates were distributed to keep the industry informed of changes in the industry due to the reforms, significant decisions and improve culture and morale following the prohibition.
Track curator conference	Yes	GRNSW held the annual track curator conference for TAB and non-TAB tracks. The conference provided curators and other relevant stakeholders with an update on the status of research in relation to track design, information regarding improved track maintenance processes and new technology to assist with reporting and compliance.
Responses to formal inquiries and website inquiries	Yes	GRNSW continued to respond to formal and website inquiries in a professional and courteous manner, providing relevant and objective information in response to queries and concerns, demonstrating GRNSW's ongoing commitment to transparency and customer service.

GRNSW has refreshed its engagement plan for the 2018-19 Financial Year and this focuses on actively engaging with: Corporates (Wagering Service Providers, Book-makers, Broadcasters and Media Organisations), Participants and Clubs (Committee members and club volunteers, participants, and industry representative associations), the Broader Community (Wagerers and fans of greyhound racing, the NSW community, and animal welfare organisations) and Regulators (GWIC and Government and Members of Parliament).

GRNSW will continue to enhance its relationships with stakeholders and effectively consult on all newly developed policies and initiatives.

## GREYHOUNDS AS PETS MARKETING

In 2017/18, GRNSW continued to drive engagement around its flagship charity; the GRNSW GAP program. Engagement activities centred around continuing to engage with the existing audience, and also educating new individuals on the benefits and qualities of owning greyhounds as pets.

GAP once again partnered with the Sydney Royal Easter Show during 2017/18, presented and promoted the GAP program to over 750,000 attendees. The GAP stand proved very successful, claiming the *Gold Commercial Exhibitor* Award for the best exhibition on the Pet Pavilion. As in previous years, the GAP stand generated much interest in the program following the show. GAP National Adoption Day, held at Wentworth Park on 29 April, once again proved to be very successful, with a total of 42 greyhounds adopted (eclipsing the 38 that were adopted the previous year) and significant media attention and marketing generated.

In 2018/19, GRNSW will continue to enhance marketing and promotion of the GAP program and owning greyhounds as pets.

## WAGERING MEDIA RIGHTS

The rapidly changing digital landscape has meant that GRNSW has had to develop new media strategies to ensure GRNSW content is more broadly available and distributed to wagering customers.

In 2017/18 a significant amount of work was undertaken in relation to the future vision and digital distribution of GRNSW content. GRNSW's strategic initiatives will be rolled out over the coming 12 months with a focus on enhancing customer engagement and maximising wagering revenue.

## DIGITAL

Thedogs.com.au continues to be one of Australia's premium sources of greyhound-related news, with detailed content delivered from not only NSW, but also QLD, SA, WA and TAS, providing an unrivalled insight into greyhound racing in Australia to its 49,000 members.

In May 2018, a digital audit was carried out across all GRNSW digital platforms which in-turn provided great insight into the strengths and areas of improvement for GRNSW's digital channels and processes. Over 2018/19, GRNSW will act on the learnings from this audit and develop a Digital Strategy where it looks to broaden its ability to engage with stakeholders and consumers and position itself as an industry leader in wagering and communications.

In addition to the GRNSW Facebook page and thedogs.com.au Twitter handle, a Facebook page was established for thedogs.com.au and a Twitter handle for GRNSW, to broaden the industry's social media presence and the reach of social media content to different audiences.

## WAGERING PERFORMANCE

Wagering on NSW greyhound racing achieved record highs in 2017/18, with total turnover increasing 13.5% to \$1.491 billion for the period, reflecting significant industry confidence and establishing NSW greyhound racing as one of Australia's leading racing products. This growth built upon strong results in 2016/17, which saw a total turnover increase of 4.7% from the previous financial year.

The number of SKY broadcast races climbed 2.1%. The average turnover per race increased from approximately \$144,000 in 2016/17 to approximately \$160,300 in 2017/18 – representing an increase of 11.3%. This turnover growth helped facilitate robust revenue numbers, with a year-on-year increase of \$26m (13.8%) to \$214.5m in 2017/18, dwarfing the 2.5% rise in the previous financial year.

The Corporate bookmakers have been the catalyst for this exceptional growth by leveraging their ability to capitalise on the channel shift to mobile, which in turn, has been able to penetrate and engage the digitally savvy 18-34 demographic. Off the back of this digital wagering footprint, corporate turnover exploded by \$171.1 million (30.3%) to \$739 million. This highlights an encouraging trend within our industry that will ensure the future sustainability of our product. Turnover and positive margin growth underpinned an increase in revenues of \$23 million (35%) to \$89 million.

The corporate bookmaking sector continues its rise as a strategic partner to the NSW greyhound industry. Led by the likes of Ladbrokes, not only are they key drivers in growing our wagering product, they invest in other areas such as track sponsorship and supporting a series like the world's richest greyhound race – the Million Dollar Chase. GRNSW will continue to build strong relationships with all wagering providers into the future.

A longer term downward trend in State TAB betting operators' turnover was reversed in 2017/18, with turnover rising from \$746m to \$751m. This can be wholly attributed to the WA TAB, which experienced a \$5.7m turnover increase on the NSW racing product.

As with all NSW racing codes, the main financial contributor to GRNSW is the NSW TAB. NSW TAB's total turnover on NSW greyhound racing declined \$1.8 million (-0.6%) to \$314 million, with their market share of turnover dropping from 24.1% to 21.1% in 2017/18. The NSW TAB experienced significant turnover growth on NSW Harness Racing and NSW Thoroughbreds during 2017/18. The underperformance of greyhounds relative to the other two codes represents the need to work closely with the NSW TAB over the coming financial year to address this.

The combined totalisator market demonstrates the changing nature of the Australian wagering landscape. In 2014/15, the combined tote share was 67.6% and in 2015/16 this decreased to 62%. In 2016/17, this dropped to 56.4% and in 2017/18 this hit 50.4%. Unknown variables like the new Point of Consumption Tax (PoCT) might flatten the trajectory of this trend but it is clear that the corporates will hold the higher levels of turnover on NSW greyhound racing going forward.

## WAGERING INCOME – CREATING LONG-TERM SUSTAINABILITY

In 2017/18, NSW TAB distributions to GRNSW rose slightly to a total of \$35.5 million (an increase of \$0.02 million on 2016/17). NSW TAB distributions represented 54.5% of GRNSW's wagering income in 2017/18, a decrease from 58.2% in 2016/17.

Income from tax harmonisation in 2017/18 totalled \$5.15 million, an increase of \$713,000 from the 2016/17 total of \$4.4 million. Income from tax harmonisation is earmarked to rise again in 2018/19 to \$6.7 million.

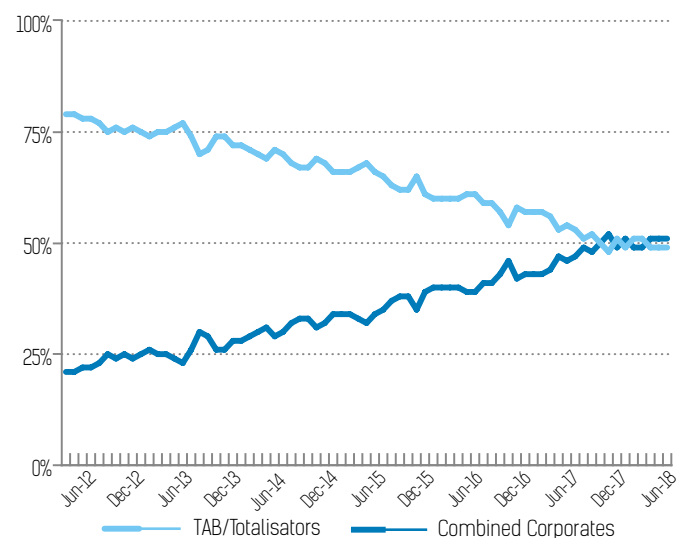
In addition, Race Field Information Use fees for 2017/18 totalled \$24.5 million, an increase of 17.4% (\$3.6 million) on 2016/17. This impressive result was driven by strong performance by corporate bookmakers, yield growth and capitalisation on the shift to digital wagering.

Overall, GRNSW's wagering revenues saw a year-on-year increase of \$4.6 million to a total of \$65.2 million in 2017/18. This 7.6% increase on 2016/17 continues one of many positive wagering trends which can be seen in NSW greyhound racing. The

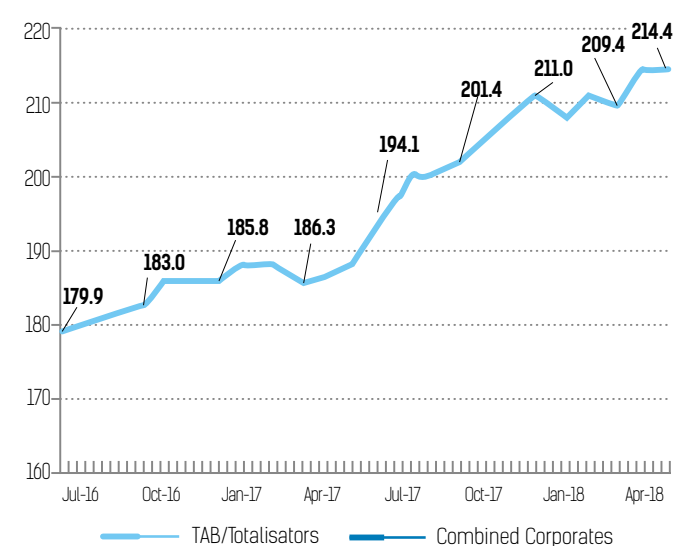
GRNSW Strategic Plan 2018-2021 highlights a core focus of optimising the NSW greyhound racing wagering product and maximising opportunities to increase returns to the industry by way of prizemoney, infrastructure improvements and welfare initiatives.

In addition, the NSW Government has announced its intention to introduce a 10% PoCT on all wagers placed by NSW residents, regardless of the location of the wagering operator. The tax is set to be introduced from 1 January 2019 and NSW Treasury has indicated that at least \$40 million will be returned to the racing codes. GRNSW is firmly committed to ensuring that the return to the NSW greyhound racing industry is benchmarked in accordance with wagering market share (22.4% in 2017/18), at a minimum, which is not afforded to the industry under the current arrangements for TAB distributions (13%) and tax harmonization (10%). Given the PoCT is levied on all Australian-based wagering operators based on the net wagering revenue derived from wagers, GRNSW considers that it would be fair and equitable that the three racing codes receive distributions in proportion to their wagering market share.

Market share of turnover



24 month total revenue growth on NSW Greyhounds (\$m)





# LEGAL AND POLICY

## RULE CHANGES

In 2017/18, GRNSW made amendments to the Greyhound Racing Rules. They are outlined in the table below:

### Amendments to the Greyhound Racing Rules

Date	Rule changes
1 December 2017	<ul style="list-style-type: none"> <li>LR86(d) – Person guilty of an offence if a party to an offence or whose conduct or negligence has led or could have led to a breach of the Rules.</li> <li>LR124 – Person to obtain greyhound passport and certified pedigree from Greyhounds Australasia before exporting a greyhound (new rule) (similar to GAR124)</li> <li>LR124A – Person not to sell or transfer ownership of a greyhound to another person where they are or ought to be aware the greyhound will be, or is likely to be, exported unless they take adequate steps to ensure R124 has been, or will be, complied with (new rule)</li> </ul>

## LEGISLATION

On 11 April 2017, the *Greyhound Racing Act 2017* was enacted, in summary to:

- Regulate greyhound racing and to provide for the welfare of greyhounds;
- Constitute the Greyhound Welfare and Integrity Commission (GWIC) and reconstitute GRNSW; and
- Repeal the *Greyhound Racing Prohibition Act 2016* and the *Greyhound Racing Act 2009*.

Throughout 2017/18, GRNSW continued to operate in its previous role as the regulator of the greyhound racing industry in NSW, under transitional provisions of the *Greyhound Racing Act 2017* and while the GWIC became operational.

On 1 July 2018, all remaining provisions of the *Greyhound Racing Act 2017*, which had yet to come into force as at that time, commenced. Under the new statutory regime, GRNSW is now primarily the promoter of the greyhound racing industry in NSW, while the GWIC is primarily responsible for integrity and regulation. GRNSW's principal objectives under the *Greyhound Racing Act 2017* are to:

- To be a commercially viable entity;
- To exhibit a sense of social responsibility by having regard to the welfare of greyhounds; and
- To promote greyhound racing in NSW as a competitive and sustainable industry with a high level of public trust

## EXPORTS INQUIRY

In October 2015, GRNSW commenced an inquiry into the unauthorised export of greyhounds to countries that do not comply with Australian animal welfare standards (Exports Inquiry). The Exports Inquiry, which remains ongoing, is chaired by barrister Adrian Anderson, who has extensive experience in disciplinary matters in a range of sporting organisations.

GAR124 and LR124 of the Greyhound Racing Rules require that any person intending to export a greyhound from Australia to any other country (excluding New Zealand) must, prior to meeting the quarantine and inspection service requirements of the relevant country, obtain a greyhound passport and certified pedigree issued by Greyhounds Australasia (GA).

In 2017/18, the Exports Inquiry handed down a number of decisions, including:

- On 23 October 2017, the Steward found three industry participants guilty of over 180 charges between them in relation to the export of greyhounds to China and Macau. Two of those participants received maximum fines of \$22,000 each, and periods of suspension.
- On 24 April 2018, the Steward imposed a disqualification for 12 months and a \$22,000 fine for an industry participant relating to the unauthorised export of 10 greyhounds to China.
- On 31 May 2018, GRNSW announced a number of penalties against two further participants in relation to the export of 212 greyhounds to Macau. Those participants received periods of disqualification and maximum fines of \$22,000 each.

A number of individuals have also been charged for providing false information to GRNSW in relation to the Exports Inquiry.

From 1 July 2018, the Greyhound Welfare and Integrity Commission assumed its role as regulator of the greyhound racing industry in NSW, and from that time assumed functions previously exercised by GRNSW, including in relation to the investigation and inquiry into breaches of the Greyhound Racing Rules (such as the unauthorised export of greyhounds). However, the Exports Inquiry will continue until completion – which is anticipated to be in mid-2018/19. The ongoing inquiry reflects GRNSW's commitment to preventing the unauthorised export of Australian greyhounds to destinations where animal welfare practices do not meet industry welfare standards and are inconsistent with community expectations.

## CLAIM IN COUNTY COURT OF VICTORIA

In June 2017, GRNSW was joined as a co-defendant (with Greyhound Racing Victoria) to a claim in the County Court of Victoria brought by two industry participants under section 18 of the Australian Consumer Law, alleging misleading and deceptive conduct.



GRNSW has now resolved this claim, with the proceedings being discontinued against GRNSW and GRV. GRNSW did not pay any damages to the plaintiffs as part of the resolution of the claim.

#### APPEALS BROUGHT BY CARLY ABSALOM AGAINST GRNSW AND SUBSEQUENT COMPLAINTS

On 26 June 2017, a GRNSW Stewards Inquiry found Carly Absalom guilty of five charges under Rule 86(ag) of the Rules and imposed a penalty of 16 weeks' suspension of her licence as a trainer. The charges were in relation to five occasions on which Ms Absalom failed to comply with GRNSW's Race Day Hydration and Hot Weather Policy (Policy), specifically for failing to kennel a greyhound without a water bowl.

On 28 June 2017, Ms Absalom appealed to the Racing Appeals Tribunal challenging, amongst other things, the validity of the Policy and the Rules and the purported failure of the Stewards' Inquiry to consider relevant evidence and provide procedural fairness. On 11 August 2017, the Tribunal rejected all of Ms Absalom's appeal points.

On 5 October 2017, Ms Absalom filed a summons in the Supreme Court of NSW, seeking judicial review of the Tribunal's decision. On 28 February 2018, the Supreme Court delivered its judgment in *Absalom v Greyhound Racing NSW & Anor* [2018] NSWSC 207, in which it dismissed Ms Absalom's summons and ordered that she pay GRNSW's costs of and incidental to the proceedings.

#### MAJOR POLICY CHANGES

In February 2018, GRNSW introduced the 'Supplement to Codes of Practice – Greyhound Euthanasia' policy, which supplemented the requirements regarding

euthanasia already outlined in the 'Code of Practice – For Breeding, Rearing and Education' and the 'Code of Practice – For the Keeping of Greyhounds in Training'.

The supplement clarified industry participants' obligations and restrictions in relation to greyhound euthanasia, aligning the policy with the consent provisions in the *Greyhound Racing Prohibition Act 2016* (which provisions remained in effect until 30 June 2018) and the recommendations of the Greyhound Industry Reform Panel in its Final Report.

From 1 July 2018, the Greyhound Welfare and Integrity Commission assumed responsibility for developing and implementing policies related to greyhound welfare and introduced its own Greyhound Rehoming Policy. While the GRNSW supplement is no longer in force – GWIC's Greyhound Rehoming Policy largely reflects its provisions.

#### ACCESS TO INFORMATION AND STATUTORY NOTICES

During 2017/18, GRNSW provided information in response to a number of statutory notices and formal requests, including under the provisions of the following legislation:

- *Bankruptcy Act 1966* (section 77A);
- *Environmental Planning and Assessment Act 1979* (section 119J);
- *Government Information (Public Access) Act 2009* (see following pages);
- *Housing Act 2001* (section 69C); and
- *Protection of the Environment Act 1997* (section 193).





# GIPA REPORT

Greyhound Racing NSW is subject to the provisions of the *Government Information (Public Access) Act 2009*. During 2017/18 GRNSW received 12 formal requests for information under this Act:

**Table A: Number of applications by type of applicant and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Members of Parliament	4	2	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	-	-	-	-	-	-	-
Members of the public (other)	3	2	-	-	2	1	-	-

\* More than one decision can be made in respect of a particular access application. If so, a recording is made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	1	-	-	-	-	-	-	-
Access applications (other than personal information applications)	6	4	-	-	2	1	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

\* A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act**

	Number of times consideration used*
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	2
Excluded information	1
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act**

	Number of occasions when application not successful
Responsible and effective government	2
Law enforcement and security	-
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	1
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	1

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	11
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	1
Total	12

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	-	-	-
Review by Information Commissioner	-	2	2
Internal review following recommendation under section 93 of Act	-	-	-
Review by ADT	-	-	-
Total	-	2	2

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	-

**Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

	Number of applications transferred
Agency-initiated transfers	-
Applicant-initiated transfers	-

# FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2018**

## GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

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# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

Income		
	2018	2017
	\$	\$
TAB Distributions	35,565,620	35,324,735
Race Field information Use Fees	24,512,581	20,877,617
Tax Parity Receipts	5,149,482	6,706,949
Licensing & Registration Fees	461,031	586,618
Veterinary Services	344,070	333,494
Race Form	230,600	232,726
Interest	191,508	159,428
Marketing & Digital	214,974	210,026
Playhouse Pet Motel	21,991	20,540
Other Income	96,251	107,792
Fines & Penalties	125,092	87,095
Greyhounds As Pets	127,847	163,534
<b>Total income</b>	<b>67,041,047</b>	<b>64,810,554</b>

Expenditure		
	2018	2017
	\$	\$
Prizemoney & Race Club Costs	(34,836,955)	(34,128,215)
Finance, Legal & Corporate	(7,875,336)	(6,234,175)
Regulatory	(5,179,133)	(5,478,978)
Racing & Club Infrastructure	(2,507,628)	(2,314,656)
Drug Detection	(1,552,984)	(1,668,477)
Operations	(1,700,102)	(1,881,482)
Media & Digital	(1,104,660)	(1,280,800)
IT Costs	(1,484,063)	(900,124)
Industry Reform	(453,000)	(1,699,256)
Animal Welfare	(1,777,144)	(1,270,071)
Blue Paws	-	(3,630)
Depreciation	(473,132)	(443,715)
GAP & Commercial Marketing	(724,013)	(1,083,969)
Board Expenses	(173,232)	(2,796)
Greyhounds As Pets	(1,639,430)	(1,189,609)
Loss on sale of fixed assets	(10,980)	(36,104)
Other Expenses	(748,522)	(103,102)
Integrity Auditor	(38,250)	(4,780)
<b>Total expenditure</b>	<b>(62,278,564)</b>	<b>(59,723,939)</b>
<b>Surplus for the year</b>	<b>4,762,483</b>	<b>5,086,615</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>4,762,483</b>	<b>5,086,615</b>

# FINANCIAL STATEMENTS

GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

## Statement of Financial Position 30 June 2018

		2018	2017
	Note	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	10,125,774	4,765,011
Trade and other receivables	6	16,370,671	15,750,489
Financial assets	8	377,674	236,051
Other current assets	9	25,825	41,942
<b>TOTAL CURRENT ASSETS</b>		<b>26,899,944</b>	20,793,493
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	9,542	-
Property, plant and equipment	7	3,868,919	3,604,032
Financial assets	8	6,497,681	6,875,355
Intangible assets	10	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,376,142</b>	10,479,387
<b>TOTAL ASSETS</b>		<b>37,276,086</b>	31,272,880
<b>LIABILITIES CURRENT LIABILITIES</b>			
Trade and other payables	11	6,402,520	4,958,232
Provisions	12	909,892	922,989
Borrowings	13	253,591	145,037
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,566,003</b>	6,026,258
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	115,864	195,597
Borrowings	13	11,690	230,979
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>127,554</b>	426,576
<b>TOTAL LIABILITIES</b>		<b>7,693,557</b>	6,452,834
<b>NET ASSETS</b>		<b>29,582,529</b>	24,820,046
<b>EQUITY</b>			
Reserves	14	676,386	676,386
Retained surplus		28,906,143	24,143,660
<b>TOTAL EQUITY</b>		<b>29,582,529</b>	24,820,046



# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

### Statement of Changes in Equity For the Year Ended 30 June 2018

	Reserves	Retained Surplus	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>676,386</b>	<b>24,143,660</b>	<b>24,820,046</b>
Surplus for the year	-	<b>4,762,483</b>	<b>4,762,483</b>
Other comprehensive income	-	-	-
<b>Total other comprehensive income for the year</b>	-	<b>4,762,483</b>	<b>4,762,483</b>
<b>Balance at 30 June 2018</b>	<b>676,386</b>	<b>28,906,143</b>	<b>29,582,529</b>
<b>Balance at 1 July 2016</b>	676,386	19,057,045	19,733,431
Surplus for the year	-	5,086,615	5,086,615
Other comprehensive income	-	-	-
<b>Total other comprehensive income for the year</b>	-	5,086,615	5,086,615
<b>Balance at 30 June 2017</b>	676,386	24,143,660	24,820,046

### Statement of Cash Flows For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from operations		<b>66,492,586</b>	62,603,760
Payments to suppliers and employees		<b>(60,453,248)</b>	(60,225,125)
Interest received		<b>191,508</b>	224,428
<b>Net cash provided by operating activities</b>		<b>6,230,846</b>	2,603,063
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment		<b>19,091</b>	-
Payment for property, plant and equipment		<b>(757,836)</b>	(98,345)
<b>Net cash used by investing activities</b>		<b>(738,745)</b>	(98,345)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payments of lease liability /finance lease		<b>(131,338)</b>	-
<b>Net cash used by financing activities</b>		<b>(131,338)</b>	-
<b>Net increase in cash and cash equivalents held</b>		<b>5,360,763</b>	2,504,718
Cash and cash equivalents at beginning of year		<b>4,765,011</b>	2,260,293
<b>Cash and cash equivalents at end of financial year</b>	5	<b>10,125,774</b>	4,765,011

# FINANCIAL STATEMENTS

**GREYHOUND RACING NEW SOUTH WALES**  
 ABN 61 018 166 136

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Greyhound Racing New South Wales (GRNSW) is a reporting entity.

GRNSW is an independent body corporate established under the Greyhound Racing Act 2009 to represent, fund and control the commercial operations of the greyhound racing industry in New South Wales. It commenced operations on 10 February 2003.

The financial report was authorised by those charged with governance of Greyhound Racing New South Wales on 24 October 2018.

## 1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board. GRNSW is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar, and are presented in Australian dollars.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

#### Property

Freehold land and buildings are carried at cost, less accumulated depreciation for buildings.

#### Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the entity to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the accepted net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

### Depreciation

Property, plant and equipment including capitalised lease assets are depreciated on a straight line basis over their useful lives to GRNSW, commencing from the time the asset is held ready for use. Fixed asset purchases of items below \$5,000 are written off to expense in the year of acquisition.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate %
Office equipment	40
Computer equipment	40
Furniture fittings	15
Motor vehicles	22.5
Leasehold improvements	12.5
Buildings	5

The asset's residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

### (b) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (c) Insurance

Insurance policies are held to cover all material risks. The insurance coverage is reviewed annually to ensure adequate cover for all risk areas.

### (d) Financial instruments

#### Initial recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payment and amortisation.

#### Impairment

At each reporting date, the entity assesses where there is objective evidence that a financial instrument has been impaired. Losses are recognised in the statement of comprehensive income.

#### Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### (e) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### (f) Employee benefits

Provision is made for GRNSW liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability has been settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### (g) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

### (h) Superannuation commitments

Superannuation contributions made on behalf of employees are charged as expenses when incurred.

### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

### (j) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

### (k) Receivables

Accounts receivables include amounts due from services performed in the ordinary course of business. Accounts receivables are generally settled within 30 days and are carried at amounts due.

### (l) Accounts payable and other payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by GRNSW during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (m) Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### (n) Intangibles other than goodwill

Licence costs are capitalised only when it can be established that the licence will deliver future economic benefits and these benefits can be measured reliably.

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

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Capitalised licence costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the licence.

### (o) New, revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (p) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Board evaluates estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Impairment

The entity assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

### Wentworth Park Trust Receivable

Included within financial assets is a receivable of \$6,497,681 due from Wentworth Park Trust. Management are pursuing this amount, and believe that the full balance will ultimately be recovered. Wentworth Park Trust have disputed that the amount is payable to Greyhound Racing NSW and have limited ability to settle the amount. As at the date of these financial statements the amount is still outstanding.

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

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	2018	2017
	\$	\$
<b>4 Surplus for the Year</b>		
The result for the year includes the following specific expenses:		
Rental expense on operating leases	432,176	344,306
<b>5 Cash and Cash Equivalents</b>		
Cash at bank	10,124,424	4,763,661
Cash on hand	1,350	1,350
	<b>10,125,774</b>	4,765,011
<b>6 Trade and Other Receivables</b>		
CURRENT		
Receivables	16,431,712	15,756,469
Provision for impairment	(61,041)	(5,980)
	<b>16,370,671</b>	15,750,489
NON-CURRENT		
Receivables	9,542	-
	<b>9,542</b>	-
<b>Impairment of receivables</b>		
Reconciliation of changes in the provision for impairment of receivables is as follows:		
Balance at beginning of the year	5,980	35,036
Additional impairment loss recognised	(61,041)	(5,980)
Written off used	(5,980)	(35,036)
<b>Balance at end of the year</b>	<b>(61,041)</b>	(5,980)

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

	2018	2017
	\$	\$
<b>7 Property, Plant and Equipment</b>		
<b>LAND AND BUILDINGS</b>		
Freehold land At cost	1,320,770	1,320,770
Buildings At cost	1,746,535	1,746,535
Accumulated depreciation	(558,745)	(455,783)
	<b>1,187,790</b>	1,290,752
<b>Total land and buildings</b>	<b>2,508,560</b>	2,611,522
<b>PLANT AND EQUIPMENT</b>		
Furniture and fittings At cost	40,609	40,609
Accumulated depreciation	(40,609)	(39,180)
	-	1,429
Motor vehicles At cost	1,785,694	1,210,033
Accumulated depreciation	(623,271)	(317,266)
	<b>1,162,423</b>	892,767
Office equipment and computers At cost	824,174	695,673
Accumulated depreciation	(694,257)	(676,041)
	<b>129,917</b>	19,632
Website development and software At cost	683,406	683,406
Accumulated depreciation	(625,641)	(604,724)
	<b>57,765</b>	78,682
Make good asset At cost	10,254	-
Accumulated depreciation	-	-
	<b>10,254</b>	-
<b>Total plant and equipment</b>	<b>1,360,359</b>	992,510
<b>Total property, plant and equipment</b>	<b>3,868,919</b>	3,604,032

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land	Buildings	Office equipment and computers	Furniture and fittings	Motor vehicles	Website development and software	Make good assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2018</b>								
<b>Year ended 30 June 2018</b>								
Carrying amount at 1 July 2017	1,320,770	1,290,752	19,632	1,429	892,767	78,682	-	3,604,032
Additions	-	-	128,501	-	629,335	-	10,254	768,090
Disposals	-	-	-	-	(30,071)	-	-	(30,071)
Depreciation expense	-	(102,962)	(18,216)	(1,429)	(329,608)	(20,917)	-	(473,132)
<b>Carrying amount at 30 June 2018</b>	<b>1,320,770</b>	<b>1,187,790</b>	<b>129,917</b>	<b>-</b>	<b>1,162,423</b>	<b>57,765</b>	<b>10,254</b>	<b>3,868,919</b>

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

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	2018	2017
	\$	\$
<b>8 Financial Assets</b>		
CURRENT		
Bank Guarantee	<b>377,674</b>	-
Other loans	-	236,051
	<b>377,674</b>	236,051
NON-CURRENT		
Bank Guarantee	-	377,674
Wentworth Park Trust	<b>6,497,681</b>	6,497,681
	<b>6,497,681</b>	6,875,355
<b>9 Other Current Assets</b>		
Prepayments	<b>25,825</b>	41,942
<b>10 Intangible Assets</b>		
Licence Cost	<b>254,100</b>	254,100
Impairment provision	<b>(254,100)</b>	(254,100)
<b>Net carrying value</b>	<b>-</b>	<b>-</b>
<b>11 Trade and Other Payables</b>		
CURRENT		
Accounts payables	<b>6,091,499</b>	4,753,939
Prize money	<b>311,021</b>	204,293
	<b>6,402,520</b>	4,958,232

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

<b>12 Provisions</b>		
CURRENT		
Make good provision	<b>102,544</b>	-
Annual leave	<b>687,826</b>	797,546
Long service leave	<b>110,565</b>	125,438
Other provision	<b>8,956</b>	-
Approved industry infrastructure funding	<b>1</b>	5
	<b>909,892</b>	922,989
NON-CURRENT		
Long service leave	<b>115,864</b>	195,597



# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

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### Analysis of provisions

	Make good provisions	Annual Leave	Long Service leave	Other provisions	Approved industry infrastructure funding	Total
Balance at 1 July 2017	-	797,546	321,035	-	5	1,118,586
Additional provisions	102,544	-	-	8,956	140,049	251,549
Amounts used	-	361,510	8,499	-	-	370,009
Amounts written-off	-	(471,230)	(103,105)	-	(140,053)	(714,388)
<b>Balance at 30 June 2018</b>	<b>102,544</b>	<b>687,826</b>	<b>226,429</b>	<b>8,956</b>	<b>1</b>	<b>1,025,756</b>

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the entity expects the full amount of annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

	2018	2017
	\$	\$
<b>13 Borrowings</b>		
CURRENT		
Lease liability	253,591	145,037
NON-CURRENT		
Lease liability	11,690	230,979

### 14 Reserves

#### General reserve

The general reserve of \$676,386 (2017: \$676,386) records funds set aside for future expansion of Greyhound Racing New South Wales.

### 15 Operating lease commitments

Non-cancellable operating lease commitments contracted for but not capitalised in the financial statements:

#### Property lease payable:

No later than one year	294,990	294,990
Later than one year but not later than five years	-	294,990
Later than five years	-	-
	<b>294,990</b>	<b>589,980</b>

The existing lease was not renewed and is due to expire on 24 June 2019. GRNSW has signed a new lease subsequent to the year end as disclosed at note 20.

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

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### 16 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<b>Financial Assets</b>		
Cash and cash equivalents	<b>10,125,774</b>	4,765,011
Loans and receivables	<b>23,255,568</b>	22,861,895
<b>Total financial assets</b>	<b>33,381,342</b>	27,626,906
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
Trade and other payables	<b>6,402,520</b>	4,958,232
<b>Total financial liabilities</b>	<b>6,402,520</b>	4,958,232

### 17 Key Management Personnel Disclosures

The totals of remuneration paid to key management personnel (KMP) of the entity during the year are as follows:

	2018	2017
	\$	\$
Key management personnel compensation	<b>2,124,311</b>	1,599,776

### 18 Contingencies

In the opinion of those charged with Governance, the entity did not have any contingencies at 30 June 2018 (30 June 2017: None).

### 19 Related Parties

**The entity's main related parties are as follows:**

*(i) Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including those charged with Governance (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

#### **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

GRNSW has a receivable from The Wentworth Park Trust totalling \$6,497,681 (2017: \$6,497,681) which is interest free. The receivable arose as a result of the privatisation of the Totalizator Agency Board.

# FINANCIAL STATEMENTS

## GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

### 20 Events Occurring After the Reporting Date

From 1 July 2018, the newly established Greyhound Welfare and Integrity Commission (GWIC) will be the regulator of the industry, and it will assume many of the functions previously exercised by GRNSW. GRNSW will continue to play a vital role in the industry and will maintain many of its existing functions.

**GWIC** will be responsible for:

- Administration of the Greyhound Racing Rules
- Stewards, inspectors and investigators
- Greyhound welfare and integrity
- Registration and accreditation of greyhounds and participants

**GRNSW** will still be responsible for:

- The commercial and strategic side of the industry
- Track safety and design standards
- Greyhound racing clubs (including registration, conduct and compliance)
- Management of greyhound adoption programs

From 1 August 2018, Greyhound Racing New South Wales entered into a lease agreement for premises located at 1 Oxford Street, Darlinghurst, NSW, 2010. The term of the lease is 5 years with an option to renew of an additional 5 years. Annual rent excluding GST is \$508,260 with a fixed 4% increase per annum.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

### 21 Company Details

The registered office and principal place of business of the company is:

Greyhound Racing New South Wales  
Building B  
1 Homebush Bay Drive  
Rhodes NSW 2138

# DECLARATION BY THOSE CHARGED WITH GOVERNANCE

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Those charged with governance of Greyhound Racing New South Wales declare that:

1. The financial statements and notes, as set out on pages 1 to 17
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the entity.
  
2. In the opinion of those charged with Governance, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of those charged with governance of Greyhounds Racing New South Wales.



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Dated this 30TH day of OCTOBER 2018

## FINANCIAL STATEMENTS

GREYHOUND RACING NEW SOUTH WALES  
ABN 61 018 166 136

# AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Greyhound Racing NSW for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



**RSM AUSTRALIA PARTNERS**



**David Talbot**

Director

Sydney, NSW

Dated: 30 October 2018

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Greyhound Racing New South Wales

### Qualified Opinion

We have audited the financial report of Greyhound Racing New South Wales, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report presents fairly, in all material respects of the financial position of Greyhound Racing New South Wales as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Regime.

### Basis for Qualified Opinion

As disclosed within Note 3, Greyhound Racing New South Wales has a receivable due from Wentworth Park Trust which is carried in the statement of financial position at \$6,497,681. We were unable to obtain sufficient appropriate audit evidence about the recoverability of this receivable as at 30 June 2018 due to uncertainty about the ability of Wentworth Park Trust to repay the full amount due. Consequently, we were unable to determine whether any adjustments to this amount was necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Greyhound Racing New South Wales in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Greyhound Racing New South Wales's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Greyhound Racing New South Wales's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Greyhound Racing New South Wales or to cease operations, or has no realistic alternative but to do so.

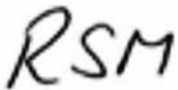
Those charged with governance are responsible for overseeing the Entity's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**RSM AUSTRALIA PARTNERS**



**David Talbot**

Director

Sydney, NSW

Dated: 30 October 2018

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Sydney NSW 2000

**BANKERS**

Commonwealth Bank of Australia  
1-3 Auburn Road  
Auburn NSW 2144

The 2018 GRNSW Annual Report is also available online at [www.grnsw.com.au](http://www.grnsw.com.au)



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