



ANNUAL REPORT

2015



PAUL NEWSON
BA (Politics), LLB, MLS, MLM

CHIEF EXECUTIVE

Paul Newson was appointed as GRNSW Chief Executive in an interim capacity on 19 February 2015 after intervention by the NSW Deputy Premier and Minister for Racing, the Hon. Troy Grant MP following the airing of ABC's *Four Corners* program 'Making a Killing' on 16 February 2015. Prior to his appointment as interim GRNSW Chief Executive, Paul was the Executive Director of the NSW Office of Liquor, Gaming & Racing, an organisation he led since December 2013. Paul has held numerous senior leadership roles in State and Commonwealth government agencies across a range of functions and industries which provide substantial scope and depth to his regulatory experience. Paul has completed the Australian Institute of Company Directors, Company Directors Course and holds a number of Board appointments including with Greyhounds Australasia and Greyhound Media Services.



PATRICK HALLINAN
BBus (Hons), MScBA

EXECUTIVE GENERAL MANGER OPERATIONS

Patrick Hallinan is a multidisciplinary management professional specialising in operations, strategy, policy and project management. His background in business administration commenced at the University of Technology Sydney where he attained a Bachelor of Business in 2002. Patrick's extensive analytical skills were developed through a number of applied tertiary research years while completing his Honours and Masters qualifications, which focused on small business and sustainable development issues. Patrick brings strong policy skills from the Australian Government where he worked for six years in small business and energy policy. Patrick is also a member of the Australian Institute for Company Directors, representing GRNSW on a number of industry boards.



MICHAEL EAST
BComm (Journalism)

GENERAL MANAGER MEDIA, COMMUNICATIONS AND WAGERING

Michael East graduated with a Bachelor of Communication (Journalism) from Charles Sturt University in 2004. Following completion of his degree, Michael gathered experience in the media through a range of roles in both journalism and public relations at organisation's in Australia and the United Kingdom with a specific focus on sport, health and politics. Michael's role with GRNSW is to oversee the organisation's communication, digital and media strategies, while also identifying ways to boost wagering and awareness of NSW greyhound racing and the important initiatives being embarked on by GRNSW.



KAREN LEES
BA (Policing & Journalism), MCrim

GENERAL MANAGER COMPLIANCE

Karen Lees is a senior compliance and risk management executive with extensive experience in designing and implementing strategic solutions for change management in regulation, compliance and risk sectors. She has strong leadership skills coupled with practical planning ability and is recognised for her ability to work cohesively with industry by taking a no-nonsense approach to regulation. Her previous roles include Director Compliance for the Victorian Commission for Gaming & Liquor Regulation, Senior Director Strategic Risk & Intelligence at the Australian Taxation Office where she was responsible for designing and implementing strategies in relation to the identification of risks connected to international illegal aggressive tax schemes. Karen brings an extensive background in investigations, intelligence and risk and has a Masters in organised crime and undergraduate degree in policing and journalism.



ELIZABETH ARNOTT
BVSc, MVS, MANZCVS
CHIEF VETERINARY OFFICER

Elizabeth Arnott graduated from the University of Sydney Faculty of Veterinary Science in 2003. Since 2012 Liz has been undertaking research into the behaviour, welfare, performance and breeding of livestock working dogs. This has equipped her with an analytical, evidence based approach to canine welfare as well as insight into the practicalities of training and managing working dogs. In 2011 Liz became a member of the Animal Welfare chapter of the Australian and New Zealand College of Veterinary Scientists. In addition to her passion for animal welfare she has knowledge and experience in canine health, medicine and surgery from over a decade in small animal practice and attainment of a Masters of Small Animal Practice (Murdoch University) and Membership of the Australian and New Zealand College of Veterinary Scientists in Small Animal Medicine.



MADELEINE LOVE
BA (Communications), LLB,
GradDipLegPrac, LLM (Corporate,
Commercial, Tax)

GENERAL COUNSEL

Madeleine Love has worked as a corporate and commercial lawyer in private practice and in-house legal roles since 1997. Madeleine brings to the role significant expertise in providing in-house legal, corporate, complaint handling and governance services to the health, education, media, not-for-profit sport and corporate sectors. She has been a General Counsel of a large regional university and also served as Company Secretary of the National Marine Science Centre. In addition, Madeleine has directorship experience serving on the board of 2020women and as an executive member of the NSW Australian Corporate Lawyers Association Executive Committee. In 2007, Madeleine was named the Australian Corporate Lawyer's Association Young Achiever of the Year for her outstanding leadership skills and achievements in law whilst in 2009 Madeleine was a finalist for the Davos Institute Future Summit Leadership Award.

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CEO'S REPORT



“The regulation of the industry by GRNSW has been inadequate. It has failed the wider community, it has failed the greyhounds and it has failed the industry too”

Opening address of Stephen Rushton SC, Counsel Assisting the Special Commission of Inquiry into the Greyhound Racing Industry in NSW - 28 September 2015.

APOLOGY

Since its inception in 2009, Greyhound Racing NSW (GRNSW) has fallen far short of community and industry expectations; it has not properly discharged its regulatory functions and for too long it has turned a blind eye to cruel and unlawful training techniques. Most significantly, GRNSW has failed to protect the greyhounds themselves and to prevent the unnecessary killing of greyhounds at all stages of their lifecycle.

On behalf of GRNSW, I unconditionally and unreservedly apologise. I can offer no adequate explanation or justification for these failings.

The extent of GRNSW's failings has been revealed during the first public hearings of the Special Commission of Inquiry into the Greyhound Racing Industry in NSW (the Commission). It was clear from the evidence that was presented to the Commission that GRNSW's ineffective discharge of its functions contributed to an environment where misconduct and serious animal cruelty were allowed to persist and safeguarding animal welfare and the integrity of the sport received insufficient regard.

I apologise on behalf of GRNSW and the industry and commit the organisation to ensure lessons from past failings translate into meaningful reform and the industry holds itself to the highest possible standards going forward.

FOUR CORNERS PROGRAM 'MAKING A KILLING'

The NSW Deputy Premier and Minister for Racing, the Hon. Troy Grant, MP decisively intervened to remove the GRNSW Board and Chief Executive following the airing of ABC's *Four Corners* program, 'Making a Killing', on 16 February 2015.

In response to the Deputy Premier's intervention, on 19 February 2015, the GRNSW Board passed a majority resolution to immediately stand down the Chief Executive Mr Brent Hogan, appoint me as interim Chief Executive and for each Board Member of GRNSW to immediately resign their membership.

Notwithstanding the majority resolution of the Board and the appalling misconduct revealed by the *Four Corners* program, one GRNSW Board Member, Mr David Clarkson, refused to resign. On 4 March 2015, the Deputy Premier acted to withdraw Mr Clarkson's appointment. Following this intervention, Mr Clarkson subsequently issued a letter of demand and commenced civil proceedings against GRNSW claiming an entitlement to be paid of \$17,305.13 in remuneration that he would have received had he completed his full term on the Board.

The *Four Corners* program showed a number of high profile industry participants callously torturing small animals in a shocking yet seemingly widespread practice known as 'live baiting'. While evidence has been produced to the Commission which suggests 'live baiting' was endemic for many years, the extent of the misconduct within the NSW industry is not yet known with any confidence. I do not discount

the fact that the admissions have been made by disgraced individuals potentially seeking to ameliorate their own conduct and circumstances, however, it would be naive to believe the misconduct was isolated to only a few rogue participants including those shown on the *Four Corners* program. What is known is the regulator, GRNSW, failed to adequately supervise the industry, failed to take appropriate and necessary steps to properly appreciate the environment it was responsible for regulating and failed to communicate its expectations for industry standards and conduct. Industry participants also failed to disclose and condemn animal cruelty in the industry and the reputation and credibility of greyhound racing has suffered immeasurably as a result.

It is important to remember that the challenges confronting the industry go beyond live baiting. GRNSW must engage with systemic welfare, integrity and governance issues to maintain a social licence to operate and secure a sustainable and vibrant future for greyhound racing in NSW.

THE COMMISSION

On 4 March 2015, former High Court Justice, the Hon. Michael McHugh AC QC was appointed Commissioner under the *Special Commissions of Inquiry Act 1983* (NSW). The Commissioner is assisted by Mr Stephen Rushton SC, Mr David Kell of Counsel and the NSW Crown Solicitor.

The Terms of Reference for the Commission are expansive and leave no doubt that the very survival of the industry in NSW ultimately depends on the findings and recommendations of the Commissioner. In my mind, it distills down to whether the Commissioner is satisfied the defects which contributed to the discredited state of greyhound racing in NSW can be cured and whether he can be persuaded by GRNSW's commitment to, and demonstration of, meaningful reform.

Of the many welfare issues that were aired during the first week of public hearings, it was acknowledged at the Commission that one issue looms larger than the rest. Unless GRNSW and the industry can demonstrate to

the Commissioner that greyhound overbreeding and the resultant euthanasia of unwanted and retired dogs can be properly supervised and regulated and brought within limits that are acceptable, the industry may not survive.

At the first public hearings commencing on 28 September 2015, damning evidence was led by a number of witnesses. Such evidence is difficult to reconcile with previous submissions made by GRNSW, including to the 2014 Select Committee on Greyhound Racing in NSW, a NSW Parliamentary Inquiry. Perhaps the most disappointing evidence came from a former Steward of GRNSW who admitted he had participated in 'live baiting' prior to taking up the role with the regulator. Indeed the employment of industry participants by GRNSW and the conflict that this creates was an issue debated at the Commission. It is not clear to me that simply having a "conflict of interest policy" is sufficient to ensure that GRNSW can conduct its role objectively and without favour or bias towards industry participants and I will be taking steps to address this issue shortly.

GRNSW continues to take proactive steps to assist the Commission with its work to ensure complete disclosure and transparency and a full account of GRNSW and the industry is achieved. The Commission is expected to conduct further public hearings from November and is expected to submit its report to the NSW Government before 31 March 2016.

ORGANISATIONAL RESTRUCTURE

GRNSW is not the same controlling body that administered the sport prior to February 2015. The leadership team has undergone a complete overhaul and new functions have been established to ensure GRNSW can demonstrate it is a capable and effective regulator and can take the necessary steps to recover community trust.

GRNSW has made the following key appointments as part of its organisational refresh:

- Chief Veterinary Officer
– **Dr Elizabeth Arnott**

- General Manager Compliance
– **Karen Lees**
- General Counsel
– **Madeleine Love**
- Principal Investigator
– **Stephen Dodd**
- Learning & Industry Development Manager
– **Cecelia Huynh**

GRNSW continues to take decisive steps to build its capability as it strives to reposition itself as a modern and effective regulator and drive transformation of the industry. GRNSW is increasing its intelligence, investigations and compliance functions with ongoing recruitment activity to fill a number of additional positions including extra Compliance Officers, a new Manager Intelligence and a new Senior Analyst position to further develop GRNSW's intelligence function once the secondment arrangements with NSW Police conclude.

GRNSW STRATEGIC APPROACH

GRNSW worked with KPMG to develop its high level strategic approach for the future of the greyhound racing industry in NSW. The strategic approach, as detailed on page 10, articulates the way forward for the administration of greyhound racing and deals with the key challenges to the sustainability of the sport.

GRNSW has also established a Joint Working Group with stakeholders to further develop the detail of the strategic approach and provide recommendations to the GRNSW Chief Executive on an implementation roadmap. The Joint Working Group will also assist with further investigation of potential options to redress the highest priority welfare issues confronting the sport (i.e. the overproduction and unnecessary euthanasia of greyhounds). The terms of reference for the Joint Working Group are set out below:

- address and further develop the high level strategic plan developed by GRNSW in conjunction with KPMG, a copy of which appears on page 10. Included within this task is a requirement that the group consider and provide advice to the

GRNSW Chief Executive on the options available to it to implement the strategies articulated in the Strategic Plan, namely:

- (i) the development of NSW greyhound clubs as centres of excellence;
 - (ii) the improvement of wagering and financial reward landscape in NSW; and
 - (iii) the implementation of a new governance model, including (but not limited to) the appropriate structure of industry administration, particularly the operation and control of race clubs and meetings.
- (b) in addition to the matters at paragraph (a) above:
- (i) develop practical steps, actions and/or initiatives which can actively be taken to abolish (or at the very least lessen substantially) the overproduction, and unnecessary euthanasia of greyhounds in the NSW industry;
 - (ii) conduct a comparative assessment of grading systems within (A) Australian states and territories outside of NSW and (B) international jurisdictions; and
 - (iii) identify and provide recommendations as to best practice grading systems with the specific objective of improving animal welfare outcomes in the industry, including but not limited to improved access, incentives and increased career longevity for greyhounds.

STAKEHOLDER ENGAGEMENT

The stakeholders in the greyhound racing industry consist of more than industry participants, wagering operators and punters. GRNSW must recognise that the government, general public, animal advocacy groups and the media are significant influences on the industry's ability to maintain a social licence to operate.

Since my time at GRNSW, I have proactively engaged with all traditional and non-traditional stakeholders to ensure GRNSW can benefit from robust and diverse advice available to it. Engaging with alternative views and maintaining an authentic dialogue with all stakeholders is appropriate and necessary for a modern regulator and controlling body. The betterment of the sport is not and cannot be achieved by denying challenges, refusing to confront risks and disregarding the views of stakeholders who may not support or endorse the sport. GRNSW and the industry must demonstrate a willingness to engage with difficult issues to continuously improve.

I assure you GRNSW is committed to inclusive and collaborative consultation to ensure the responsible development of the sport and to support improved welfare and integrity outcomes and secure a vibrant and sustainable future for greyhound racing in NSW.

GREYHOUND RACING, EMBRACING CHANGE CAMPAIGN

GRNSW has an obligation to advocate for greyhound racing, and to make sure responsible participants have a voice and an opportunity to contribute to shape the future of the industry.

GRNSW acknowledges the reputational harm, loss of credibility and the need to recover community trust following the revelations of misconduct and regulatory failures on the *Four Corners* program and at the public hearings of the Commission.

The 'Greyhound Racing, Embracing Change' campaign is a key part of GRNSW's strategy to communicate its substantial reform agenda, demonstrate meaningful welfare and integrity outcomes and encourage the majority of responsible participants to embrace and champion the future strategic direction for greyhound racing.

GRNSW is proud of its reform agenda and vision for the sport and encourages industry participants to promote the Embracing Change campaign amongst their networks and champion the much needed industry reform at every opportunity.

WELFARE

Serious animal welfare challenges confront the greyhound racing industry in NSW and the industry is increasingly subject to ongoing scrutiny from the community whose expectations around animal welfare, including racing animals, have changed and will continue to evolve.

GRNSW is committed to upholding animal welfare standards and has been investigating and developing strategies to better understand and address overproduction of greyhounds, provide more opportunities for greyhounds to have longer racing careers and enhance re-homing options for retired racing greyhounds.

On 1 July 2015, GRNSW took the first significant steps to regulate breeding and now requires all persons wishing to breed greyhounds to hold a breeder's licence. A failure to be licensed amounts to a breach of the GRNSW Greyhound Racing Rules and restrictions have been placed on the number of litters which a breeding female can have.

GRNSW is prioritising its investment in its Greyhounds As Pets (GAP) program and developing additional initiatives to better support re-homing outcomes for retired racing greyhounds. Significant works are scheduled to enhance the GAP operational model and kennel facility at Wyee as GRNSW takes steps to disband the commercial Playhouse Pet Motel and divest these resources into a more efficient and effective GAP program.

The 'Beware the Greyhound' campaign promoting the greyhound as the perfect urban pet and dispelling some myths around the breed has helped GAP gain more awareness and traction in the community and has enabled 179 greyhounds to be re-homed in 2014/15 compared with 81 in 2013/14 (a 121% increase). This is an encouraging achievement but we recognise much more needs to be done to make this a more meaningful program.

RESEARCH AGENDA

The industry cannot afford to neglect investment in research if it is to effectively deal with welfare, integrity and governance challenges and maintain its social licence and secure a sustainable future.

The release of the Working Dog Alliance Australia Report, titled *'Review and assessment of best practice rearing, socialisation, education and training methods for greyhounds in a racing context'*, is the first important step towards moving to evidence based policy development and decision making.

GRNSW has developed a research agenda to prioritise its investment and resources. This will ensure research is targeted to where the need is greatest and the results can inform policy direction and be practically applied to achieve improved outcomes for the sport.

FINANCIAL LANDSCAPE

The revenue landscape and financial sustainability of greyhound racing has been greatly assisted by two important decisions of the NSW Government:

1. Wagering taxation harmony:

The June 2015 announcement to bring tax rates on racing in NSW gradually in line with Victoria's from 1 January 2016 onwards. While the greyhound racing industry's share of the additional funds to flow to the three codes of racing has been appropriately quarantined, access to these substantial funds will support the future strategic direction for the sport including rationalising the club footprint and improving safety and amenities for racing infrastructure and redressing the non-competitive reward landscape for participants.

2. Increase of Race Fields Information Usage fee:

The July 2015 decision to raise the cap applied to Race Fields Information Usage fees under the *Racing Administration Regulation 2012* (NSW). This decision will allow GRNSW to charge corporate bookmakers and interstate TABs higher fees for those operators' use of race fields information. GRNSW has not disturbed the existing Race

Fields Information Usage fee model but has flagged that it will review its approach in 2016. This will ensure the fee model is appropriate and achieves best value for the greyhound racing industry regarding commercial interests and the need to sustain competition amongst wagering partners.

I ask for the support of all industry participants to embrace this necessary change and to help GRNSW clean up and reposition greyhound racing in NSW.

CONCLUSION

The future of the greyhound racing industry in NSW is at a turning point. Whether the regulator and the industry can satisfy the Commissioner that the industry deserves another chance remains to be seen. I believe greyhound racing can have a promising and vibrant future and emerge from this crisis a stronger, more resilient and modern industry and grow its economic and social contribution to the state, but there is much that must change. The industry must hold itself to a higher standard and champion fundamental reform. There is no room for traditional beliefs in training and breeding habits and what has been seen as an acceptable level of attrition in the greyhound lifecycle.



SUMMARY OF FINANCIAL PERFORMANCE

The 2014/15 financial year delivered a positive result of \$1,915,657 off the back of strong wagering performance in all sectors. However, GRNSW faced a number of financial challenges across the last reporting period, particularly in the area of cash flow management.

The timing of income streams from Tabcorp continues to present a large challenge for GRNSW. As major payments are received on a bi-annual basis, GRNSW faces a cash shortfall in the lead up to the Christmas and end of financial year periods.

The 2014/15 financial year saw the continuation of the trend in punters shifting from pari-mutuel betting to fixed odds and corporate bookmaker offerings. On average, GRNSW does not receive the same level of return from turnover on fixed odds betting through the TAB when compared to



pari-mutuel betting. The reason for this is based on the increased risk involved in fixed odds betting, resulting in a lower margin as compared to the guaranteed take-out from a pari-mutuel bet.

With respect to wagering revenue, Product Fees received from Tabcorp increased by more than \$2 million compared to the previous year, following stronger than expected wagering and sports betting performance in and around the soccer World Cup. Race Field Information Use (RFIU) revenue grew at a rate of 7.9% year-on-year (not including 2013/14 non-recurring revenue of \$2,846,211), indicating the structural shift away from pari-mutuel betting continues.

Combined returns to clubs and participants in 2014/15 reached \$31,998,187, down slightly on the 2013/14 financial year figures, as a result of the abandonment of a large number of meetings due to inclement and abnormal weather events.

With respect to other revenue streams, GRNSW had increased Operational revenue in 2014/15 of more than \$372,316 as a result of the income flowing from the first year of operations of the Playhouse Pet Motel. On the other hand, Interest & Other revenue for 2014/15 was almost half the amount of the previous period due to a reduction in Fines & Penalties and less interest earned.

Expenditure in 2014/15 increased by more than \$2 million, driven primarily by Industry Reform costs following the 'live baiting' scandal in February 2015. Broken down in more detail, the critical Industry Reform Costs were made up of Legal Fees of \$589,827 and Advisory & Research activities of \$787,579.

There were also a number of notable differences in expenditure within other areas between 2013/14 and 2014/15. There was less expenditure in the area of Racing & Club Infrastructure due to the work on a number of infrastructure projects extending into the 2015/16 financial year and as a result of associated expenditure not being realised in the same period for these projects.

GRNSW increased its investment in animal welfare initiatives in November 2014 with the creation of a dedicated Welfare Compliance section, consisting of four Compliance Officers and a Manager Compliance. This change was the main driver of the increase in expenditure for Animal Welfare, Vets and GAP.

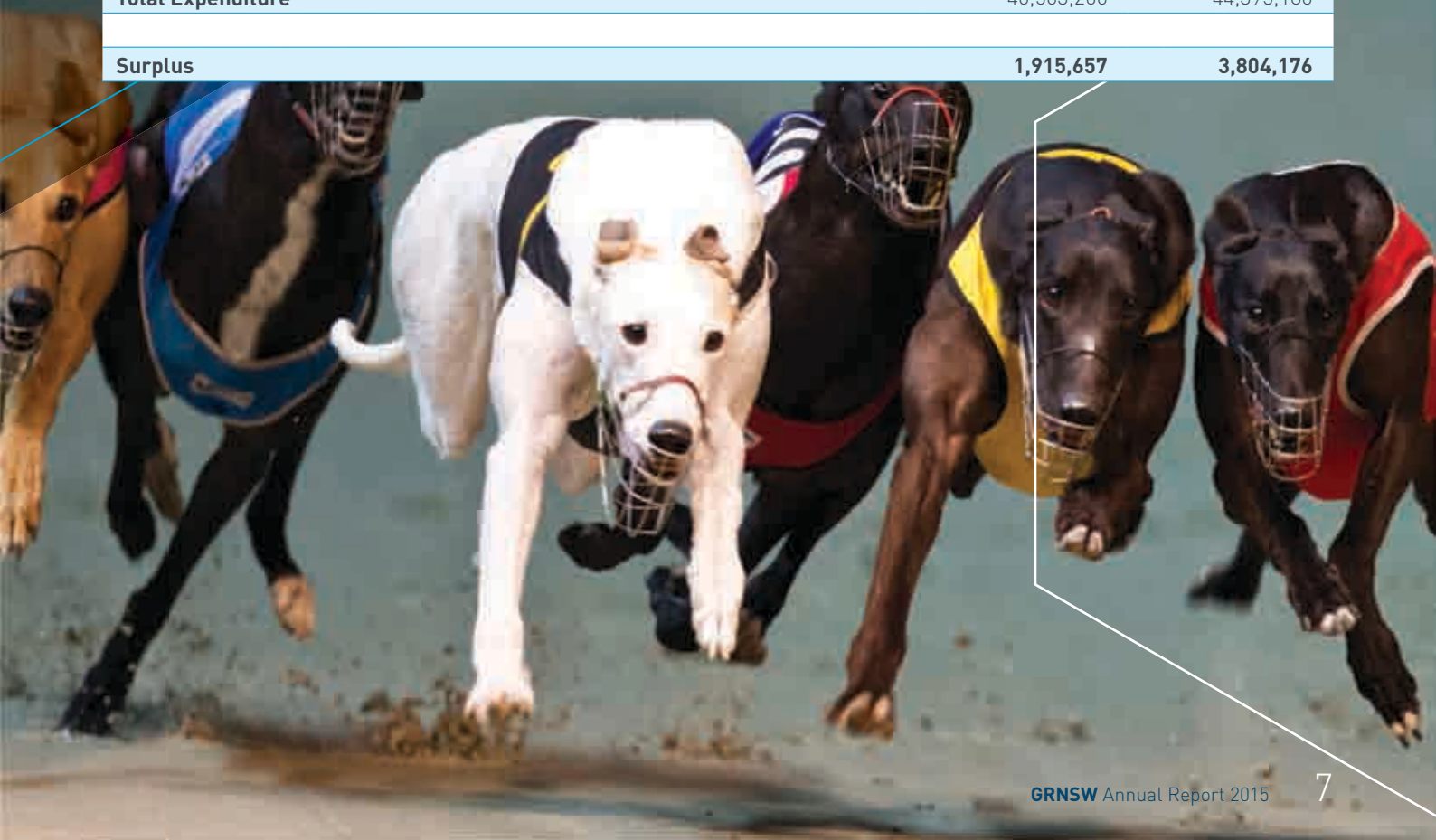
Following the recruitment of a Track Maintenance Manager, a commitment of resources from the Board to track surface preparation and a small restructure and shift of staff across business units, Operations expenditure increased by more than \$500,000.

Media, Digital and Marketing expenditure increased as a result of racing form print publication costs being paid directly by GRNSW, rather than through previous arrangements where payments for these services were deducted from Product Fees. In addition to the integration of these substantial costs, there was also a significant increase in promotional activity in the second half of 2014/15.

Other expenses also increased in 2014/15 in comparison to the previous reporting period, primarily due to increased depreciation expenses associated with the purchase of the Wye property which houses the Playhouse Pet Motel operations.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	2014/15	2013/14
Income		
Product Fees - TAB Distributions	34,020,554	32,018,231
Racefield Information Use Fees	12,235,588	11,341,362
Deferred Revenue Realised	-	2,846,211
Operational Revenue	2,033,840	1,661,524
Interest & Other	188,875	332,028
Total Income	48,478,857	48,199,356
Expenditure		
Participant Returns & Race Club Costs	31,998,187	32,242,457
Racing & Club Infrastructure	1,009,504	2,012,517
Corporate, Finance & Board Costs	2,810,821	2,851,718
Integrity	3,600,857	3,615,516
Operations	2,116,473	1,588,289
Animal Welfare, Vets & GAP	1,309,010	970,995
Media, Digital & Marketing	1,577,618	775,280
Industry Reform	1,377,406	-
Playhouse Pet Motel	346,673	4,382
Other	416,651	334,026
Total Expenditure	46,563,200	44,395,180
Surplus	1,915,657	3,804,176



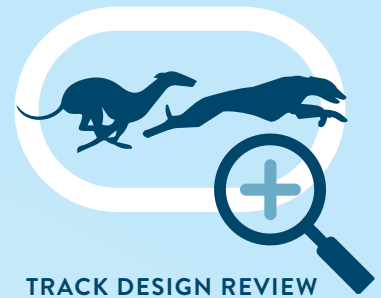
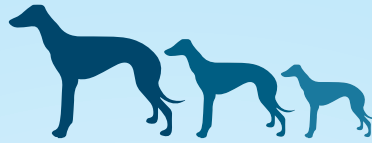


WELFARE & INTEGRITY FUND

From 1 July 2015 to support a raft of measures aimed at improving integrity and welfare outcomes for greyhounds.

EXTENDING THE RACING CAREERS OF GREYHOUNDS

Investigating initiatives to improve career longevity while enhancing Masters Racing.



TRACK DESIGN REVIEW

To ensure safe racing.



EVIDENCE BASED POLICY DEVELOPMENT

Investing in research to inform policy approach and support best practice.

REVISED CODE OF PRACTICE
For participants to outline minimum standards for the care of greyhounds.



NEW INDUSTRY SUPERVISION STRATEGY

Intelligence led, outcomes focused and risk based approach. Additional investigators and compliance officers.

Greyhound Racing NSW is changing.



EMBRACINGCHANGE.COM.AU



INTRODUCTION OF LICENSING

Ensuring ALL industry participants and facilities are registered, contribute to the costs of regulation and benefit from improved industry supervision. Developing competency based accreditation for industry.

WELFARE AT THE CENTRE OF EVERYTHING WE DO

Engaging a Chief Veterinary Officer to drive welfare strategy and enhance veterinary services.



A NEW APPROACH TO INDUSTRY ENGAGEMENT

Investing in awareness, educative and guidance material for participants.



DRUG DETECTION INITIATIVES

Enhancing integrity of swabbing operations. Increasing the number of samples. Investing in research and education to address known and emerging risks.

WELFARE & INTEGRITY HOTLINE

Independent hotline to provide information and report concerns.



PROMOTING RESPONSIBLE BREEDING

Through additional controls and education.



INCREASED INVESTMENT IN GREYHOUNDS AS PETS

Maximizing re-homing opportunities.



PRIVATE
POLE

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STRATEGIC APPROACH

Strategic Plan



ISSUES WE ARE FACING NOW AND GOING FORWARD



Current level of oversight and standards in the industry needs to be raised



The current structure of the club network is not financially sustainable in the long-term



Industry has an ageing participant demographic and is not attracting new participants

GRNSW IS CHANGING

High integrity Perceived as a Sport **Financially sustainable**
 Considered breeding **High animal welfare standards**
Enhanced Governance Responsible development **Participant growth**
 Evidence based policy **Engagement & Education** Trusted
Attractive rewards Robust industry supervision Better infrastructure
Appeals to hobbyists and professionals
Optimised club structure **Centres of Excellence in racing**
 Restore confidence

THE ACTION PLAN TO ACHIEVE OUR VISION



RAISE STANDARDS & PROMOTE COMPLIANCE

- New Chief Veterinary Officer
- Establish the Welfare & Integrity Fund
- New Industry Supervision Strategy
- Increased investment in Greyhounds As Pets
- Introduction of competency based licensing & accreditation
- Enhanced drug detection program
- Increased investigation & compliance resources



POSITION NSW GREYHOUND CLUBS AS CENTRES OF EXCELLENCE

- Optimise the number of clubs across NSW
- Ensure clubs are managed by individuals with appropriate qualifications and experience
- Standardise infrastructure & facilities across all clubs
- Improve independent financial position of clubs
- Integrate clubs with local stakeholders



IMPROVE THE WAGERING & FINANCIAL REWARD LANDSCAPE IN NSW

- Improve the wagering product
- Increase accessibility to bet & view
- Build GRNSW's online & digital footprint
- Expand GRNSW's product into the international market
- Maximise reward and prize money allocations



IMPLEMENT A NEW GOVERNANCE MODEL TO ADDRESS THE CHANGING INDUSTRY STRUCTURE

- Ensure governance structure is appropriate to achieve the long-term objectives of the sport and GRNSW
- Identify potential opportunities to secure additional sources of funding

In May 2015 KPMG was engaged to assist GRNSW develop a strategic approach to forge a new sustainable pathway for greyhound racing. The strategic approach will integrate enhanced integrity and welfare outcomes but also consider systemic industry issues to reposition the NSW greyhound racing industry as a high quality and commercially viable sport.

GRNSW's strategic approach has been designed to reposition the industry via a series of transformational steps targeted at addressing the following four focus areas:

- 1. Welfare and Integrity:** Raise standards and promote compliance to maintain integrity of the sport and improve public perception;

- 2. Club Network:** Develop and position NSW greyhound clubs as Centres of Excellence;
- 3. Wagering Product:** Improve the wagering and financial reward landscape in NSW; and
- 4. Governance:** Implement a new governance model to address the changing industry structure.

To navigate these competing interests GRNSW must consider the size of the club footprint, what is sustainable, what will best support responsible growth and what is in the best interests of the sport.

While a high level strategy has been prepared, more work is necessary

to build on the proposed approach and further develop the detail of the associated action plan.

GRNSW has recently established a Joint Working Group with industry representatives to ensure the industry is engaged and contributes to the future of the sport. The Joint Working Group will be asked to develop the detail of the action plan, including defining what a centre of excellence is, options to enhance the governance model and reward landscape for participants. The Joint Working Group will provide advice to GRNSW on key issues, potential approaches and implementation options.



WELFARE

RESTRUCTURE OF WELFARE UNIT

In 2014/15, GRNSW's Welfare unit expanded to ensure greyhound welfare is central to everything GRNSW does by driving welfare strategies and enhancing veterinary services. The restructured Welfare unit is led by GRNSW's first Chief Veterinary Officer, Dr Elizabeth Arnott, and consists of a new Education and Industry Development section, the Greyhounds As Pets (GAP) program and the Veterinary Services section.

Dr Arnott is responsible for leading the investigation, development and implementation of contemporary animal welfare policy and improving guidance and training for industry participants. She brings a wealth of experience and knowledge to her role, which will direct the progression of GRNSW's policy and education initiatives to deliver improved welfare outcomes, assist recovering community confidence and move the sport towards a sustainable future.

In addition to driving welfare reform, the Chief Veterinary Officer's key focuses for 2015/16 will be reviewing GRNSW's veterinary services to ensure the sport is recognised as providing contemporary best practice and further develop GRNSW's GAP program.

Education and Industry Development Section

In previous years, investment into research and education around best practice greyhound training methodologies had not been sufficient. GRNSW is committed to taking a considered and evidence-based approach to reviewing and reporting on best practice training methodologies that will transition the sport in a structured manner to safeguard the welfare of existing greyhounds and provide appropriate support to industry participants.

The newly established Education & Industry Development section, led by a newly appointed Manager, will be responsible for building awareness and providing training and guidance to industry participants on reform.

In 2015/16 GRNSW anticipates the development and implementation of a number of immediate education resources to provide guidance to the industry. A greyhound training video resource will be launched in November to provide guidance to trainers on the use of synthetic materials for effective greyhound training. The video will contain numerous short clips to demonstrate the ethical equipment and techniques used by some of NSW's trainers. Secondly, participant engagement education seminars are being planned over the course of 2015/16, focusing on the topics of greyhound behaviours and training in a racing context. The seminars will include presentations by successful canine trainers from a range of working dog disciplines to provide advice to greyhound industry participants on training techniques based on the science of learning and behaviour. Certificate of attendance provided at the seminars will be used as evidence of prior learning which will be linked to new licence categories on 1 July 2016. Further, a training induction manual for new participants will be made available in November and easily accessible on thedogs.com.au website.

Lastly, the RGR08 Racing Training package has been reviewed by GRNSW and other controlling bodies to ensure that the focus of training becomes a whole of lifecycle approach to the management of the greyhound, based on what is known to be important aspects of dog behaviour, psychology and nutrition. It is anticipated that the remodelled training package will be endorsed by 30 November 2015, allowing the detailed development of the curriculum and content to commence.

Veterinary Services Section

GRNSW recognises that all on-track veterinarians should have the skills, capability and resources available to examine and treat greyhounds, and record and report injuries. A review of veterinary services is a priority for GRNSW and the Chief Veterinary Officer who is currently investigating what changes could be made to improve the veterinary services model including:

- the model for delivery of veterinary services;
- ongoing professional development requirements for GRNSW veterinary services staff;
- the possibility of additional investment in veterinary resources and capability;
- additional research on veterinary facilities to ensure that the best veterinary services are provided at each NSW race track;
- developing policies that require veterinarians to report all injuries and animal welfare issues that they witness to GRNSW within a specified time; and
- creating disease surveillance systems to provide advice and risk mitigation.

Greyhounds As Pets Program

The 2014/15 year started with the opening of a new GAP property on the NSW Central Coast, providing much needed permanent kennel facilities for the program to operate out of. Based at Wyee and overseen by fully trained GAP staff, the facility allows GAP to transition an increased number of greyhounds through the program at any one time, resulting in improved program efficiencies and the end result of more adoptions.

In April 2015, GRNSW commissioned a review of the GAP program to maximise its capability in re-homing retired racing greyhounds. The purpose of the review was to benchmark the program against the equivalent offering in Victoria and identify ways to enhance the program in an efficient and effective manner.

The review has made several recommendations on how to secure improved capacity for GAP and strive to deliver a significant increase in the number of greyhounds that are successfully re-homed as urban pets which will be considered and implemented by GRNSW in 2015/16.

At the beginning of 2015, GAP implemented a new-intake model based on Greyhound Racing Victoria's (GRV) GAP model to reduce initial waiting times for owners and trainers wishing to enter their greyhounds into the GAP program. Under the new model, the greyhound is presented to a GAP staff member at a scheduled pre-assessment session at Wyee, Newcastle or Richmond. After a behavioural assessment, if the greyhound is found to be suitable as a pet, it will enter the program and be taken into GAP's kennels on that day. If the greyhound is not successful, GAP staff provide immediate feedback to the participant on remediation works that can be undertaken to potentially increase its chances for its next re-assessment should the participant wish to re-present the greyhound for future assessment.

A total of 179 greyhounds were re-homed by the program during the 2014-15 financial year.

Despite this being a vast increase on last year, it is recognised that the GAP program must expand dramatically to optimise re-homing opportunities for retired greyhounds. This will be achieved by a significant investment in the program over the coming 12 months to improve and grow the greyhound kennelling facility at Wyee, build a dedicated adoption centre and provide the staffing resources to service the growth. Additional strategies are in place to provide greater access for regional trainers and owners to facilitate their utilisation of GAP and to financially support the extensive re-homing efforts of non-industry affiliated greyhound rescue and re-homing facilities.

Based on the re-homing success experienced by GRV after similar investment, a substantial increase in re-homing capacity is expected to lead to a 30% - 50% growth in annual re-homing numbers in the first three years. During the building phase, which will take place during the 2015/16 financial year, GAP has set a target of 250 greyhounds to be re-homed. GAP is on track to hit this target with 80 greyhounds already re-homed, at the time of writing, since 1 July 2015.

WELFARE STRATEGIES

The National Greyhound Welfare Strategy (NGWS) adopted by Greyhounds Australasia (GA) in February 2014 aims to implement uniform standards of care, education, accountability and enforcement across the country to ensure the best possible welfare outcomes for greyhounds in every stage of their life.

On 1 July 2015, GRNSW introduced a raft of new breeding measures which was the first significant initiative delivered under the NGWS. These new breeding measures (discussed on page 15) are designed to encourage breeders to make informed and considered breeding decisions in order to decrease the number of greyhounds bred that are unsuitable for racing.

In order to promote the sustainability of the industry, GRNSW and the newly formed Joint Working Group will be working closely with GA and other controlling bodies in 2015/16 to prioritise policies that improve welfare outcomes for greyhounds in accordance with best practice standards. GRNSW will soon implement a Rule 106 compliance strategy to ensure that greyhound owners comply with the requirement to lodge notification of retirement forms when the status of their greyhound has changed. This will provide GRNSW with more information on the status of non-racing greyhounds and will allow for the collection and analysis of data around what happens when a greyhound retires from racing, including transparent data regarding the euthanasia of greyhounds. The information will enable GRNSW to make informed and considered decisions on end of racing strategies for greyhounds.

Supplementary to this, GRNSW has been working with other controlling bodies to develop a comprehensive tiered licensing scheme tied to mandatory education which is the next significant deliverable under the NGWS. To be introduced in 2016, the new tiered licensing scheme will ensure that persons who care for greyhounds at any stage of the lifecycle are registered and participants are assessed on core educational competencies before obtaining relevant licences. As part of this licensing and registration scheme, new policies and rules will also set out the education units that must be completed for a person to be eligible to hold a particular type of licence.

GRNSW will continue to work closely with the Welfare Working Party which consists of state representatives to further progress initiatives under the NGWS.

In April 2015, GRNSW sought proposals from suitably qualified persons to review, identify and recommend best practice, rearing, socialisation, education and training methods. Following a competitive tender process, GRNSW engaged Working Dog Alliance Australia (WDA), a registered not-for-profit organisation that aims to work with industry to improve the welfare of Australia's working and sporting dogs.

WDA RECOMMENDATIONS TO GRNSW:

- Greater guidance and education to be made available for all industry participants;
- Increased socialisation for greyhounds at all stages of their lifecycle;
- Young greyhounds to be provided with a structured program of controlled exposure to a range of stimuli from an early age, including likely scenarios that the greyhound will experience in later life;
- The urgent need for racing greyhound specific education packages to be made mandatory for all stages of industry licensing;

WDA RECOMMENDATIONS TO GRNSW: (CONT)

- The development of standardised digital record keeping which enables the sharing of data across all states and territories;
- All lures to be synthetic, of non-related animal material and not resembling an animal shape; and
- All future welfare initiatives to be transparent, have responsibility and accountability attributed to individuals, as well as assigned timeframes to ensure progress is made and programs are evaluated and modified as required.

The WDA's recommendations will inform the review of GRNSW's current policy positions, the development of all future welfare and education initiatives and will provide a road map for future investment and research.

RESEARCH AGENDA

GRNSW is currently developing an extensive research agenda for the next three to five years that will facilitate the identification of methods to increase greyhound career longevity and positively impact individual greyhound welfare. The agenda will examine the following areas:

1. **Characterising the 'chase motivation' trait:** The report released by the WDA noted the importance of exploring the underlying motivation of greyhounds to chase as it is the failure of dogs to chase which results in a lack of suitability for racing. Findings from such a study would be applied to determine best practice in rearing, breaking, training techniques, training materials and lure design. It is hypothesised that this study will reinforce the stance that animal derived materials are not significant for reinforcing chase behaviour in greyhounds.
2. **Lure design:** Initially this will involve a pilot study to gather data that will guide participants on the material and methods employed by

successful trainers to chase lures. The secondary component is a study to examine the hypothesis that the use of a finish on lure system (in comparison to catching pen finish) will improve canine performance and therefore career longevity.

3. **Genetics:** The heritability of racing performance traits has been calculated in racing thoroughbreds. A quantitative geneticist will be employed to calculate similar indices for racing greyhounds using the existing databases and pedigree information. This information plays a vital role in identifying traits that are most suitable for selection in effective breeding programs. In addition, the research would analyse whether injury risk is hereditary and would explore the current practice of retirement of injured bitches and dogs for breeding, which may be inadvertently selecting animals that are at higher risk of injury.
4. **Track design:** There is some published data indicating track surface and speed affect injury rates, however, studies are required to identify optimal track camber, surface, shape and box position to maximise track safety. The first step which has been undertaken is a review of the injury data collection process detailing weaknesses in the consistency and recording of injuries.
5. **Health:** A disease surveillance system has been drafted to act as a database for future health related research. It will be used to identify diseases of most relevance to the welfare of racing greyhounds. Further, a proposal is underway to secure funding for a study to identify the pathogens of most relevance in the disease complex of canine infectious cough.

HEALTH SURVEILLANCE

GRNSW acknowledges that inadequate methods have been in place to accurately record, monitor and react to the health concerns and injury rates in the NSW racing greyhound population. As such, a health surveillance policy and reporting mechanism is currently being structured

based on the Great Britain Greyhound Board Disease Surveillance and Monitoring Program. This data collection and dissemination will alert trainers and owners to potential infectious disease events and advise on containment.

Racing injuries are a threat to the welfare and racing longevity of racing greyhounds. Research and initiatives to address racing injury rates rely on accurate reporting to monitor their success. GRNSW accepts that there have been weaknesses in the consistency and recording of injuries that have been identified by GRNSW's Chief Veterinary Officer. The first step to address this weakness is to undertake a review of the injury data collection process, which will form part of a wider ranging review of veterinary services. The review will develop strategies to attract and retain veterinary staff whilst enhancing the overall delivery of veterinary services within the industry. Further, statewide consistency in injury reporting will be facilitated by the provision of an injury reporting template to all on-track vets and central collation of data into the OzChase system.

WELFARE AND INTEGRITY FUND

In July 2015, GRNSW established the Welfare and Integrity Fund to support important initiatives demonstrating welfare and integrity are central to the success of the sport. Specifically, the Welfare and Integrity Fund will generate approximately \$1.1 million and consists of the following components:

- 10% prizemoney reduction on Group 1, 2 and 3 events;
- 5% prizemoney reduction on TAB A1 meetings;
- 4% prizemoney reduction on TAB A2 meetings;
- increase in litter fees from \$51 to \$150;
- increase in naming application fees from \$54 to \$80; and
- a \$5 reduction in travel subsidies.

The fund will be used to support improvements to the GAP program, fund re-homing rebates for other approved greyhound adoption programs, increase

marketing for the greyhound breed, finance additional compliance resources and increase drug detection measures. It is anticipated that the fund will be reviewed in 2015/16.

USE OF ANIMALS IN LURES

In April 2015, GRNSW implemented new rules and a policy prohibiting the use of any animal products in lures except for professionally processed and tanned skins. The new changes also require participants to notify GRNSW of any domestic or agricultural animals that are kept on properties where greyhounds are also kept, trained or raced. A failure to comply with these offences attracts a minimum disqualification period of five years and a maximum fine of up to \$20,000. The policy will be reviewed in 2015/16 by GRNSW's Chief Veterinary Officer in accordance with the findings of the WDA.

In 2015/16, GRNSW will implement new rules and an updated policy that prohibits the use of any animal product in lures, including professionally processed and tanned skins.

BREEDING MEASURES

Significant new greyhound breeding initiatives commenced on 1 July 2015 in NSW. These initiatives include:

- the introduction of a breeder's licence tied to a Breeder's Education Pack and an inspection in accordance with the Code of Practice for Breeding, Rearing and Education of Greyhounds;
- the requirement for all breeding females to be registered with GRNSW as a breeding female;
- requiring persons to seek approval from GRNSW if they wish for a breeding female to breed over the age of eight or a fourth litter or more;
- limiting the frequency of litters to two litters in any 18 month period for all breeding females;
- increased vaccination requirements for puppies and young greyhounds; and
- the cessation of the Blue Paws NSW Breeders and Owners Incentive Scheme.

The new breeding controls are designed to encourage breeders to make more informed and considered breeding decisions in order to decrease the number of greyhounds bred that are unsuitable for racing. The changes aim to promote the responsible breeding of greyhounds and address the inadequate transparency that has previously inhibited the regulation, monitoring and management of animal welfare outcomes.

OTHER OPPORTUNITIES TO INCREASE RE-HOMING

2014/15 saw the launch of a new marketing campaign for GAP entitled 'Beware of the Greyhound'. The campaign highlighted what great pets greyhounds make and was supported by holding numerous community adoption events throughout the year to further promote the suitability of greyhounds as family pets.

The Greenhounds program also grew positively in 2014/15 with a total of 173 Greenhounds approved to

become muzzle free in public, which was an increase of 26% on the previous year. This year's total took the total number of Greenhounds approved since the scheme's launch in 2011 to 567.

In 2015/16, GRNSW will continue to explore other opportunities to incentivise animal welfare groups who operate in the re-homing space and owners to re-home their greyhounds.



COMPLIANCE

RESTRUCTURED COMPLIANCE UNIT

In 2014/15, GRNSW's Compliance unit (formerly known as the Integrity unit) was expanded and restructured to consist of a new Investigation section, a new Intelligence section, a restructured Compliance section and the current Integrity section. The restructured Compliance unit will ensure all industry supervision and regulatory activities are conducted by the one area and will facilitate greater collaboration ensuring the compliance function can implement numerous measures to boost industry supervision and improve compliance outcomes.

Primarily, a new General Manager Compliance, Karen Lees, has been appointed to lead the compliance function for GRNSW including its new Intelligence and Investigations team, an enlarged Compliance team, as well as the racing integrity function. Ms Lees will lead and direct GRNSW's risk based and outcomes focused compliance, intelligence and investigative activities and associated disciplinary proceedings to ensure the integrity of greyhound racing in NSW.

Ms Lees has extensive experience in law enforcement, intelligence and investigative roles, and has led challenging regulatory reform initiatives within complex and contested regulatory environments. Most recently she spent two years as the Compliance Director for the Victorian Commission for Gambling & Liquor Regulation.

As well as implementing GRNSW's new Industry Supervision Strategy over the coming months, Ms Lees will also examine and develop GRNSW's drug testing program following the completion of an independent review of testing procedures in July 2015 and finalisation of a select tender process for the provision of forensic testing services.

In 2014/15, GRNSW's Compliance officers inspected 1401 properties of licensed participants in NSW, an increase of more than 250% when compared to the

399 property inspections undertaken in 2013/14.

GRNSW has been exploring professional development opportunities for staff within its Compliance unit to ensure regulatory activities align with GRNSW's new regulatory objectives and priorities. In 2015/16, GRNSW's Compliance staff will attend a comprehensive five day investigator course designed to enhance individual competencies in modern investigative methods. Further professional development opportunities will be explored in 2015/16.

New Compliance Section

The overhaul of the Compliance unit follows the creation of GRNSW's first dedicated Compliance section in mid 2014, consisting of three compliance officers responsible for:

- conducting inspections on properties across NSW in accordance with the Greyhound Racing Rules and Codes of Practices;
- issuing work directions and conducting follow up inspections;
- recording and reporting to GRNSW management on welfare and non-compliance issues;
- providing education, assistance and training to industry participants; and
- interacting and referring any welfare matters to RSPCA NSW or the NSW Police.

New Investigation and Intelligence Sections

Early 2015 saw the development of new Investigation and Intelligence sections within GRNSW. These sections will drive and enhance GRNSW's intelligence and investigative activities to ensure information received is comprehensively assessed and prioritised for any potential regulatory response and subsequent investigation and that compliance activities are increasingly intelligence led, outcomes focused and risk based.

GRNSW has appointed Stephen Dodd to the Principal Investigator role to lead GRNSW's investigations team and undertake more serious or complex investigations, as well as contribute to a multi-disciplinary compliance team being established to ensure rigorous supervision of the sport. Mr Dodd brings wide-ranging investigations experience from the NSW Police Force, and will be charged with assisting the development of an expanded compliance team to help strengthen integrity and improve animal welfare outcomes in the NSW greyhound industry.

In 2014/15, GRNSW undertook 111 investigations of which 30 remain active, 35 were referred to the integrity department, and 46 were closed.

Integrity Section

In 2014/15, the Integrity unit was responsible for raceday stewarding, investigations and inquiries, regulatory policy, rule development and external relations with drug and law enforcement agencies.

GRNSW formed the view that this structure was not the most appropriate for effective industry supervision as it promoted silos between the Integrity, Education and Welfare units, and the units lacked coherency in discharging their respective functions.

Further, GRNSW was also persuaded that the legacy staffing resources and structure were inadequate to meet the requirements for proper regulation and supervision of the industry. It is for these reasons that the Integrity section has been absorbed within a new Compliance section to ensure all supervision and regulatory activities are conducted in the one area.

Under the *Greyhound Racing Act 2009* (the Act), GRNSW has the power to inquire into and deal with any matter relating to greyhound racing. These inquiries are held in respect of primary decisions and are chaired by the Chief Steward.

Since February 2015, GRNSW's new Legal section has also been actively involved in the conduct of inquiries.

In 2014/15, disciplinary action against participants involved 706 penalties and 13 disqualifications, down from 24 in the financial year prior. Additionally, there were 21 appeals to the Racing Appeals Tribunal relating to greyhound racing matters determined in 2014/15 (compared to 12 in 2013/14) and out of these 21 appeals the outcomes were as follows:

Upheld:	Four
Dismissed:	Six
Penalty Varied:	Four
Withdrawn:	Five
Stayed:	One
Yet to be heard:	One

INDUSTRY SUPERVISION STRATEGY

The 2014/15 period saw GRNSW begin development of a new Industry Supervision Strategy, highlighting its move towards an intelligence-led and risk-based compliance approach with a clearer focus on outcomes and performance monitoring to improve accountability.

The strategy will improve awareness and guidance activities, while targeting more serious failures or misconduct for escalating enforcement action, including referral to other regulatory authorities where appropriate.

The Industry Supervision Strategy, which will be activated in 2015/16, will position GRNSW to better supervise the industry including improved engagement and guidance, as well as more robust monitoring and assurance activities to deter wrongdoing and ensure participants found to have breached compliance obligations are held to account.

RETURN TO RACING

In April 2015, GRNSW released a Return to Racing Policy for greyhounds that were prevented from racing due to alleged exposure to 'live baiting' practices. The Return to Racing Policy facilitates a robust assessment of whether a greyhound is suitable to race from both a welfare and integrity

perspective and signalled GRNSW's commitment to evidence based policy development. A summary of the Return to Racing Policy is as follows:

- a requirement that the owner swear a statutory declaration stating they have not participated in, authorised or instructed any other person to use live baiting practices on the greyhound and additional matters;
- a kennel inspection by a Compliance Officer in accordance with the Code of Practice for the Keeping of Greyhounds in Training;
- an examination conducted by a GRNSW Veterinarian;
- a performance trial (in the case of an unnamed greyhound) or a steward's trial (in the case of a named greyhound);
- requirement to obtain GRNSW approval to transfer the ownership or change the trainer of the greyhound;
- requirement to obtain written approval by GRNSW to euthanise any greyhound; and
- an opportunity to surrender the greyhound to GRNSW's Greyhounds As Pets program for greyhounds deemed unsuitable for racing.

In 2014/15, 27 greyhounds completed the return to racing process and all of those greyhounds have been approved to return to race.

WELFARE AND INTEGRITY HOTLINE

In March 2015, GRNSW, in partnership with Service NSW, established the Greyhound Welfare and Integrity Hotline to encourage the public to confidentially report any concerns they may have about the conduct of NSW greyhound racing. The hotline is accessible 24 hours a day, seven days a week, with concerns able to be lodged:

- by phone on 1800 680 174; or
- at its website at www.greyhoundwelfare.com.au

GRNSW has actively promoted the hotline to ensure broad awareness across the community. Specifically, GRNSW placed advertisements in major metropolitan and regional print media and online

advertisements on the Sydney Morning Herald website.

The hotline was an important step in improving awareness of potential concerns and suspected misconduct in the industry and has assisted in establishing a greater focus on intelligence led investigations. It also signalled improved accountability and affirmed animal welfare and integrity as the principal focus of GRNSW.

Since its inception, 101 calls have been received by the hotline and the major themes raised in these calls include greyhound welfare, live baiting, improper conduct by industry participants and prohibited drug use. All reports lodged with the hotline are collected by Service NSW and are provided to GRNSW's Intelligence Analyst for assessment.

The year of 2015/16 will see the further development of a complaints management system that includes on and off course investigations using an intelligence-led, evidence-based risk assessment process. All calls received by the hotline will be triaged into this new complaints management system.

DRUG ANALYSIS AND DETECTION

During 2014/15, a total of 5,773 swabs were carried out by GRNSW compared to the previous year's total of 5,719. Compared to 10 years ago, the number of swabs conducted in a 12-month period has increased by more than 75%. Of the samples tested in 2014/15, 51 returned positive results for prohibited substances, two less than the previous year.

Year	% of positives	No. of samples tested
2004/05	1.23	3,241
2005/06	1.68	3,028
2006/07	2.16	3,277
2007/08	1.01	3,177
2008/09	0.83	2,996
2009/10	0.94	3,393
2010/11	0.77	3,398
2011/12	1.27	3,783
2012/13	0.62	5,562
2013/14	0.93	5,719
2014/15	0.88	5,773

GRNSW is committed to introducing innovation and ensuring best practice in drug detection, and has allocated an additional \$1.1 million to its program budget in 2015/16. The allocation of extra funds means GRNSW will increase the total number of swabs, including out-of-competition testing, while taking steps to improve operational practices and assurance measures.

The 2014/15 period also saw the commencement of significant drug detection initiatives as part of GRNSW's commitment to further develop the effectiveness and transparency of its drug testing program to reinforce the integrity of the sport.

In May 2015, GRNSW engaged an independent consultant to consider the integrity processes associated with the drug testing regime of the greyhound racing industry. In July 2015, this report was provided to GRNSW making a number of recommendations for GRNSW to improve its drug testing arrangements. These recommendations are under consideration by the General Manager Compliance and will be implemented in 2015/16.

GRNSW is also committed to ensuring its drug detection program benefits from contemporary research around known and emerging risks including emergent methodologies and substances.

As such, in July 2015 GRNSW began a select tender process for the provision of forensic testing services as part of its continued efforts to enhance integrity within the greyhound racing industry.

The successful tender will need to demonstrate how it will deliver contemporary best practice in forensic testing services and assist GRNSW in providing greater guidance to stakeholders. This includes providing GRNSW with advice and research so that it has a greater awareness of emerging risks in the area of illicit substances and other factors that impact on the integrity of the greyhound racing industry and confidence in the wagering product.

GRNSW is currently considering the recommendations of the drug testing report in conjunction with the extant select tender process for forensic testing services.

RULE CHANGES ON COMPLIANCE AND INTEGRITY

In light of the live baiting allegations aired by the ABC, the national Greyhound Racing Rules were amended in April 2015 to create new offences prohibiting the use of any animal products in lures and offences for failing to report the witnessing of such conduct. A failure to comply with these offences attracts a minimum disqualification for a period of five years and a maximum fine of up to \$20,000.

To coincide with these new rules, GRNSW implemented a new policy prohibiting the use of any animal products in lures except for professionally processed and tanned skins. The new changes also require participants to notify GRNSW of any domestic or agricultural animals that are kept on properties where greyhounds are also kept, trained or raced.

Other notable new and amended rule changes in 2014/15 include the introduction of a compulsory veterinary examination of a greyhound and satisfactory trial if the greyhound has not competed in an event for more than six months.

Additional changes to local rules included the amendment of LR92 and the adoption of a new local rule – LR92A – to strengthen GRNSW's ability to suspend a greyhound, owner, trainer or other license holder who is the subject of an inquiry being conducted by another racing controlling body. Further, the new rule also allows GRNSW to prohibit a greyhound from competing in an event, or the sale and transfer of a greyhound, if the same prohibition has been imposed by a controlling body other than GRNSW while the other controlling body completes its inquiry.





LEGAL & POLICY

NEW LEGAL AND POLICY UNIT

In 2014/15 GRNSW established a dedicated Legal and Policy unit to provide in-house legal assistance to GRNSW staff and support effective and evidence-based policy development and implementation.

GRNSW's new Legal section has been actively involved in the conduct of inquiries stemming from the *Four Corners* exposé to ensure procedural fairness obligations were strictly observed and disciplinary proceedings could be expedited, where appropriate.

GRNSW's new Policy section has enhanced GRNSW's communication and consultation efforts with industry stakeholders and has promoted engagement with GRNSW's reform agenda.

FIVE YEAR STATUTORY REVIEW OF THE GREYHOUND RACING ACT 2009

In December 2014, the Office of Liquor, Gaming and Racing commenced a review of the *Greyhound Racing Act 2009* (the Act) and issued a discussion paper. The Act requires that the review determine whether the policy objectives of the Act (which are currently unstated) remain valid and whether its terms remain appropriate for securing those objectives.

Following the events of February 2015, the closing date for submissions were extended until 2 March 2015.

On 13 February 2015, GRNSW provided its written submissions to the review on the following issues:

- objectives of the Act;
- the constitution of GRNSW;
- the functions and powers of GRNSW;
- the composition and selection of GRNSW Board members;
- consultation arrangements with the Greyhound Racing Industry

Consultation Group and other stakeholders;

- the Greyhound Racing Integrity Auditor;
- reporting requirements under the Act; and
- animal welfare arrangements.

In March 2015, the Special Commission of Inquiry into the Greyhound Racing Industry in NSW (the Commission) was announced. Under the terms of reference, the Commission is required to review existing materials from the statutory review of the Act. As such, copies of the 1065 submissions to the statutory review have been provided to the Commission for its consideration.

SPECIAL COMMISSION OF INQUIRY INTO THE GREYHOUND RACING INDUSTRY IN NSW

In March 2015, the Commission was established by the NSW Government to inquire into and report on issues relating to the governance, integrity and animal welfare standards in the greyhound racing industry in NSW.

The Hon. Michael McHugh AC QC was appointed Special Commissioner (Commissioner) under the *Special Commissions of Inquiry Act 1983* (NSW) and is assisted by Stephen Rushton SC, David Kell of Counsel and the Crown Solicitor.

The Commissioner extended, until 6 July 2015, the time period in which written submissions could be provided by the public, and encouraged any interested persons to make submissions by that date.

On 24 August 2015, GRNSW provided its written submission to the Commission. The submission addresses the key issues identified by the Commissioner and other matters within the scope of the broad terms of reference that GRNSW believes to be of significance.

Specifically, the submission:

- articulates the economic and social contributions made by the greyhound racing industry and how these contributions benefit NSW;
- critically analyses the scope, breadth and capacity of GRNSW's governance arrangements and suggests improvements to build a robust governance framework for GRNSW to effectively discharge its functions under the Act;
- examines GRNSW's industry supervision and regulatory capabilities and proposes changes that will enable GRNSW to adopt a contemporary intelligence led, risk based and outcomes focused approach to compliance and enforcement;
- outlines the animal welfare strategies and initiatives GRNSW has been developing and investigating to address the over production of greyhounds, provide more opportunities for greyhounds to race and enhance re-homing options for retired greyhounds;
- articulates GRNSW's proposed roadmap for the sport and its strategic approach that will enhance integrity and welfare outcomes but also consider systemic industry issues to reposition the NSW greyhound racing industry as a high-quality and commercially viable sport; and
- examines the financial challenges that have impacted on GRNSW's ability to effectively discharge its functions under the Act and examines whether GRNSW is financially viable in the short to medium term.

The formal opening of the Commission occurred on 10 June 2015 and public hearings commenced on 28 September 2015. In his opening address, the

Commissioner identified the following matters which were noted as being of considerable importance:

- the over breeding of greyhounds intended to produce high quality dogs for racing, resulting in high rates of 'wastage';
- the significant number of greyhounds that suffer injuries as a result of training and racing;
- the future for greyhounds who are no longer suitable to race, including euthanasia;
- the existing industry model which involves substantial self-regulation;
- the selection process and general composition of the GRNSW Board including the absence of industry representation;
- the potential conflict in having the one body responsible for both the development and promotion of greyhound racing and the regulation and integrity of the industry;
- the independence of the Greyhound Racing Integrity Auditor who is intended to have primary oversight but is appointed by GRNSW; and
- the ability for GRNSW to adequately supervise the industry.

GRNSW has retained Mr James McLeod of 53 Martin Place Chambers as Counsel to advise and appear on behalf of GRNSW.

The Commission is due to deliver its report to government on 31 March 2016. While the future of the greyhound racing industry in NSW remains subject to the ongoing work and findings and recommendations of the Commission, GRNSW must maintain momentum with its reform agenda and further encourage industry commitment towards its strategic approach for greyhound racing in NSW.

SUSPENSION OF GREYHOUNDS

On 27 February 2015, GRNSW suspended 28 named greyhounds connected with NSW trainers under investigation for allegedly engaging in 'live baiting'. As a result, the suspended greyhounds were not permitted to compete or nominate

for any race until investigations into their trainers were finalised. In addition to the 28 named greyhounds that were suspended, GRNSW placed restrictions on 80 unnamed greyhounds that were also possibly exposed to live baiting practices which prevented these unnamed greyhounds from being registered to race.

On 6 March, GRNSW received information that nine greyhounds connected with Victorian trainers suspended by Greyhound Racing Victoria (GRV) for allegedly engaging in live baiting had been moved back to NSW. As such, GRNSW suspended the affected greyhounds to protect the integrity of the sport, ensure consistent treatment and guard against the potential for an individual unfairly winning prize money from the shocking mistreatment of animals.

On 23 March 2015, the Racing Appeals Tribunal considered GRNSW's decision to suspend the Victorian greyhounds. The Racing Appeals Tribunal found that the Greyhound Racing Rules did not confer GRNSW with the power to suspend the Victorian trainers. The Racing Appeals Tribunal's decision turned on a technical argument around the term 'inquiry' and held that GRNSW could not rely on the GRV inquiry to activate its powers under the Greyhound Racing Rules. As a result, these suspensions were lifted and these greyhounds were able to compete in NSW races. But for the technical deficiency, the Racing Appeals Tribunal recognised the serious risk of prejudice to the public interest.

In early April 2015, GRNSW amended the Greyhound Racing Rules to provide it with the ability to suspend a greyhound connected with a participant that is subject to an inquiry being conducted by another racing controlling body. While these rules do not operate retrospectively, it will ensure that GRNSW will have the power to suspend greyhounds that are connected with persons being investigated in other jurisdictions in the future.

SUSPENSION OF TRAINERS

In February 2015, 13 trainers were suspended under the Greyhound Racing

Rules for conduct relating to the use and possession of live animals. As a consequence, these trainers were unable to nominate and race any greyhounds until the conclusion of the GRNSW inquiry and appeals process.

In April 2015, GRNSW commenced hearings as part of its inquiries into the allegations of live baiting. These inquiries are continuing.

GRNSW notes that RSPCA NSW has ongoing criminal proceedings against some of the suspended participants. Under the Greyhound Racing Rules, any person who is convicted by a Court of an offence in relation to the use of live animals in connection with greyhound racing must be disqualified for a period of not less than 10 years. GRNSW will continue to monitor these criminal proceedings for the purposes of the relevant Stewards' inquiries. The participants remain suspended by GRNSW.

KEINBAH TRIAL TRACK INQUIRY

In April 2015, GRNSW initiated an inquiry into alleged incidents of animal mistreatment associated with the Keinbah Trial Track.



The purpose of the inquiry was to establish what incidents have occurred at the property and what further action, if any, may be appropriate by GRNSW or relevant authorities.

The findings of previous investigations into the Keinbah Trial Track were used to assist the inquiry, including three investigations undertaken at the site since early 2014 – one by RSPCA NSW, one by GRNSW (both in 2014) and one in early 2015 by former NSW Police Deputy Commissioner Mr David Madden.

As part of the inquiry, hearings were conducted in May 2015 with registered participants and members of the community. A total of 14 industry participants gave evidence over the two days of hearings staged at Cessnock Racecourse. At the conclusion of the inquiry, the GRNSW Stewards Panel found no evidence to support claims animals were mistreated on the grounds of Keinbah Trial Track.

After it emerged that the GRNSW investigation may have been misled by some of the witnesses who appeared before the inquiry, high profile Sydney



barrister Mr Clive Steirn SC was appointed by GRNSW to conduct an independent review of evidence led before the inquiry to determine whether false or misleading evidence was given at the inquiry. Mr Steirn will review the GRNSW inquiry to recommend what, if any, further inquiries and action needs to be taken due to new information that has recently come to light.

CODE OF CONDUCT REVIEW

Under the Act, GRNSW is required to adopt a code of conduct to be observed by staff of GRNSW. The GRNSW Employee Code of Conduct (Employee Code) provides a framework for all employees' behaviour, actions and decisions. In addition, the Employee Code provides some guidance to employees to assist them in carrying out their duties and responsibilities effectively. In June 2015, GRNSW commenced a review of the Employee Code to ensure industry participants have confidence in GRNSW's ability to conduct its role with efficiency, fairness, transparency, impartiality and integrity. Of key consideration for GRNSW is whether all employees of GRNSW should be strictly forbidden from betting on greyhound racing or owning a racing greyhound.

All submissions were due to GRNSW on 15 July 2015 and GRNSW is currently considering the industry feedback it has received to date. Following this process, GRNSW intends to consult with internal staff and seek their views. GRNSW is also undertaking research and reviewing codes in other industries to ensure the Employee Code is relevant. It is intended that the Employee Code will also be amended to address issues of animal welfare which the current code is silent on. Following this process, GRNSW intends to release the updated Employee Code for stakeholder feedback before providing it to GRNSW's incoming Board for approval.

ENHANCED STAKEHOLDER ENGAGEMENT

GRNSW has significantly enhanced its communication and consultation efforts to ventilate issues with stakeholders and promote engagement with GRNSW's

reform agenda. From March to May 2015, GRNSW's Chief Executive visited nine clubs around NSW to update stakeholders on GRNSW's immediate response to integrity and welfare failures and its reform agenda. Handouts were also distributed to clubs summarising the key issues and time was allocated for questions to be heard and appropriately answered after the formal updates. GRNSW also posted some of the more commonly raised questions (and answers to such questions) from the forums on its stakeholder Q&A page on its website.

Other key actions that GRNSW has taken to improve its consultation and communication to industry stakeholders are:

- developing formal communication strategies in respect of significant policy changes to update industry through various mediums on GRNSW's commitment to reform;
- creating a new Stakeholder Engagement section on its website containing links to news articles on proposed industry reforms, publishing stakeholder submissions on proposed reforms (when requested to do so), Chief Executive updates to the industry and details of stakeholder forums;
- creating a dedicated email address (policy@grnsw.com.au) to receive submissions and feedback on relevant issues. This is managed by the Policy section and Chief Executive;
- creating a new "Industry Changes" tab on its website containing links to major and significant industry changes;
- placing advertisements for feedback and updates on major policy reforms via The Chaser Magazine which is issued bi-monthly to all TAB tracks around the state; and
- conducting targeted interviews and distributing surveys widely to the public on the best practice review and development of GRNSW's strategic approach.



OPERATIONS

TAB RACING CALENDAR

In May 2015 GRNSW released the new racing calendar for the 2015/2016 racing season. The new calendar sees a reduction in the total number of race meetings which is offset by holding 11 race cards, when nominations allow, at Wentworth Park, Gosford, Maitland and The Gardens. This will result in the total level of racing remaining steady in these regions.

One of the most significant changes to the racing calendar is the move of Wentworth Park A2 meetings from Friday night to Wednesday night. The change provides consistency in racing at the venue and provides a larger gap between the A2 and A1 meetings. It has assisted the club with its marketing of the venue and has provided trainers the opportunity to nominate greyhounds across both meetings in a given week.

The decision to move Bulli to the vacated Friday night timeslot has provided an adequate gap between racing at neighbouring track, Goulburn, on a week-to-week basis and was motivated by a desire to minimise change across the racing calendar.

A feature that is returning for the 2015/16 racing calendar is the scheduling of some of the biggest provincial races in NSW to be staged on a Friday night, with the second meeting containing the finals being conducted for prizemoney equivalent to a Wentworth Park A2 meeting.

TRACK MAINTENANCE

In September 2014 GRNSW appointed a Track Maintenance Manager. The role was created to assist, mentor and guide track curators in track preparation and preventative maintenance and drive key safety initiatives on track and racing infrastructure upgrades and track surface maintenance.

The Track Maintenance Manager has inspected all 15 TAB tracks in NSW and compiled a detailed report outlining issues relating to track surfaces, club maintenance equipment, racing infrastructure and the relationship between management and the curator at each venue.

The Track Maintenance Manager's report also outlines and prioritises the key areas that require attention at tracks and contains a three year plan recommending actions to GRNSW and clubs to standardise track preparation equipment, track surfaces and racing infrastructure in the TAB sector.

The Track Maintenance Manager has since conducted a number of curator workshops that have led to improved track maintenance and renovation processes, while also ensuring that TAB clubs limit issues relating to poor sand profiling and standardised track preparation equipment to improve the quality of TAB racing surfaces.

BLUE PAWS NSW BREEDERS AND OWNERS INCENTIVE SCHEME

Blue Paws was established in 2006 to promote, develop and encourage increased investment in the NSW breeding industry.

In June 2015 GRNSW announced the end of Blue Paws after an internal review found that a breeding incentive scheme opposed the national stance of encouraging breeders to carefully plan and consider their breeding options and decrease the number of greyhounds bred that are unsuitable for racing.

The internal review had regard to the welfare initiatives GRNSW has been progressing to engage with concerns around over-breeding and secure improved welfare outcomes for greyhounds. This included the introduction of a new breeder's licence and breeding restrictions that came into effect on 1 July 2015.

Recognising that certain owners and breeders may not have had an opportunity to participate and benefit from the scheme, GRNSW refunded Blue Paws nomination fees for certain affected greyhounds. This process will result in more than 850 owners and breeders receiving refunds for nearly 4,500 greyhounds previously nominated into the scheme.

The end of Blue Paws is an indication of the future strategic approach being developed by GRNSW that regards welfare and integrity as the central consideration.

OZCHASE

All states in Australia (apart from Victoria) are now on the OzChase system after Queensland moved all of its operations onto the system in August 2014.

During the 2014/2015 financial year, significant functions were added to OzChase including the introduction of injury reporting in October 2014 and enhancements to online nominations in November 2014, allowing trainers to add multiple active nominations for a greyhound. Also of note was the significant additions to OzChase to permit the programming and grading of Masters racing which was introduced in September 2014 for greyhounds aged three and a half years and over.

GRNSW continues to enhance OzChase for the benefit of participants and is exploring potential upgrades to online services. Further, significant changes will be made to OzChase following the completion of the review of the NSW Grading Policy currently being undertaken.

STATISTICS

Greyhounds						
Year	Litters Registered	Greyhounds Whelped	Average per Litter	Natural Services	FSI Services	Greyhounds Named
2010/11	1,276	8,125	6.37	631	968	5,491
2011/12	1,069	6,906	6.46	272	1,042	6,141
2012/13	1,148	7,471	6.51	246	1,180	5,689
2013/14	1,248	8,058	6.46	274	938	5,317
2014/15	1,232	7,964	6.46	211	888	5,645

*The data in the above table is based on NSW statistics only. Please note that not all services conducted in NSW are whelped, littered or named in this state.

Lifecycle Tracking	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Greyhounds whelped	8,125	6,906	7,471	8,058	7,964	38,524
Of which have been named	5,992	5,261	5,337	4,081	19	20,690
% of which have been named	74%	76%	71%	51%	0%	
Of which have raced	5,151	4,537	4,557	2,072	-	16,317
% of which have raced	63%	66%	61%	26%	0%	
Of which are now deceased	2,150	1,719	1,218	726	273	6,086
% now deceased	26%	25%	16%	9%	3%	
Of which are now retired	1,070	602	296	78	5	2,051
% now retired	13%	9%	4%	1%	0%	

*The data in the above table is based on NSW statistics only and is current as of 13 October 2015. Please note that naming, racing and greyhound status data is collated for greyhounds whelped in each respective financial year. Therefore, although a greyhound is whelped in a particular financial year, it will be named, race and retire in a financial year different to that in which it was whelped.

* Under GRNSW Greyhound Racing Rule 21, greyhounds cannot race until they are 16 months old. Further, the majority of greyhounds are not named until they are of racing age.

Participants			
Year	Trainers	Owners/ Trainers	Attendants
2010/11	1,595	2,330	1,342
2011/12	1,589	2,082	1,170
2012/13	1,432	1,755	942
2013/14	1,419	1,744	1,004
2014/15	1,470	1,846	1,098

INFRASTRUCTURE PROJECTS

Throughout the 2014/15 financial year GRNSW funded a number of maintenance items and capital projects across NSW clubs. This included:

- \$160,000 – for track reconstruction, starting box alterations and renovation works at Goulburn;
- \$155,600 – for track reconstruction and replacement of the sand profile due to flooding at Maitland and The Gardens;
- \$56,330 – for replacing track drainage and the sand profile at Gosford;
- \$49,360 – for upgrading the air conditioning system in the kennel block at Lismore;
- \$46,970 – for the upgrade of race kennels at Taree;
- \$36,700 – for rust prevention and treatment of the race kennels at Wentworth Park;
- \$33,840 – for moving two race starting positions off the track at Bulli;
- \$28,500 – for the grandstand and concourse rectification works at Grafton;

- \$24,100 – for the upgrade of the semaphore board and timing at Wagga; and
- \$23,120 – for the upgrade of the track lighting at Dubbo.

Over the past year GRNSW approved 28 capital projects and a total of 291 projects through the Safety Racing and Welfare Maintenance Fund.

GRADING POLICY

The NSW Grading Policy sets out the methods and processes for forming race fields in NSW and aims to promote the highest standard of racing while encouraging greater diversity of competition and career longevity for racing greyhounds.

In March 2015, GRNSW announced a targeted review of certain clauses under the NSW Grading Policy and called for participant feedback by circulating a feedback form. While participants were invited to contribute via written submissions, there was also an opportunity for them to provide their feedback face-to-face at six dedicated grading forums, which were held by the GRNSW Racing Department across NSW.

In addition to amending particulars of the current policy, the review will also integrate changes to the Masters Grading Policy that was reviewed separately in February 2015 and amalgamate the Performance Trial Policy into the one document.

Since beginning the review, GRNSW has significantly expanded the scope to consider all aspects of racing operations including international and interstate grading systems, field sizes and race programming. One of the first tasks of the newly formed GRNSW Joint Working Group will be to help inform GRNSW on the expanded Grading Policy Review, the objective of which will be to ensure the policy promotes the highest standing of racing possible while also maximising the racing career and welfare of all greyhounds. GRNSW expects a discussion paper containing proposed outcomes from the expanded review to be released for public comment in January 2016.

MEDIA, COMMUNICATIONS & WAGERING

WAGERING GROWTH

Betting on greyhound racing continued to grow in 2014/15, with total turnover on NSW meetings increasing by more than 4% to reach \$1.185 billion in the 12 month period. This growth in turnover importantly corresponded with a growth to wagering revenue on NSW meetings, which grew by more than 5% to \$175.7 million for the financial year.

The continued popularity of greyhounds as a betting medium can be attributed to extraordinary growth in the corporate bookmaker sector (see graph on page 27). Turnover in this sector grew by more than 20% (\$59.2 million) when compared to last year and reached \$344.4 million over the 12 month period. Further, revenue generated on NSW greyhound races by corporate operators grew 47% (\$12.1 million) to \$37.9 million.

In contrast to the corporate sector, wagering turnover and revenue on NSW greyhound meetings with totalisator operators declined slightly by 2.5% and 2.3% respectively. This resulted in a shift in the market share of turnover on NSW greyhounds, with the totalisator operators accounting for 67.6% of total turnover for 2014/15, down 4.7% from 2013/14. Corporate bookmaker turnover market share grew 4% to generate 29% of turnover on NSW greyhounds in 2014/15, while betting exchange Betfair also grew its market share by 0.7% to account for 3.3% of sales for the year.

This highlights the continued trend with punters moving away from traditional pari-mutuel betting and towards fixed odds, as can be seen in the continued strong growth in the corporate wagering sector.

In the year to come, GRNSW will be looking to continue this growth in wagering on NSW greyhound product by enhancing its racing product, exploring new wagering avenues to take advantage of the growing digital betting sector and expanding mutually beneficial commercial relationships with wagering operators.

BEWARE OF THE GREYHOUND

“Beware of the Greyhound – they are big hearted, show fierce loyalty and just may steal your heart.”

That was the message being promoted in a campaign launched by GRNSW earlier this year to help dispel misconceptions around the greyhound breed and promote greyhounds as the perfect pet.

The campaign started in April with the launch of a 10-minute documentary, which featured greyhound and canine experts highlighting the terrific traits of greyhounds and why they should be considered as household pets.

The campaign, which ran over three months, featured advertisements on the website news.com.au, the Sydney Morning Herald newspaper and the Daily Telegraph newspaper as well as Nova and Smooth FM radio stations. The campaign was deemed highly successful, with website visits, general enquiries and most importantly adoptions increasing during the period.

Further, the campaign has been nominated for the Australian Marketing Institute 2015 Awards for marketing excellence, under the Corporate Social Responsibility category.

The campaign is part of GRNSW's increased investment in marketing that aims to increase awareness of the greyhound breed, dispel myths about greyhounds and lead to more re-homing opportunities.

GRNSW is currently preparing to relaunch a modified campaign in 2015/16 in the lead up to a number of significant Greyhounds As Pets (GAP) events to be held in the latter part of 2015. These events are aimed at increasing brand awareness as well as improving the wider perception of greyhounds. This work will also complement the ongoing initiatives to review and promote GAP to achieve improved outcomes for greyhounds and industry stakeholders.

DIGITAL EXPANSION

GRNSW's industry leading website – thedogs.com.au – expanded its offering further in 2014/15 by incorporating form, selections and race replays for all Queensland TAB meetings. The website now offers comprehensive form for all states except Victoria, cementing it as the premium offering of greyhound content in Australia.

The 2014/15 period has seen an increased focus on the digital offering available to the industry, with the GRNSW Media, Communications & Wagering unit ensuring strong consumer engagement via form coverage, race field information, tips, news, video replays, statistics and social media comment. This has seen a total of more than 36,000 people subscribe to thedogs.com.au to gain access to premium content, as well as more than 1.2 million visits to the website in 2014/15 alone.

In addition to thedogs.com.au, the GRNSW Media, Communications & Wagering unit has driven digital presence via its TheDogs mobile application, as well as improved social media presence on Facebook and Twitter.

In May 2015 GRNSW announced that it would cease production of The Dogs TV from 1 July to further direct resources to welfare and integrity measures.

While The Dogs TV was well received by participants and fans of the sport, GRNSW recognised that the product is not a key operational driver for GRNSW in the current climate. The cost savings of the cessation of The Dogs TV have been redirected to the Welfare and Integrity Fund.

EMBRACING CHANGE

In September 2015 GRNSW launched a comprehensive communication campaign for the sport, entitled 'Greyhound Racing, Embracing Change'.

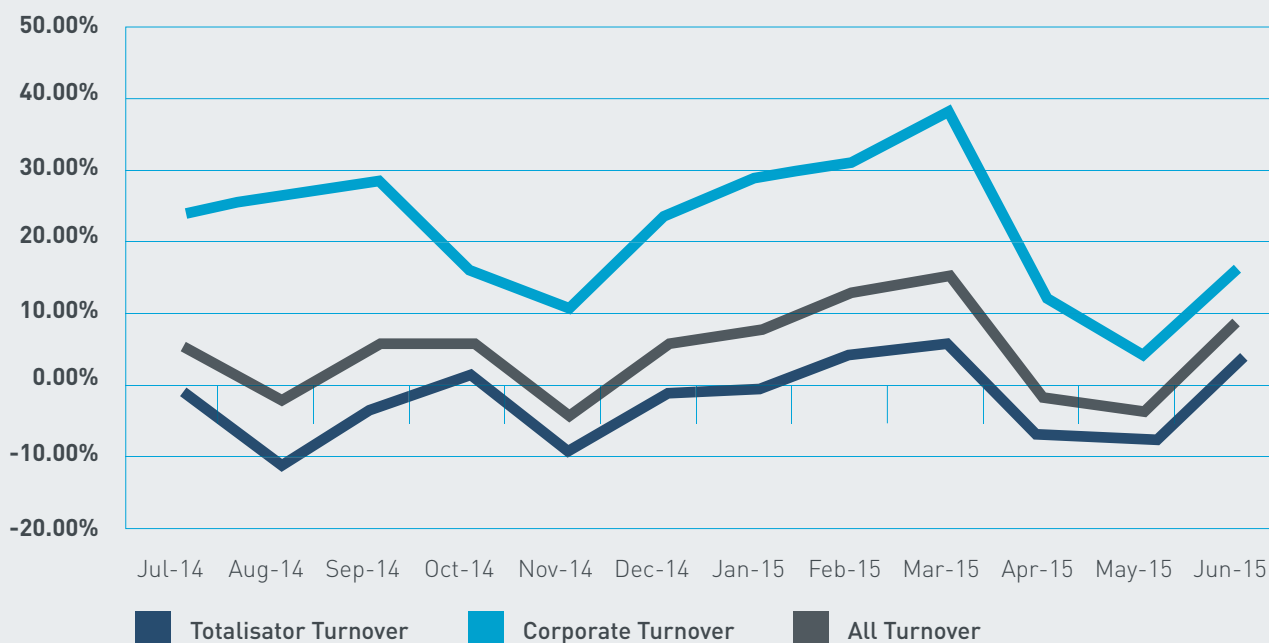
The campaign profiles a number of greyhound racing participants and tells a compelling story about their genuine regard for their greyhounds and deep passion and commitment to the sport. While highlighting their stories and what the industry means to them, the piece also draws attention to the significant reform GRNSW is leading to promote improved welfare outcomes for greyhounds and enhance its industry supervision and enforcement capability.

The campaign aims to communicate the range of reform initiatives underway and assists in dispelling some of the misinformation about the industry and brings a human face to the significant social and economic contribution greyhound racing makes to NSW.

The campaign features television commercials and newspaper and online advertisements that aims to drive viewers to the campaign website – www.embracingchange.com.au – which contains information about current and planned GRNSW welfare and integrity initiatives, as well as housing short videos of each profiled participant.

The focus of the campaign is to spread some good word about the industry and its participants, while focusing on the significant steps GRNSW has taken to address past failings.

WAGERING TURNOVER GROWTH ON NSW GREYHOUND RACING



RACING REVIEW

In one of the most tumultuous periods in greyhound racing, 2014/15 still unearthed some memorable moments on the track.

The action began in Western Australia when long serving Sydney trainer Doreen Drynan and her kennel star Chica Destacada travelled to Perth to represent NSW in the Group 1 AGRA National Sprint Championship.

The duo did the state proud, taking out the prestigious race and earning both Drynan and Chica Destacada the first Group 1 wins of their careers. For Drynan, the achievement was all the more special given she has trained and been involved in the sport for more than 50 years and resulted in Chica Destacada being awarded the coveted 2014 NSW Greyhound of the Year prize.



Closer to home and another long serving servant of the sport, Queensland-based trainer Alby Kennewell, scored the biggest win of his career when Rose Of Galo took out the Group 2 Black Top at Newcastle's Unibet Gardens in August

It was the first Group win in almost 50 years of training for Kennewell, whose greyhound overcame a top-class field to win the title.

As the weather warmed up with the start of Spring in September so did the racing, with a thrilling edition of the Group 1 Dapto Megastar taking place at the famous Illawarra track in which Tommy Brislane held off the valiant Ritza Hattie to claim the feature race.

Tommy Brislane continued his winning ways a couple of weeks later, claiming the Group 2 Bob Payne Spring Sprint later that month before injury sadly halted his year.

The Steve White-trained greyhound's efforts in 2014 included 12 wins in 16 races, and earned him a finalist berth in the NSW Greyhound of the Year awards.

October saw super Victorian stayer Sweet It Is claim yet another major title after seeing off a strong field to win the Group 3 Sydney Cup at Wentworth Park.

Later that month, Lucy Lobster scored dominant wins in her heat, semi and final to take out the Group 1 Vic Peters Classic for Charlie Lamb at Wentworth Park.

As spring moved into summer there was a notable win for Bertacious Bee and home trainer George Micallef in the Group 2 Puppy Classic at Dapto.

The new year started with a bang with a terrific Group 2 Gosford Cup victory for Mark Gatt's Ritza Hattie.

Gatt had given Ritza Hattie little chance of defeating a tough field from box eight pre-race but she stunned her trainer with a terrific run.

The traditional Summer double-header featuring the Group 1 Paws of Thunder and the Group 2 Summer Distance Plate saw two brilliant Victorians lead the way

Dyna Villa was imperious as he defeated a strong field to claim the \$100,000 top prize, while Space Star secured another Group title for top Victorian trainer Robbie Britton.

Two of NSW's biggest races of the year took place at Wentworth Park in February and again produced a pair of thrilling affairs.

Jason Mackay's Zipping Midge was an unfancied runner in the Group 1 National Futurity decider, but defeated a strong field containing top local and interstate contenders to take the \$75,000 top prize.

The Group 1 National Derby saw a first Group title for Fernando Bale, who went on to capture the attention of Australia's racing fans with his wonderful exploits later in the year.

The win marked the start of something special with Fernando Bale going on to capture the public's imagination with some stunning displays that saw him take out NSW's biggest race – the Group 1 Golden Easter Egg – as well as the Group 1 Peter Mosman and become heralded as possibly the greatest greyhound ever to compete in the sport.

Another Victorian, Quasi Bale, came north and left with the spoils after winning March's Group 2 Richmond Derby for trainer Mark Delbridge.

March also saw the final race in the wonderful career of Jason Mackay's Zipping Willow.

The daughter of Goodesy and Sirocco Lass deservedly earned the title of 'Queen of Wentworth Park' after scoring 20 victories at the Sydney track in her long career.

Zipping Willow's incredible consistency, which included eight consecutive victories at the Sydney track, also saw her nominated for the 2014 NSW Greyhound of the Year title.



GRICG REPORT

Following the 'live baiting' scandal, the structure of the Greyhound Racing Industry Consultation Group (GRICG) was unchanged despite other significant changes to the sport in NSW.

GRICG was most appreciative of the NSW Minister for Racing's decision not to alter the consultative group's structure, as it showed that despite the occasional issue, the general workings of GRICG had been sufficiently strong to maintain its role in the eyes of the Minister.

With the announcement of the Special Commission of Inquiry into the Greyhound Racing Industry in NSW (the Commission), I was privileged to be selected on behalf of our participants and as the GRICG representative on the Commission panel. Unfortunately it seems that the much anticipated final report from the Hon. Michael McHugh AC QC will not be handed to Government until March 2016, leaving the sport in a state of uncertainty.

GRICG has requested that an "interim" Board be installed as soon as possible so GRICG has a referral basis on which to operate.

The future of the sport is currently clouded with regard to the number of clubs we may have in a couple of years, along with the current drop in breeding activity which may lead to reduced product in future years.

It is GRICG's view that it is essential for the interim Board to resume promotion of the sport to continue the growth of wagering turnover that has happened this year.

It is pleasing to see no drop in wagering numbers across 2014/15, which indicates public confidence has remained solid despite many believing public confidence in the sport is lacking.

Our appreciation is afforded to the interim GRNSW Chief Executive Paul Newson and his staff for maintaining the effort in this difficult period and I also thank all GRICG members for their dedicated work over the past year.

RON ARNOLD
GRICG CHAIRMAN

GRICG MEMBERSHIP

Ron Arnold (Chairman)
Country Clubs Representative

Wayne Billett
TAB Clubs Representative

Richard Bligh
NSW Greyhound Breeders Owners & Trainers Association Representative

Craig Jackson
Registered Greyhound Participants Association Representative

Mark Merlino
Bookmakers Representative

Michael Player
NSW Greyhound Breeders Owners & Trainers Association Representative

GREYHOUND RACING INDUSTRY CONSULTATION GROUP

Established under the *Greyhound Racing Act 2009*, the Greyhound Racing Industry Consultation Group (GRICG) has the function of consulting with and making recommendations to GRNSW on matters concerning greyhound racing in NSW.

The members of GRICG are honorary and no remuneration is payable to them in respect of the duties they perform.



FUNDING ACTIVITY SUMMARY

Club / Entity	SRWMF Funding	Administration Funding	Other Funding	Total Funding
2014/2015 FUNDING ACTIVITY SUMMARY				
Armidale	779	80,741	0	81,520
Broken Hill	4,655	138,414	0	143,069
Casino	22,916	262,627	25,681	311,225
Coonabarabran	6,728	62,141	0	68,869
Coonamble	8,190	98,043	0	106,233
Cowra	0	109,578	0	109,578
Dapto	25,000	363,135	13,627	401,762
Dubbo	24,664	231,775	38,470	294,909
GBOTA - Bathurst	24,862	303,958	11,017	339,838
GBOTA - Bulli	25,000	316,743	33,844	375,587
GBOTA - Gosford	25,000	371,427	56,329	452,756
GBOTA - Gunnedah	10,000	144,182	0	154,182
GBOTA - Lismore	24,824	370,858	49,359	445,041
GBOTA - Maitland	24,792	400,214	37,952	462,958
GBOTA - Temora	10,000	161,484	0	171,484
GBOTA - Wentworth Park	0	2,755,665	48,160	2,803,825
Goulburn	25,000	215,383	160,000	400,383
Grafton	24,966	293,135	36,183	354,284
Kempsey	6,728	149,949	0	156,677
Lithgow	7,942	161,484	0	169,426
Moree	0	98,043	0	98,043
Mudgee	1,650	80,741	0	82,391
Muswellbrook	10,018	161,484	0	171,502
Nowra	23,025	327,566	41,770	392,361
Richmond	34,639	591,409	28,900	654,947
Greyhound Social Club	8,240	126,880	0	135,120
Tamworth	7,307	115,345	998	123,650
Taree	8,286	149,949	46,968	205,203
The Gardens	32,820	498,116	3,366	534,302
Tweed Heads	9,256	162,449	0	171,705
Wagga Wagga	18,118	166,416	24,086	208,619
Wauchope	4,794	138,414	1,364	144,572
Young	9,949	109,579	0	119,528
GRNSW / Industry Wide Funding			713,721	713,721
TOTALS	470,148	9,717,327	1,371,796	11,559,270

Note: The above figures include provisions for funding not expensed in the Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2015.

FIVE YEAR COMPARISON

	2011	2012	2013	2014	2015
RACING ACTIVITY					
Number of Race Meetings Conducted					
Metropolitan	105	106	105	104	103
TAB	726	731	764	820	810
Non-TAB	550	496	429	358	340
Number of Races Conducted					
Metropolitan	1,050	1,053	1,052	1,044	1,029
TAB	7,369	7,525	7,671	8,697	8,090
Non-TAB	5,790	5,338	4,502	3,409	3,303
Number of Starters					
Metropolitan	8,096	8,119	8,095	7,881	7,809
TAB	56,416	57,679	59,620	62,721	61,669
Non-TAB	42,764	40,357	33,944	25,130	24,744
PARTICIPANT RETURNS					
Total Prize Money and Travel Subsidies Paid					
Metropolitan	6,923,275	7,222,138	7,315,685	7,793,320	7,780,660
TAB	12,326,482	12,423,075	12,775,616	13,702,593	13,544,039
Non-TAB	2,960,721	2,823,203	2,512,992	1,741,091	1,705,883
Integrity					
Number of samples tested	3,398	3,783	5,562	5,719	5,773
Percentage of positives	0.77	1.27	0.62	0.93	0.88
On-Course Consumer Activity					
Paying Attendees at NSW Greyhound Meetings					
Metropolitan	47,251	48,600	52,506	41,074	36,258
TAB	82,037	83,297	87,462	83,070	64,025
Non-TAB	49,295	46,329	46,037	29,540	26,391
On-Course Totalisator Turnover on NSW Greyhound Meetings					
Metropolitan	5,116,772	6,785,498	6,099,532	6,877,097.80	3,449,915.65
TAB	14,763,312	15,486,267	13,558,647	13,637,113.20	9,924,749.31
Non-TAB	1,583,280	1,597,957	1,265,349	888,445.80	769,038.00
WAGERING					
Total NSW TAB Turnover on NSW Greyhound Meetings	313,311,744	317,782,520	320,126,692	341,868,069	338,181,403
Total Corporate Wagering Turnover on NSW Greyhound Meetings	141,251,681	158,067,094	215,822,306	285,234,227	344,423,909
Wagering Market Share of NSW Greyhound Product with TAB	19.7%	19.6%	19.6%	21.7%	22.3%

GIPA REPORT

Greyhound Racing NSW is subject to the provisions of the *Government Information (Public Access) Act 2009*. During 2014/15 there were three requests for information received.

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		2						
Members of Parliament		1						
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)								
Members of the public (other)								

* 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								
Access applications (other than personal information applications)								
Access applications that are partly personal information applications and partly other		3						

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	0
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	
Excluded information	
Documents affecting law enforcement and public safety	
Transport safety	
Adoption	
Care and protection of children	
Ministerial code of conduct	
Aboriginal and environmental heritage	

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	
Law enforcement and security	
Individual rights, judicial processes and natural justice	
Business interests of agencies and other persons	
Environment, culture, economy and general matters	
Secrecy provisions	
Exempt documents under interstate Freedom of Information legislation	

TABLE F: TIMELINESS

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	
Total	

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		1	1
Review by Information Commissioner			
Internal review following recommendation under section 93 of Act			
Review by ADT			
Total			

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)

	Number of applications for review
Applications by access applicants	
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

GREYHOUND RACING NEW SOUTH WALES

ABN 61 018 166 136

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Income			
TAB Distributions		34,020,554	32,018,231
Race Field Information Use Fees		12,235,588	14,187,573
Licensing & Registration Fees		739,229	732,415
Veterinary Services		344,040	335,540
Race Form		241,813	322,382
Interest		131,888	206,492
Marketing & Digital		116,684	120,419
Playhouse Pet Motel		436,207	-
Blue Paws		75,491	114,473
Other income		25,032	68,945
Fines & Penalties		31,955	56,591
Greyhounds As Pets		80,376	36,295
Total income		48,478,857	48,199,356
Expenditure			
Prize money & Race Club Costs		31,695,837	31,907,926
Finance & Corporate Overheads		2,685,626	2,687,319
Stewarding		2,395,753	2,361,618
Racing & Club Infrastructure		1,009,504	2,012,517
Drug Detection		1,184,575	1,227,731
Grading & Member Services		1,468,345	1,079,775
Media & Digital		976,122	559,287
IT Costs		648,128	508,514
Industry Reform		1,377,406	-
Veterinary Services		449,340	459,584
Animal Welfare		576,560	290,651
Playhouse Pet Motel		346,673	4,382
Blue Paws		302,350	334,531
Depreciation		344,521	240,351
Marketing & Events		601,496	215,993
Board Expenses		125,195	164,399
Greyhounds as Pets		283,110	220,760
Loss on sale of fixed assets		26,172	58,365
Other expenses		45,958	35,310
Integrity Auditor		20,529	26,167
Total expenditure		46,563,200	44,395,180
Surplus for the year		1,915,657	3,804,176
Other comprehensive income		-	-
Total comprehensive income for the year		1,915,657	3,804,176

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,082,467	897,286
Trade and other receivables	5	12,330,336	10,801,394
Financial assets	6	275,000	-
Other current assets	7	263,491	110,136
Total current assets		14,951,294	11,808,816
Non-current assets			
Property, plant and equipment	8	3,646,566	3,334,378
Intangible assets	9	254,100	254,100
Financial assets	6	6,886,999	7,075,355
Total non-current assets		10,787,665	10,663,833
Total assets		25,738,959	22,472,649
LIABILITIES			
Current liabilities			
Trade and other payables	10	6,671,463	4,781,298
Provisions	11	522,523	1,062,267
Total current liabilities		7,193,986	5,843,565
Non-current liabilities			
Provisions	11	81,432	81,200
Total non-current liabilities		81,432	81,200
Total liabilities		7,275,418	5,924,765
Net assets		18,463,541	16,547,884
EQUITY			
Reserves	12	676,386	676,386
Retained surplus		17,787,155	15,871,498
Total equity		18,463,541	16,547,884

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Reserves \$	Retained surplus \$	Total equity \$
Balance at 1 July 2013	676,386	12,067,322	12,743,708
Surplus for the year	-	3,804,176	3,804,176
Other comprehensive income	-	-	-
Total comprehensive income for the year	676,386	15,871,498	16,547,884
Balance as at 30 June 2014	676,386	15,871,498	16,547,884
Balance at 1 July 2014	676,386	15,871,498	16,547,884
Surplus for the year	-	1,915,657	1,915,657
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,915,657	1,915,657
Balance as at 30 June 2015	676,386	17,787,155	18,463,541

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015

Notes	2015 \$	2014 \$
Cash flows from operating activities		
Receipts from operations	46,572,925	46,673,767
Payments to suppliers and employees	(44,825,107)	(52,118,295)
Interest received	120,244	206,492
Net cash provided by / (used in) operating activities	1,868,062	(5,238,036)
Cash flows from investing activities		
Payment for property plant and equipment	(785,398)	(813,229)
Proceeds from disposal of property, plant and equipment	102,517	
Acquisition of Playhouse Pet Motel Wyee	17	(1,515,270)
Net cash used in investing activities	(682,881)	(2,328,499)
Net increase / (decrease) in cash and cash equivalent sheld	1,185,181	(7,566,535)
Cash and cash equivalents at the beginning of financial year	897,286	8,463,821
Cash and cash equivalents at the end of financial year	4	2,082,467

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 NSW. It commenced operations on 10 February 2003.

The financial statements were authorised for issue on 21 October 2015 by the Chief Executive of GRNSW.

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. The 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.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

A Special Commission of Inquiry into the Greyhound Racing Industry in NSW (the Commission) was announced by the NSW Government on 4 March 2015 to investigate and report on governance, integrity, and animal welfare issues relating to the greyhound racing industry in NSW. The Commission is required to evaluate whether the issues relating to the governance, integrity and animal welfare standards in NSW are able to be appropriately addressed to permit the continuation of a greyhound racing industry that is both sustainable and provides an ongoing economic and social contribution to the State.

Subsequent to year end the NSW Government granted a six month extension for the Commission to be completed. This extension will see the report of the Commission delivered in March 2016.

Those charged with governance have considered the potential outcome of the Commission, and concluded that notwithstanding past failures, the defects in governance, integrity and animal welfare arrangements are entirely capable of being addressed and accordingly the dissolution of Greyhound Racing NSW or the sport within NSW should be remote. In arriving at this view, consideration was made to the final recommendations of similar investigations held in both Queensland and Victoria.

ACCOUNTING POLICIES

a) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less where applicable, any accumulated

depreciation and impairment losses, where applicable.

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 Board 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 assets are:

Class of fixed asset	%
Office equipment	40
Computer equipment	40
Furniture fittings	15
Motor vehicles	22.5
Leasehold improvements	12.5
Buldings	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 for operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease terms.

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) 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.

f) 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*.

g) Superannuation commitments

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

h) Cash and cash equivalents

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

i) Revenue

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 recognised net of the amount of goods and services tax (GST).

j) 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.

k) 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.

l) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

m) Critical accounting estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Impairment

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company 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 actively 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. Subsequent to year end a notice of demand was issued by Greyhound Racing NSW, as at the date of these financial statements the amount is still outstanding.

n) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair values of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured in each reporting period to fair value recognising any change to fair value in profit or loss, unless the

change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

o) Impairment of Assets

At the end of each reporting period, the company 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 (eg 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 Group 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.

p) 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.

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

q) New, revised or amending Accounting Standards and Interpretations adopted

The company 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.

The following Accounting Standards and Interpretations are most relevant to the company which were adopted during the year:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
2 Key management personnel compensation		
The totals of remuneration paid to key management personnel (KMP) of the entity during the year are as follows:		
Key management personnel compensation	1,017,485	1,029,581
Other KMP transactions		
For details of other transactions with KMP, refer to Note 15: Related party transactions.		
3 Surplus for the year		
Expenses		
Rental expense on operating leases	302,158	290,536
4 Cash and cash equivalents		
Cash at bank	2,081,117	896,136
Cash on hand	1,350	1,150
	2,082,467	897,286
5 Trade and other receivables		
CURRENT		
Receivables	12,330,336	10,801,394
	12,330,336	10,801,394
6 Financial assets		
CURRENT		
Other loans	275,000	-
	275,000	-
NON-CURRENT		
Bank Guarantee	377,674	377,674
Wentworth Park Trust	6,497,681	6,497,681
Other loans	11,644	200,000
	6,886,999	7,075,355
7 Other current assets		
Prepayments	263,491	110,136
8 Property, plant and equipment		
Land and buildings		
Freehold land - at cost	1,320,770	1,320,770
Buildings - at cost	1,746,535	1,440,400
Less: accumulated depreciation	(148,026)	-
Total buildings	1,598,509	1,440,400
Total land and buildings	2,919,279	2,761,170
Plant and equipment		
Office equipment and computers - at cost	669,503	669,843
Less: accumulated depreciation	(626,610)	(583,345)
	42,893	86,498

	2015 \$	2014 \$
8 Property, plant and equipment (continued)		
Furniture and fittings - at cost	40,609	40,609
Less: accumulated depreciation	(33,621)	(30,325)
	6,988	10,284
Motor vehicles - at cost	872,274	597,109
Less: accumulated depreciation	(194,868)	(120,787)
	677,406	476,322
Website development and software - at cost	578,820	578,820
Less: accumulated depreciation	(578,820)	(578,716)
	-	104
Total plant and equipment	727,287	573,208
Total property, plant and equipment	3,646,566	3,334,378

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
Carrying amount at 1 July 2014	1,320,770	1,440,400	86,498	10,284
Additions	-	306,135		306,135
Disposals	-	-	-	-
Depreciation expense	-	(148,026)	(43,605)	(3,296)
Carrying amount at 30 June 2015	1,320,770	1,598,509	42,893	6,988

	Motor vehicles	Website development and Software	Total
Carrying amount at 1 July 2014	476,322	104	3,334,378
Additions	479,263	-	785,398
Disposals	(128,689)	-	(128,689)
Depreciation expense	(149,490)	(104)	(344,521)
Carrying amount at 30 June 2015	677,406	-	3,646,566

	2015 \$	2014 \$
9 Intangible assets		
Licence - at cost	254,100	254,100
Accumulated amortisation	-	-
Net carrying amount	254,100	254,100
Reconciliation of licence		
Balance at 1 July 2014	254,100	254,100
Accumulated amortisation	-	-
Closing carrying amount at 30 June 2015	254,100	254,100

	2015 \$	2014 \$
10 Trade and other payables		
CURRENT		
Accounts payable	6,393,162	4,106,036
Prizemoney	278,294	428,523
Sundry creditors and accruals	-	246,732
Australian Taxation Office	7	7
	6,671,463	4,781,298
11 Provisions		
CURRENT		
Annual leave	409,176	391,354
Long service leave	111,348	105,480
Approved industry infrastructure funding	-	561,513
Other provisions	1,999	3,920
	522,523	1,062,267
NON CURRENT		
Long service leave	81,432	81,200
	81,432	81,200

Analysis of employee provisions	Annual leave \$	Long service leave \$	Approved industry infrastructure funding \$	Other \$
Opening balance at 1 July 2014	391,354	186,680	561,513	3,920
Additional provisions	373,571	56,663	656,087	-
Amounts used	(355,749)	(50,563)	(1,217,600)	(1,921)
Balance at 30 June 2015	409,176	192,780	-	1,999

EMPLOYEE PROVISIONS – ANNUAL LEAVE ENTITLEMENTS

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.

12 Reserves

General reserve

The general reserve records funds set aside for future expansion of the GRNSW.

13 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	310,889	245,700
Later than one year but not later than fiveyears	1,009,290	982,800
Later than five years	-	-
	1,320,179	1,228,500

The lease was renewed on 25 June 2009 for a 10 year period. The expiry date of the lease is 24 June 2019.

14 **Events after the reporting period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

15 **Related party transactions**

GRNSW has a receivable from The Wentworth Park Trust totalling \$6,497,681 (2014: \$6,497,681) which is interest free. The receivable arose as a result of the privatisation of the Totalizater Agency Board.

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:

	2015 \$	2014 \$
Financial Assets		
Cash and cash equivalents	2,082,467	897,286
Loans and receivables	19,492,335	17,876,749
Total financial assets	21,574,802	18,774,035
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables	6,671,463	4,781,298
Total financial liabilities	6,671,463	4,781,298

17 **Acquisition transaction**

On 30 June 2014 GRNSW acquired the assets and liabilities in trade of Playhouse Pet Motel Wyee for \$1,515,270, paid in cash.

	2015 \$	2014 \$
Land	-	440,270
Buildings	-	820,900
Licence	-	254,100
Total assets	-	1,515,270

18 **Contact details**

The principal place of business and registered office of GRNSW is:

Building B
Homebush Bay Drive
Rhodes NSW 2138

DECLARATION BY THE MEMBERS OF THE BOARD

The Board of Greyhound Racing New South Wales declares that:

The financial statements and notes, as set out on pages 36 to 46:

- a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
- b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company.

In the Board's opinion, 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 the Board of Greyhound Racing New South Wales.



PAUL NEWSON

Greyhound Racing New South Wales - Chief Executive

Dated: 21 October 2015

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF GREYHOUND RACING NEW SOUTH WALES

As lead auditor for the audit of the financial report of Greyhound Racing New South Wales for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



RSM BIRD CAMERON



DAVID TALBOT

Director

Sydney, NSW

Dated: 21 October 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREYHOUND RACING NEW SOUTH WALES

We have audited the accompanying financial report of Greyhound Racing New South Wales ("the entity"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and director's declaration.

Directors' Responsibility for the Financial Report

The Directors' are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Directors' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Opinion

As disclosed within Note 1m, 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 2015 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.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the financial report presents fairly, in all material respects, the financial position of the Greyhound Racing New South Wales as at 30 June 2015 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



RSM BIRD CAMERON



David Talbot
Director

Sydney, NSW
Dated: 21 October 2015



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