

2013 - 2014

ANNUAL REPORT



Who is GRNSW?

Greyhound Racing NSW (GRNSW) is a body corporate established in 2003 charged with providing strategic direction and leadership in the development, integrity and welfare of greyhound racing in NSW. It is the peak body of the sport and is responsible for ensuring the competitiveness and long-term commercial viability of greyhound racing for the benefit of participants, business partners and the community.

From July 2009, GRNSW became responsible for the regulatory affairs of the sport. This broadening of responsibilities was the result of a government decision to transfer the greyhound division functions of the Greyhound and Harness Racing Regulatory Authority (GHRRA) to GRNSW.

The business structure of GRNSW covers both the commercial and regulatory responsibilities with four core business units: Integrity, Education & Welfare, Operations, and Wagering, Media & Content.

Flowing from the legislative amendments to the Greyhound Racing Act 2009, the industry representative Board of GRNSW was replaced by an independent Board in February 2012. The amendments make a person ineligible for appointment if they are an employee of a greyhound racing club or a member of the governing body of a greyhound racing club. Each Board member has a maximum tenure of eight years.

Our Vision

To be Australia's premier supplier of greyhound racing, delivering an attractive and innovative wagering product, and focused on long-term sustainable growth that will drive increased prizemoney returns to participants and appeal to consumers.

Core Values

Our vision is based upon the following core values:

- Innovation
- Honesty
- Professionalism
- Results driven
- Commitment to serve

2013/14 At A Glance

July – GRNSW announces a \$1.7 million increase in participant returns for TAB races across the state, beginning from 1 July 2013. The increase includes an additional \$1.1 million for TAB C racing.

August – Lithgow trainer Mark Swift and his kennel star Smart Valentino do NSW proud by taking out the Group 1 National Distance Championship at The Meadows in Victoria.

September – GRNSW announces it will invest \$1.3 million on greyhound welfare initiatives in 2013/14. The investment includes funding to establish a new Education and Support Unit to help drive welfare improvements in the greyhound racing industry.

October – thedogs.com.au website continues its expansion with the introduction of fields, form, expert selections and race replays for all Western Australian meetings. The introduction of Western Australia means thedogs.com.au now has form for all meetings held in NSW, Western Australia, South Australia, Tasmania and the ACT.

November – The Legislative Council Select Committee on Greyhound Racing in NSW stages its first hearing at Penrith Panthers in Sydney's west. Two more hearings are held before the committee tables its first report in March. The first report makes 18 recommendations relating to industry funding, governance, integrity and welfare.

December – GRNSW announces a raft of operational and racing changes that will improve member services and revamp race programming in NSW. Under the changes, GRNSW becomes responsible for the management of TAB race programming across NSW to ensure a consistent approach. The frequency of prizemoney payments also increases so they are made twice weekly.

January – GRNSW and Greyhound Racing Victoria adopt a joint animal welfare strategy that will establish new standards of animal welfare excellence in the greyhound racing industry. The joint strategy will result in the introduction and development of various animal welfare initiatives.

February – NSW Minister for Racing, the Hon. George Souris, announces that Peter Davis and Megan Lavender have been appointed to the GRNSW Board following recommendations by an independent selection panel. Mr Davis and Ms Lavender replace outgoing board members Joyce Alamango and Murray Nicol.

March – Double Twist and Jagger Swagger are named joint winners of the 2013 NSW Greyhound of the Year award at a gala awards night at Luna Park. Long serving Greyhound Social Club President Tom Green is awarded the Allen Wheeler Medal for his outstanding contribution to greyhound racing.

April – Victorian sprinter Tonk scores the biggest win of his career when he takes out the Macro Meats Golden Easter Egg. Meanwhile, in the AAA Radiator Specialists Association Cup, Sweet It Is announces herself as one of the most promising stayers in the country with a brilliant come from behind win.

May – The annual 65 Roses campaign raises more than \$37,000 for people living with Cystic Fibrosis throughout the month of May. More than \$100,000 has now been raised in the three years that the 65 Roses campaign has been staged.

June – It is announced that a new club will be formed to conduct greyhound racing at The Gardens complex in Wallsend, heralding a new era for the sport in the Hunter region. The Gardens Greyhound Club Ltd will operate all racing and trialling conducted at The Gardens as well as the venue's commercial operations.

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Need for Reform

The past year was a turbulent period for GRNSW with the commencement in August 2013 of the state parliamentary inquiry into NSW greyhound racing.

Over three separate hearings, the inquiry examined matters pertaining to industry funding, governance, integrity and welfare. Following these hearings, the inquiry tabled its first report in March 2014, making 18 recommendations.

The most crucial aspect of the first report was that the inquiry found the greyhound racing industry may be unsustainable due to its current structure and sources of revenue.

The Board of GRNSW has maintained for some time the major challenge confronting greyhound racing in NSW is its economic viability.

Put simply, the sport's medium to long-term future in NSW is in serious doubt without significant reform to its current funding model and operational structure.

As you will read in this annual report, the popularity of greyhound racing as a betting medium has never been stronger with almost one in every five bets on racing being placed on a greyhound race. Unfortunately though, the NSW greyhound racing industry cannot realise the benefits

of this popularity due to current funding arrangements put in place before the establishment of GRNSW that limit its ability to capitalise on increased revenue streams and provide sustainable growth for its stakeholders.

Thankfully, it appears as though the current challenges that face the NSW greyhound racing industry are finally being recognised.

As I write this, the inquiry is due to hand down a second report which will document financial modelling carried out by the NSW Treasury. This modelling will look at the economic impact on State revenue and the greyhound racing industry of a number of scenarios or combinations that best reflect optimum outcomes for the future of the greyhound racing industry and the racing industry overall as a whole.

In addition, I have been encouraged with the initial discussions myself and GRNSW Chief Executive Brent Hogan have had with the new NSW Minister for Hospitality, Gaming and Racing, the Hon. Troy Grant.

Mr Grant has indicated his willingness to understand the contribution greyhound racing makes to the NSW economy by commissioning a study into each of the three racing codes. Minister Grant has also acknowledged the need to look at the current funding arrangements that apply to the industry. I look forward to continuing discussions with him about the crucial issues facing the NSW greyhound industry throughout the next year.

GRNSW Acts on Participant Feedback

I was delighted to be able to announce a raft of changes for the new racing season, which were a direct result of the consultation forums held with participants and other key stakeholders in late 2013.

Myself, my fellow Board members and senior GRNSW management attended these consultation forums across the State and found them an invaluable tool for helping shape the future direction for the sport. Such consultation sessions will continue over the next 12 months.

One of the key changes announced by GRNSW was the transfer of 12 Wentworth Park Friday meetings to provincial tracks across NSW to allow these tracks to stage their feature race meeting heats and finals in a primetime Friday night slot.

Known as the 'Thank Dog It's Friday' racing series, all races conducted on the final night of each leg of the series will be conducted for prizemoney equivalent to a Wentworth Park Friday meeting.

This change was a direct result of feedback from participants who identified the need for more race meetings to be held in their local regions of NSW, which has prizemoney equivalent to a Wentworth Park Friday night meeting.

Chairman's Report

The Thank Dog It's Friday series is being supported by a wide-ranging marketing campaign aimed at promoting the series and generating increased interest in greyhound racing within regional NSW. This includes advertising across print as well as the Southern Cross Austereo network of regional and metropolitan radio stations.

At the time of writing this report only two of the seven legs of the series have taken place. However, initial data available from these events is that from a wagering and participation perspective, they have proven to be a great success.

Another important racing change announced by GRNSW was the introduction of Masters racing, which is for greyhounds aged 3 ½ years and over.

Masters racing is an important initiative that will prolong the careers of NSW racing greyhounds and reiterates GRNSW's commitment to greyhound welfare by maximising the racing opportunities available.

Once again, the introduction of Masters racing was a direct result of the consultation forums GRNSW conducted in which participants said they would support initiatives that would provide more opportunities for older greyhounds to continue their racing careers.

A number of other changes have been made to race programming. This includes GRNSW becoming responsible for the management of TAB race programming across NSW to ensure a consistent and unified approach.

The changes to racing coincide with a number of new improvements to member services.

GRNSW increased the frequency of prizemoney payments so that they will be made twice weekly, while participants are now able to contact the GRNSW Grading Department more easily, with the hours for grading enquiries being extended to now occur between 10am and 2pm.

The improvements to member services follow a number of enhancements that have been made possible by the implementation of the OzChase computer system, including the ability for trainers to nominate directly into particular races and a new functionality that allows trainers to view the grade for each of their greyhounds at all NSW tracks.

Progress With Animal Welfare

The past 12 months have seen further advancements in the key area of animal welfare in NSW.

In February 2014, GRNSW and Greyhound Racing Victoria launched a joint animal welfare strategy that will establish new standards of animal welfare excellence in the greyhound racing industry. This strategy was eventually adopted nationwide by all members that make up Greyhounds Australasia.

GRNSW is acutely aware that the continued success of the greyhound racing industry is largely dependent on continued improvements in animal welfare and this joint strategy aims to achieve these improvements in all areas of the greyhound industry including breeding, racing, re-homing as well as participant education.

Once fully implemented the strategy will result in higher levels of education for trainers and breeders, tighter breeding regulation controls, as well as a requirement for all greyhounds to be under the care of a registered participant at all times during their lifecycle.

2014/15 will see a number of new developments around animal welfare that are a direct result of this strategy.

A further extremely important welfare development was the expansion of the GRNSW Greyhounds As Pets program with the purchase in June 2014 of a new property at Wyee on the NSW Central Coast.

The 3.5 acre property, which also acts as a commercial canine boarding site known as the Playhouse Pet Motel, will house up to 120 dogs at any one time when fully operational. We expect one-third of these will be greyhounds.

Through this purchase, GRNSW is inheriting a successful boarding facility which will offset the associated costs of the Greyhounds As Pets program and which will in turn assist in the successful rehoming of greyhounds when their racing careers are over.

The property is an important part of GRNSW's unwavering commitment to animal welfare and also addresses a key recommendation by the Select Committee on Greyhound Racing in NSW that called for greater resources for greyhound rehoming, including allocating funding for greyhound adoption facilities.

65 Roses Success

May 2014 saw the entire NSW and South Australian greyhound community get behind the 65 Roses campaign to raise money and awareness for people living with Cystic Fibrosis.

Cystic Fibrosis is the most common life threatening, recessive genetic condition affecting Australian children and money raised from the 65 Roses campaign goes towards providing services and support to people who live with Cystic Fibrosis.

This year was the third consecutive year GRNSW has staged the campaign, but the first time Greyhound Racing SA (GRSA) has participated.

As part of the 65 Roses campaign, each of the 33 greyhound tracks in NSW staged their own 65 Roses Race Meeting in May. Every time a greyhound wearing the red rug (number one) won a race at a 65 Roses Race Meeting, GRNSW donated \$250 to Cystic Fibrosis.

Chairman's Report

Clubs also staged their own fundraising efforts. GRSA, meanwhile, donated \$250 for every red rug winner at Angle Park meetings staged throughout May.

The 2014 campaign raised more than \$37,000, meaning more than \$100,000 has now been raised for Cystic Fibrosis in the three years that the campaign has been running.

This is a fantastic achievement and one that the entire greyhound community in NSW and South Australia should be proud of.

GRNSW looks forward to continuing the 65 Roses campaign and supporting those living with Cystic Fibrosis in May 2015.

The Gardens

In June 2014, it was announced that a new club will be formed to conduct greyhound racing at The Gardens complex in Wallsend.

From 1 July 2014, The Gardens Greyhound Club Ltd is tasked with operating all racing and trialling conducted at The Gardens as well the venue's commercial operations.

The Gardens Greyhound Club Ltd has an open club membership structure and will have a mix of independent and member elected directors. The Board structure reflects best practice in corporate governance principles, and will bring greyhound racing into line with the practices in place in clubs in other racing codes.

The Gardens is vital to the continued growth of greyhound racing in NSW and I am confident the formation of this new club to run the complex's affairs will herald a new era for the sport in the Hunter region.

Tributes

The past year saw some departures from GRNSW and the industry in general.

GRNSW Board member Joyce Alamango ended her term after six years on the Board.

Joyce's dedication and passion for the greyhound racing industry throughout her time on the GRNSW Board was evident to all who ever encountered her and I would like to thank Joyce for her support throughout my time as Chairman.

I also pay tribute to Murray Nicol, who resigned from the Board in September 2013. Murray made a substantial contribution to the sport in a variety of capacities and over many years.

Darren Simpson left his role as GRNSW Chief Operating Officer to take up a position with AFL NSW. Darren was a loyal servant to the industry in the nine years that he was with GRNSW and his dedication and commitment to his role could never be questioned.

I would like to wish Joyce, Murray and Darren all the best with their future endeavours.

I acknowledge the work of the Hon. George Souris, the former NSW Minister for Tourism, Major Events, Hospitality and Racing, who left his ministerial position in April 2014 after three years in the role.

Thanks must go to the Hon. Troy Grant, the NSW Minister for Hospitality, Gaming and Racing, for his work in the portfolio since he took responsibility and I look forward to working with him throughout 2014/15.

I thank my fellow Board members, Deputy Chairman David Clarkson, George Bawtree, Peter Davis and Megan Lavender for their assistance and service to GRNSW.

On behalf of my fellow Board members, I would also like to thank Brent Hogan, Patrick Hallinan and the entire staff at GRNSW for the work they carried out throughout the year.

Finally, I would like to pay tribute to the sport's participants in NSW for their contribution to the greyhound racing industry in 2013/14. The participants are the lifeblood of the industry and without them there would be no greyhound racing industry in NSW.

Eve McGregor
GRNSW Chairman





Macro Meats Golden Easter Egg winner Tonk with delighted owner Charlie Mercieca after their victory in the Group 1 race

Chief Executive's Report



2014 saw the popularity of NSW greyhound racing as a betting medium reach new heights with wagering sales growing by 10% to reach \$1.1 billion. This has continued the trend over the last five years in which wagering growth on NSW greyhound racing has grown from \$124 million to \$166 million, a compound annual growth rate of 6%. This has been achieved from turnover growth of 7% per annum over the same period.

Our growth is being driven by a number of factors including:

- Product expansion - GRNSW now conducts 930 TAB meetings a year;
- Investment in our digital presence through thedogs.com.au brand;
- Adapting how we present our race information in the modern marketplace to meet what consumers want;
- The fast and 'easy' nature of our product which fits with the next generation of punters. It is not a coincidence that the wagering partners we work closely with consistently tell us that greyhound racing is over represented in mobile betting channels when compared to other channels; and
- Our pricing model encourages wagering operators - particularly the corporate bookmakers - to focus their below the line marketing efforts on our racing.

Despite the headline wagering numbers being strong, the reality is that our total earnings from wagering have not matched this growth. In the same five year period that wagering revenue on NSW greyhound racing grew on an annualised basis by 6%, our earnings from wagering grew by only 2.2% (below the midpoint of the RBA's inflation target range).

Broken down, our earnings from TAB Distributions grew by just 0.6% whilst our earnings from race fields fees grew by 7.2%. When you peel away new income streams that are now included in our TAB Distributions, such as our share of revenue from Trackside and the Premier Gateway International, our earnings would have only grown by 1.3% per annum with TAB Distributions delivering negative growth of -0.5% per annum.

This predicament is largely driven by the fixed revenue sharing arrangements in place between the three codes in NSW for 99 years, whereby there is simply no connection between performance and innovation and the share of TAB distributions received by each code. It also defines the immediate challenge for GRNSW: how do we better share in the wagering revenue growth associated with our product? How do we leverage our digital presence, who do we partner with, and what roles do we perform in the value chain in the future? How do we do this whilst maintaining the social fabric of what greyhound racing as a sport is about and at the same time meeting contemporary community expectations about the manner in which we operate as a sport?

Much time and focus throughout the year was captured by the Select Committee Inquiry into the NSW Greyhound Racing Industry, which my Chairman has addressed. The Inquiry had three dominant themes: integrity oversight, animal welfare and ensuring a fair and appropriate funding model for the long-term sustainability of racing in this State. In recent times the NSW Government has affirmed its commitment to give serious consideration to achieving wagering taxation harmonisation with our neighbouring States. GRNSW looks forward to working with Government to achieve this over the coming year.



Chief Executive's Report

With respect to animal welfare, GRNSW and Greyhound Racing Victoria announced at the start of 2014 that we had adopted a joint animal welfare strategy that will establish new standards of animal welfare excellence in the greyhound racing industry. Greyhound welfare is a key priority for both organisations and this strategy was developed with the full support and commitment of myself, my Victorian counterpart Adam Wallish, our respective Boards and senior management teams. It is pleasing that this strategy has now been adopted by all jurisdictions under the auspices of Greyhounds Australasia as an appropriate national strategy.

Now known as the National Greyhound Welfare Strategy, it seeks to drive improvements in all areas of greyhound welfare including breeding, racing, rehoming, as well as participant education. It will result in the introduction and development of various animal welfare initiatives, including competency based licensing across all aspects of the industry, tighter controls on breeding regulation, improved inspection and compliance requirements on greyhound properties, and a focus on maximising racing opportunities for all greyhounds across the country.

There is a lot of work to be done to implement this strategy and over the coming year Greyhounds Australasia will lead consultation with industry participants about the development of various initiatives in the strategy, which will be implemented over the next three years.

Our commitment to the delivery of this strategy is marked by the increased expenditure directed to animal welfare matters. In the last year, we have ramped up our commitment to inspect the premises of all licensed persons in every licensing cycle with a dedicated compliance team now in the field on a daily basis. And consistent with participant feedback suggesting support for a new grading stream for older dogs, GRNSW has introduced Masters Racing providing more opportunities for older greyhounds to continue their racing careers.

When I first became involved in the administration of our sport, the peak body's commitment to greyhound rehoming essentially amounted to making a \$15,000 contribution towards a third party program. Whilst we have moved a long way down the road since that time with the launch of Greyhounds As Pets and many other greyhound welfare initiatives, the acquisition of an industry owned complex at Wyee to expand the capacity of Greyhounds As Pets is a capstone moment for the sport in this State. It is testament to not only the progress made, but our unwavering commitment to continue to deliver superior greyhound welfare outcomes and to meet contemporary community expectations of our industry. Of course the Wyee property is also a commercial pet boarding business, which we will continue to operate whilst using the capacity of the property and the proceeds of the business to expand Greyhounds As Pets.

Finally, can I acknowledge the contribution, counsel and support received by the Hon. George Souris, the former Minister for Tourism, Major Events, Hospitality and Racing,

over many years and wish him well when he retires from politics at the 2015 State election. Can I also thank the Hon. Troy Grant, the new Minister for Hospitality, Gaming and Racing, for his efforts since assuming the portfolio. The Minister and his staff, led by Chief of Staff Alex Bruce, are firmly committed to the long term sustainability of all three codes of racing in this State.

In closing, I thank the GRNSW Board led by Chairman Eve McGregor for their continued support, commitment and leadership of the industry. Can I also pay tribute to the outstanding team that I lead at GRNSW, ably led throughout the year by my senior management team of Darren Simpson, Patrick Hallinan, Michael East, Bill Fanning and Tony O'Mara. As you will have read in the Chairman's Report, Darren Simpson left GRNSW after over nine years with the organisation, the majority of which as my 2IC.

Darren was instrumental in implementing the OzChase computer system, establishing operating standards for all NSW clubs and driving GRNSW's digital platforms, which includes the industry-leading website, thedogs.com.au. And in one of his last contributions to the industry, Darren helped draft the joint GRNSW and Greyhound Racing Victoria Animal Welfare Strategy, which will no doubt prove to be a landmark document in the years to come. Greyhound racing's loss is AFL's gain. I want to publicly acknowledge and thank Darren not only for his contribution to the sport and GRNSW itself, but also for the support, loyalty and counsel he has provided me over the years and wish Darren well for the future.

Finally, 2014 saw the retirement of the legendary Paul Ambrosoli. Many of us don't know Sydney greyhound racing without the voice of Paul Ambrosoli, a voice made for broadcasting. Clearly without peer as a greyhound broadcaster, 'PA' has been a tremendous advocate for the sport, a mentor and a showman with the knack for marketing and advertising. Above all else, PA is a thorough gentleman – when times get tough Paul is first on the phone, not to discuss the issue of the day, but rather to check how you were going "as a person". On behalf of all of us at GRNSW, I wish PA and his wife Pat all the very best in retirement.

Brent Hogan GRNSW Chief Executive



Legendary race caller Paul Ambrosoli with wife Pat (right) and grand-daughter Claire Nutman

Summary of Financial Performance

Whilst the GRNSW Financial Statements for 2014 show an operating surplus of \$3.8 million, the underlying surplus for 2014 was \$228,720. This variation reflects the settlement of a dispute with Tabcorp Holdings and TAB Limited with respect to Race Field Information Use Fees relating to racing activity in 2013 resulting in \$2,846,211 being bought to account in 2014. Further, a new product fee agreement was reached during the year with TAB Limited with respect to its Isle of Man joint venture, Premier Gateway International (PGI). The PGI Agreement resulted in GRNSW receiving \$729,245 in product fees that related to 2013 racing activity in 2014.

On a normalised basis, that is applying the revenue to the year in which the racing activity was conducted and removing the one-off 2013 revenue 'International GST Recovery', total revenue grew by 4.2% from \$42.8 million to \$44.6 million in 2014. This rise in revenue was principally driven by 18% growth in Race Field Information Use Fees on a normalised basis from \$9.6 million to \$11.3 million. Race Field Information Use Fees now represent 25% of the total normalised revenue earned by GRNSW. This outcome was driven by an increase in the Race Field Information Use Fee charged by GRNSW to 15% of the Gross Margin of wagering operator's fielding on NSW greyhound race meetings. GRNSW's fees remain subject to a Government imposed cap of 1.5% of each wagering operator's turnover. Without this cap GRNSW would have realised a further \$5.7 million in revenue. NSW remains the only racing jurisdiction in the country whose capacity to determine its own fee regime is restricted by Government in this manner. In addition to the fee change, the continued strong wagering performance with non-TAB wagering operators on NSW greyhound racing drove this growth.

NSW greyhound racing delivered outstanding wagering growth in the last 12 months with overall sales across all Australian wagering operators reaching \$1.1 billion, a 10% increase on the prior year. This was matched by strong wagering revenue growth of 8.8% to reach \$165.9 million.

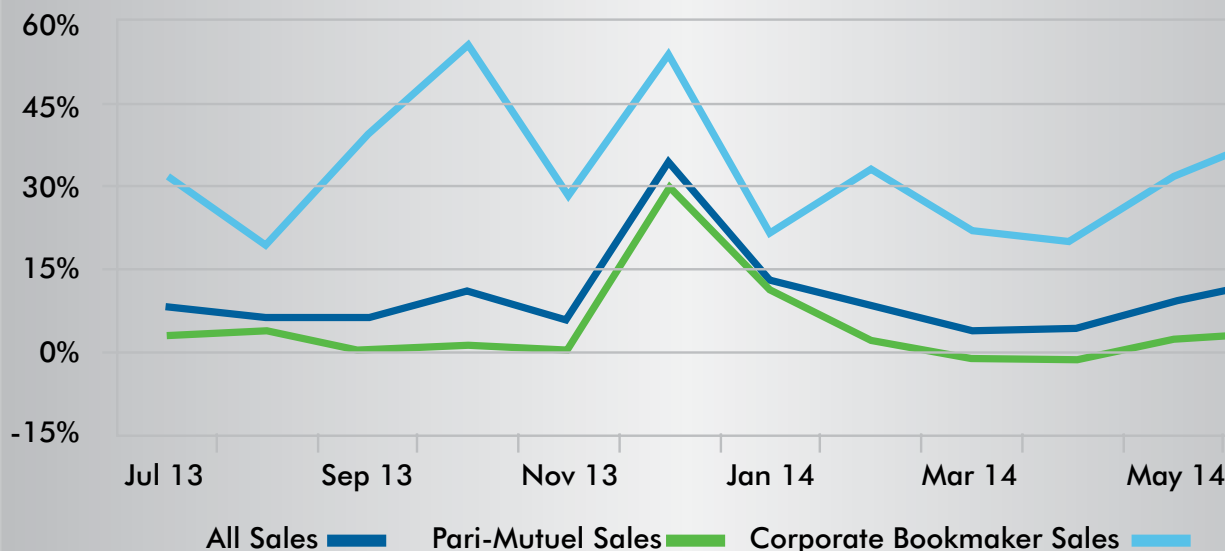
This growth was driven by the corporate bookmaking segment where sales on NSW greyhound racing grew by 32% to \$285.6 million accompanied by revenue growth of 42.6% to reach \$25.2 million.

Wagering Sales Growth on NSW Greyhound Racing

On a normalised basis, TAB Distributions received by GRNSW grew by a mere 0.4% in 2014 from \$31.18 million to \$31.29 million. This outcome reflects the ever increasing competitive landscape that the NSW TAB operates in and the continued shift from pari-mutuel betting to fixed odds betting which does not contribute the same level of return to the racing industry. The reason for this is purely 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 wager. It further continues the medium term trend with respect to TAB Distributions which over the last five years have grown at a mere 0.6% on a compound annual growth rate basis. This is despite the introduction and receipt of revenues related to Trackside and PGI. Indeed if these new sources of TAB Distributions were removed, receipts by GRNSW would have actually declined by 0.5% over the last five years on a compound annual growth rate basis.

Overall expenditure in 2014 reached \$44.4 million, a 5.7% increase on the prior year. \$1.4 million of the \$2.4 million increase in expenditure, or 58% of that increase, was directed to increased prizemoney and race club funding whilst a further 20% of the increased expenditure (\$0.5 million) was directed towards meeting racing and club infrastructure costs. Outside of this, GRNSW continued to increase its spending commitment with respect to drug detection and animal welfare/Greyhounds As Pets with both areas increasing by more than \$180,000, or 8% of the overall expenditure growth respectively.

Wagering Sales Growth on NSW Greyhound Racing



Summary of Financial Performance

The following diagram illustrates how each \$100 of normalised revenue received by GRNSW was spent in 2014. As is evident in the diagram, the vast majority of expenditure is focused on prizemoney and race club costs associated with conducting race meetings, with \$71.50 out of every \$100 spent by GRNSW directed at meeting these costs. In addition to this, a further \$4.50 out of every \$100 spent was

dedicated to funding racing and club infrastructure projects at venues across the State. When you add other direct costs associated with racing including stewarding, drug detection, grading, the production of race form and media, veterinary services and the payment of Blue Paws' bonuses, \$89 of every \$100 spent by GRNSW is directly related to the conduct of racing itself.

Where Each \$100 is Spent



Education & Welfare

New Standards for Animal Welfare

GRNSW made large strides in its push for continued improvement and cultural change in the area of animal welfare.

The most important of these in 2013/14 was the creation and adoption by GRNSW of a joint animal welfare strategy with Greyhound Racing Victoria (GRV).

The joint strategy, which was announced by GRNSW and GRV in February 2014, will establish new standards of animal welfare excellence in the greyhound racing industry by delivering world-class levels of care for all racing greyhounds.

Once fully implemented, the joint strategy will result in the introduction and development of various welfare initiatives. These include:

- Higher levels of education for trainers and breeders, including a requirement for all new participants to be assessed on core competencies before obtaining or upgrading a licence;
- Tighter controls on breeding regulation and the promotion of more responsible breeding practices;
- A requirement for all greyhounds to be under the care of a registered participant at all times during their lifecycle, unless retired as a pet;
- Improved inspection and compliance requirements for greyhound properties;
- A star rating system to be introduced for all greyhound facilities at which greyhounds are housed during their lifecycle;
- A tiered system of trainer licence types which will stipulate how many greyhounds a trainer can train;
- Ongoing enhancements to each of the state's greyhound re-homing programs to maximise the opportunities for retired greyhounds; and
- New measures to maximise racing opportunities and ensure all greyhounds have the ability to reach their full potential.

Crucially, the joint animal welfare strategy has now been adopted at a national level by Greyhounds Australasia, with all of its members endorsing it in May 2014.

This will allow for the entire greyhound industry across Australia to pool its resources and work together towards implementing each of the key initiatives outlined in the welfare strategy.

The next 12 months will be significant for the joint animal welfare strategy, with many of the proposed initiatives set to be introduced and developed to ensure that improvements can continue to be made in the area of animal welfare.

Education and Compliance Unit

To complement the work being done at a national level, GRNSW also continued to make its own progress on animal welfare in 2013/14. A total of \$1.3 million was invested in greyhound welfare during the 12-month period, including funding for the establishment of the new GRNSW Education and Support Unit to help drive welfare improvements among NSW participants.

The new unit is tasked with up-skilling and monitoring participants' adherence to welfare standards by undertaking regular inspections of racing kennels as well as rearing, breeding and greyhound education facilities. It is also responsible for training new people to the sport on how to properly care for their greyhounds.

The unit builds on the initial success of the pilot education program – Certificate II in Greyhound Racing – which is run by GRNSW in partnership with Hunter TAFE and the NSW Department of Education and Communities. The program is aimed to address significant skill gaps within the industry and train participants in relevant areas, including the general care of greyhounds and basic welfare standards.

The first graduates of this program were awarded their certificates at the NSW Greyhound of the Year awards in March 2014.

This scheme will be further developed during 2014/15, providing an important boost to the greyhound racing industry.

Greyhounds As Pets Expands

A new era for the GRNSW Greyhounds As Pets program was heralded with the purchase of a new property at Wyee, on the NSW Central Coast.

The purchase of the 3.5 acre property will allow GRNSW Greyhounds As Pets to expand as it can house up to 120 dogs at any one time when fully operational, of which about one-third will be greyhounds.

The property is an important part of GRNSW's unwavering commitment to animal welfare and also addresses a key recommendation by the Select Committee on Greyhound Racing in NSW that called for greater resources for greyhound rehoming, including allocating funding for greyhound adoption facilities.



NSW Minister for Racing, the Hon. Troy Grant, gets acquainted with Greyhounds As Pets inductee Romeo at the official opening of the Wye property

Both GRNSW Chairman Eve McGregor and NSW Racing Minister, the Hon. Troy Grant, were on hand to open the new facility, which will provide the best care for post-racing greyhounds and the greatest opportunity for them to be rehomed.

Through the purchase of the Wye property, GRNSW is also inheriting a successful boarding facility which will offset the associated costs generated by the Greyhounds As Pets program.

GRNSW Greyhounds As Pets also continued its partnership with Corrective Services NSW during 2013/14, in particular with the Dillwynia Correctional Centre in Western Sydney.

For the inmates at the Dillwynia Correctional Centre who have been selected to work in the Greyhounds As Pets program and socialise, exercise and care for these greyhounds, it is an opportunity to gain valuable vocational skills to increase their opportunities for employment once released from custody.

Greenhounds

The Greenhounds program, which allows for pet greyhounds not to wear muzzles in public places, continued to grow in 2013/14.

The scheme is continuing to positively change people's perceptions about greyhounds and has aided the transition of greyhounds from racing to life as a family pet and a companion.

A total of 128 new Greenhounds were approved over the 12 months and there was also a broadening of locations where Greenhounds were able to be assessed.

To date almost 400 greyhounds have become approved Greenhounds since the program was launched in late 2011.

The Greenhounds website (www.greenhounds.com.au) also remains an important tool for promoting the program and helping the public discover more about the benefits of owning greyhounds.

Integrity

Maintaining a Level Playing Field

GRNSW once again led the way in drug detection by conducting a record number of swabs in 2013/14.

A total of 5,719 swabs were carried out by GRNSW, which was nearly a 3% increase on the previous year's total. 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 2013/14, 53 returned positive results for prohibited substances, an increase from 35 in the previous financial year.

Drug Analysis and Testing

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

While any rise in positive swabs is unfortunate, it once again highlights the effectiveness of GRNSW's swabbing policy, which is underscored by target testing based on form and precedent. The policy also requires all winners from Wentworth Park - the state's premier greyhound racing venue - to be swabbed as well as those that win or qualify for feature races.

To ensure GRNSW remains the industry leader in drug detection, a further increase has been committed to the drug detection budget, with an additional \$1.1 million allocated to it in 2014/15.

Part of this increase in spending on drug detection will lead to a further increase in the amount of swabs carried out. It will also ensure GRNSW can continue to conduct out of competition testing, which is essential to assist with the discovery of substances such as Erythropoitin (EPO) and its derivatives.

During the Macro Meats Golden Easter Egg Carnival, for example, GRNSW stewards conducted state-wide out of

competition testing of greyhounds competing in the feature events, including the Group 1 Macro Meats Golden Easter Egg, the Group 3 Macro Meats New Sensation and the Group 3 Sportingbet Magic Maiden.

Integrity Control Room

2013/14 marked the third full year that the GRNSW integrity control room has been in operation. The integrity control room is now in effect for all NSW TAB venues following the inclusion of Wagga in early 2013/14.

The integrity control room allows stewards to monitor off-course betting trends from all wagering operators and instantly review race footage, while also enhancing the oversight of venues which were previously only serviced by one steward.

Integrity control rooms are now commonplace in racing and other sports, having recently been adopted by several other racing codes across the world, as well as major sporting organisations such as the NRL.

Local Rule Changes

GRNSW introduced a number of local rule changes in 2013/14 that aim to provide a range of benefits to the sport, including greater transparency to the wagering market and ensuring the welfare of greyhounds competing in races.

In May 2014, GRNSW announced three new local rules that prevent transfers of ownership and changes of trainer after the appointed scratching time for a race meeting.

The new rules were introduced to provide greater surety to people who wager on greyhound racing in NSW, while also providing GRNSW with certainty over who is responsible in the event that a positive sample is obtained from a greyhound.

Under the changes, new owners and lessees are required to lodge either a prescribed transfer of ownership or a registration of lease form to GRNSW within 10 days of a greyhound being transferred. Trainers also have to notify GRNSW within three days of a greyhound coming into or leaving their care. These notices are not to be accepted by GRNSW if they are lodged after the appointed scratching time for a meeting the greyhound is entered into.

In another local rule change, any greyhound which has not raced in the past six months is now required to undergo a veterinary examination by a GRNSW veterinarian and complete a satisfactory trial prior to their next race start.

By requiring greyhounds which have not raced for six months to undergo a veterinary examination, it ensures that any underlying condition or injury will be identified prior to racing. The reassurance that a greyhound will be able to compete at the required level also provides further confidence in the wagering product offered by NSW greyhound racing.

Integrity

National Rule Changes

On 3 October 2013, Greyhounds Australasia announced amendments to the National Racing Rules, effective 1 January 2014.

The most significant Rule changes were those made to Rules 57 and 84.

The amendment to Rule 57 means that in the event of an abandoned race that is a leg of a series, stewards have the ability to progress a greyhound into the next leg of a series if they are of the belief that the greyhound would have qualified had the race not been abandoned. The greyhound would also be exempt from any ballot conducted to determine who progresses to the next stage of the series. This amendment followed the introduction by GRNSW of an identical rule in 2012/13.

The change to Rule 84 requires any person in charge of a greyhound to maintain a record detailing all treatments administered to the greyhound. This includes detailing all vaccinations, antiparasitics and medical treatments administered to a greyhound for a minimum of two years. To assist participants with the introduction of the treatment records rule, GRNSW held information sessions across the State to detail what exactly would be required to comply with the new rule.

Other amendments included:

- Amendments to Rule 23 (Withdrawal after box draw) - Rule amended to ensure that a greyhound cannot compete from the time it was withdrawn until the day of the event from which it was withdrawn, in addition to the standard 10-day period of prohibition imposed because of the withdrawal; and
- Amendments to Rule 20 (Stewards control and regulation of race meeting) – Added a clause that gives stewards the power to request a veterinary certificate for a greyhound for any reason.

Disciplinary Action and Appeals

During 2013/14, disciplinary action against participants involved 24 disqualifications (13 in 2012/13).

There were 12 appeals to the Racing Appeals Tribunal relating to greyhound racing matters determined (compared to nine in 2012/13).

Appeal Results

Upheld	3
Dismissed	4
Penalty Varied	2
Withdrawn	3



Operations

Masters Racing

GRNSW announced the introduction of a Masters racing category for greyhounds aged 3 ½ years (42 months) and over in April 2014, with races to be scheduled at all TAB tracks via a coordinated race program. The introduction of a Masters racing category aims to extend the career of racing greyhounds and is aligned to GRNSW's commitment to greyhound welfare by maximising the racing opportunities for all NSW greyhounds.

As part of the development of the Masters racing concept, GRNSW sought input from participants on draft Masters Grading Guidelines across April and May 2014 via face-to-face information sessions at TAB tracks and written submissions.

The initial objective of Masters racing is to have one event programmed each week in each region of the State. However, as demand increases, the number of racing opportunities will be increased, with a longer-term view of there being consistent Masters racing at each TAB race meeting.

Prizemoney for the Masters category of racing has been placed between TAB B and TAB C Grade prizemoney levels and will be the same level for all Masters grades. Prizemoney levels, the Masters Grading Guidelines and Masters race programming will be reviewed after six months.

OzChase

In December 2013 Western Australia moved all of their operations onto the OzChase system, with Queensland following suit in early August 2014.

During the 2013/14 financial year additional functionality was added to OzChase including enhancements to the online nominations portal, the introduction of microchip and swabs management, and the centralised payment of Blue Paws bonuses for the majority of Blue Paws events. Also of note, was the introduction in February 2014 of personal email notifications for owners and trainers when a greyhound has been entered into a race – an industry first in NSW.

Moving forward, GRNSW will continue to drive improvements and enhancements to OzChase for the benefit of participants in the sport, including comprehensive injury reporting functionality and further upgrades to online services.

The Gardens

In June 2014 a new club was formed to conduct greyhound racing at The Gardens greyhound racing complex in Wallsend.

The Gardens Greyhound Club Ltd was registered to operate all racing and trialling conducted at The Gardens as well the venue's commercial operations from 1 July 2014 following an open and competitive tender process.

The Gardens Greyhound Club Ltd has an open club membership and, following the first Board's term, will have a mix of independent and member elected directors. The Board structure reflects best practice in corporate governance principles and will bring greyhound racing into line with the practices in place in clubs in other racing codes.

The club is comprised of a new board that will initially be made up of four members, including:

- Brett Lazzarini (Chairman)
- Ronald Bell (Vice Chairman)
- Alan Williamson (Club CEO/Secretary)
- Michael Brown (Treasurer)

GRNSW acknowledges the Greyhound Breeders, Owners and Trainers Association for its efforts as interim operator of The Gardens throughout 2013/14 and during the transition period, ensuring that racing was able to continue uninterrupted throughout the period.

Infrastructure Projects

Throughout the 2013/14 financial year GRNSW funded a number of maintenance items and capital projects across NSW clubs. This included:

- \$285,820 for the grandstand roof replacement and upgrade of the adjoining areas at The Gardens;
- \$72,300 for the upgrade of the track profile and surface at Wagga Wagga;
- \$46,990 for the rejuvenation of the track surface at Bulli;
- \$39,148 for the replacement of the semaphore board at Nowra;
- \$26,819 for the replacement of the running rail at Muswellbrook;
- \$21,080 for the restoration of the grandstand seating at Wentworth Park;
- \$14,999 for the construction of a covered walkway at Gosford; and
- \$12,129 for the installation of a large scale water tank at Temora.

Over the past year GRNSW approved a total of 44 capital projects and a total of 296 projects through the Maintenance & Venue Improvement Allowance program.

TAB Racing

In April 2014 GRNSW released a new racing calendar that focused on showcasing provincial racing in a primetime Friday night timeslot in the 2014/15 season.

The 2014/15 calendar sees seven provincial tracks staging their feature race meeting heats and finals on a Friday night, with the second meeting containing the finals being conducted for prizemoney equivalent to a Wentworth Park Friday meeting.

Operations

The seven provincial tracks and feature events are:

Venue	Race
The Gardens	Group 2 Black Top
Dapto	Group 1 Megastar
Lismore	Group 2 Lismore Cup
Gosford	Group 2 Gosford Cup
Richmond	Group 2 Richmond Derby
Maitland	Group 2 Maitland Gold Cup
Bulli	Group 2 Bulli Gold Cup

The Friday night provincial meetings form part of a racing series supported by the promotional campaign 'Thank Dog It's Friday' which is run by GRNSW in conjunction with the participating clubs. The changes provide participants with the opportunity to race for higher prizemoney and also allow for racing to be conducted that cannot occur at Wentworth Park, such as middle-distance and one-turn racing, while providing an additional option for greyhounds that are not suited to racing at Wentworth Park.

Other significant changes to the racing calendar include the National Derby and National Futurity series returning to Wentworth Park in the Saturday night timeslot after being held at The Gardens over recent years and 26 race meetings being allocated to the Maitland track on Wednesday afternoons to increase accessibility to one-turn racing in the Hunter region.

TAB Club Funding Model

From 1 July 2014, TAB clubs will operate under a new funding model. Following an extended period of consultation, the GRNSW Board decided to reform the way it financed the TAB sector in order to provide clubs with higher levels of certainty for their finances.

The new funding model recognises that the operational requirements and running costs are standard across the TAB sector, no matter what the category of meeting.

It also removes the funding uncertainty attached to aspects of the old arrangements, enabling clubs to budget with confidence while treating all clubs equally.

The reform is a 'line in the sand' moment for the sport which will enable future funding increases to be directed to targeted areas.

The new model splits club funding into fixed and variable components. The fixed components include:

- An allowance for a club secretary;
- An allowance for a track curator; and
- An allowance for 'fixed operating costs' such as rates, accounting, audit and cleaning expenses.

The variable component will be paid to clubs on a 'per meeting' basis and is intended to cover staffing costs for a race meeting, as well as other costs such as veterinarians, photo finish equipment, camera operators, electricity, race books and security.

Aside from splitting funding into fixed and variable portions, the biggest single change to the funding model is the abolition of the on-course tote rebate and the club incentive scheme. By eliminating these two variable funding sources, GRNSW can allocate defined funds to clubs and provide them with increased certainty.

Invariably a change of this nature results in some clubs being slightly better off and some worse. In recognition of this, GRNSW developed a transition plan into the roll out of the model. Transition arrangements will continue through 2015/16 and be totally dissolved in 2016/17, with all clubs being treated equally from this point in time.

Industry Statistics

Greyhounds

Year	Litters Registered	Greyhounds Named
2009-10	1,306	6,595
2010-11	1,276	5,491
2011-12	1,069	6,141
2012-13	1,148	5,689
2013-14	1,248	5,317

Participants

Year	Trainers	Owner/Trainers	Attendants
2009-10	1,553	2,329	1,233
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

Trial Tracks

The following trial tracks were registered in accordance with the GRNSW Trial Track Registration Policy during 2013/14:

- Abernethy Trial Track
- Box Hill Trial Track
- Cardiff Greyhound Social Club
- Casino Trial Track
- Cessnock Trial Track
- Keinbah Trial Track
- Sunny Lodge Education Centre
- Vee McGee Trial Track
- Wollondilly Trial Track.

Wagering, Media & Content

Wagering Growth

The 2013/14 financial year confirmed that the popularity of greyhound racing as a betting medium has never been higher.

Turnover on NSW meetings increased by almost 10% to \$1.14 billion in the 12-month period, while most importantly, wagering revenue generated on NSW greyhound races grew by almost 9% (\$13.8 million) to reach \$165.9 million.

Much of this growth can be attributed to corporate online wagering operators. Revenue in this sector on NSW greyhound racing grew by more than 45% to total \$25.6 million.

This increased interest in greyhound racing led to record turnover on the final night of the Macro Meats Golden Easter Egg carnival. Nationally sales on the meeting reached \$3.5 million, growing by more than 22% when compared to the previous year, with 31% of the sales coming from the corporate bookmaking sector.

The success of the Macro Meats Golden Easter Egg was undoubtedly enhanced by the coverage of GRNSW's primary media partner SKY Racing and the showcasing of the meeting on SKY Racing2.

The 2013/14 financial year also saw the continuation of the trend where punters migrated away from traditional pari-mutuel betting in favour of fixed odds.

Figures from Tabcorp, for example, show that nearly one-third of their sales on NSW greyhound racing were generated through fixed odds betting – up from 18% in the previous financial year.

Naturally, this has resulted in a drop in pari-mutuel betting, which has fallen from 81% of Tabcorp sales in 2012/13 to account for just over 70% in the past 12 months (see table below).

Looking forward, a key objective of the Wagering, Media & Content Unit in 2014/15 is to continue to build on these strong wagering figures while also identifying new wagering avenues, particularly in the digital sector.

Digital Expansion

Another key development in 2013/14 was the strong performance of wagering across digital platforms, especially among younger punters.

Given the growth in the digital sphere, GRNSW made a concerted effort to continue to expand its digital offering throughout 2013/14.

This resulted in the increased offering of the industry leading website – thedogs.com.au – which introduced form, selections and race replays for all Western Australian TAB meetings. With Queensland also joining thedogs.com.au in early 2014/15, the website now offers comprehensive form for all states except Victoria.

The expanded form coverage now available on the website thedogs.com.au was complemented by the first full year of operation for the GRNSW Media & Content Unit. Featuring the most experienced journalist in greyhound racing, Jeff Collerson, the unit has been responsible for generating original greyhound racing content and publishing it across a range of digital channels including thedogs.com.au website, social media channels, The Dogs TV as well as to regional media outlets across the State.

This has resulted in strong growth in the rates of engagement with The Dogs TV as well as GRNSW's Facebook, Twitter and YouTube accounts.

Perhaps the most significant development in the digital expansion for GRNSW was the launch of thedogs.com.au smart phone app.

Available for free both on iOS and Android operating systems, thedogs.com.au app offers its members all the latest fields, form, expert selections, replays and results on greyhound races across Australia in a convenient mobile format and has been lauded as one of the leading mobile tools across all three codes of racing.

NSW Greyhound Market Share by Sector

	Market Share
Totalisators	72.29%
Corporate Bookmakers	25.08%
Betting Exchanges	2.63%
Total	100%



NSW Greyhound of the Year nominee Punch One Out

Wagering, Media & Content

65 Roses Campaign

GRNSW staged its third 65 Roses campaign in 2013/14, which helped raise money and awareness for people living with Cystic Fibrosis.

As part of the 65 Roses campaign, each of the 33 greyhound racing tracks in NSW staged their own 65 Roses Race Meeting in May 2014. Every time a greyhound wearing the red rug (number one) won a race at a 65 Roses Race Meeting, GRNSW donated \$250 to Cystic Fibrosis NSW.

Cystic Fibrosis is the most common life threatening, recessive genetic condition affecting Australian children. At present there is no cure, however organisations such as Cystic Fibrosis NSW are dedicated to providing services and support to people in NSW who live with Cystic Fibrosis.

For the first time, Greyhound Racing South Australia became involved and donated \$250 for every red rug winner at all Angle Park meetings staged throughout May to Cystic Fibrosis SA.

In total, 83 greyhounds wearing the red rug won at designated 65 Roses Race Meetings with the campaign raising \$37,677. This means that in the campaign's short history it has raised more than \$100,000 for Cystic Fibrosis.

The total generated so far in the three years the 65 Roses campaign has been held underlines how generous the greyhound racing clubs, participants and fans of the sport really are, with the vast majority contributing to the campaign in any way they could.

NSW Greyhound of the Year

History was made in the 2013 NSW Greyhound of the Year award with Double Twist and Jagger Swagger named joint recipients of the distinguished prize.

Connections of both greyhounds were on hand to accept the joint award at a gala dinner in front of a record attendance at Sydney's Luna Park on 14 March 2014.

Double Twist took home two more awards – the NSW Sprinter of the Year and the NSW Run of the Year – while the Mark Swift-trained Smart Valentino was handed the NSW Stayer of the Year award.

In other major awards former GRNSW Board member and long serving Greyhound Social Club President Tom Green was awarded the Allen Wheeler Medal for lifetime achievement and service to the greyhound racing industry. Mr Green has been involved in greyhound racing since he was 18 and was the driving force behind the creation of the Greyhound Social Club and Potts Park.

Richmond Vale's Jason Mackay won the NSW Trainer of the Year title after training more than 100 winners across NSW. Mackay's boom kennel of winners included NSW Greyhound of the Year nominee Punch One Out, Zipping Tess and Tricky Jade.

Hunter Valley trainer Beau Hedley was named NSW Young Person of the Year while the Temora Greyhound Club Volunteers collectively took out the NSW Volunteer of the Year award. For the second time in three years, the Richmond Race Club was named NSW Club of the Year.



Racing Review

Whether it was newcomers producing incredible performances, veteran trainers achieving their dreams or old favourites saying goodbye, the 2013/14 racing year was certainly one to remember.

Action started in spectacular fashion with Mark Swift and his kennel star Smart Valentino doing NSW proud by taking out the Group 1 National Distance Championship at The Meadows in August.

The win had pundits gobsmacked, considering Swift made the decision not to trial Smart Valentino prior to the Group 1, instead opting to walk The Meadows' track. Swift though had the last laugh, taking out the feature race and the \$75,000 winner's cheque.

The first Group 1 in NSW for 2013/14 was the Sportingbet Megastar at Dapto in September, which for the first time was held on a Friday night. The race lived up to its primetime slot, with Victorian Peter Rocket defeating a stellar field of sprinters to claim a thrilling victory by just over a length.

It was another Victorian who took out the first feature staying race for 2013/14 – the Group 3 Chairman's Cup at Wentworth Park. Proven Impala, trained by Joe Borg, claimed the last victory of her distinguished 81-race career by claiming the \$25,000 top prize with a commanding five-length win.

As the weather warmed up, so did the action on the track. The Peter Hunt-trained Gold Town saw off a high-class field including Xylia Allen and Zipping Willow to claim September's Group 2 Multiquip Bob Payne Sprint at Wentworth Park.

Another Victorian also left the Glebe track smiling a month later when Robert Britton claimed the Group 3 Bohemia Crystal Sydney Cup with Lucy Wires in October.

The stayer had only finished fourth in the previous week's heat but she produced a thrilling final surge to edge out her rivals by under a length in a heart-stopping final.



NSW Greyhound of the Year Jagger Swagger

Troy Vella - a plasterer by trade - may only have been a hobby trainer but he certainly scored big with Belfast Johnny in November's Group 1 Centrebet Vic Peters Classic.

The novice sprinter had already earmarked himself as one to watch with six wins out of seven - and he confirmed that reputation with a stunning victory, smashing Collision's 10-year race record.

It was a fantastic way to crown a first Group race for Vella, who trains his greyhounds out of his western Sydney backyard.

Wentworth Park also staged two memorable Group 3 races back-to-back as the seasons changed and summer made an appearance.

After putting her rivals on notice with a 41.98 heat run, Dyna Willow produced another sub-42 second run to claim the Group 3 Schweppes Summer Cup.

Double Twist then enjoyed the latest instalment of a notable first half of the season by claiming the Group 3 AAA Radiators Christmas Gift at Wentworth Park a week later.

That breath-taking performance, which saw Garry Edwards' amazing sprinter surge from a seemingly impossible position to pip rival Edge on the line later earned her the NSW Run of the Year award.

The first NSW Group 1 race of 2014 brought more success for Robert Britton, with Iona Seven seeing off a formidable field to claim the Group 1 Sportingbet Paws of Thunder at Wentworth Park.

Attention then shifted to Unibet Gardens for the Group 1 Newcastle Herald National Derby and the Group 1 Dogpro National Futurity in February.

Rue De Kahn illustrated how unpredictable greyhound racing can be with a stunning victory in the National Futurity. Starting the final as a distant \$21 shot, Dean Swain's greyhound powered home by almost five lengths to claim the \$75,000 top prize.

Zipping Brock then edged out Evil Punk by a neck to win the National Derby and his first career Group 1.

In March the who's who of NSW greyhound racing descended on Luna Park for the 2013 NSW Greyhound of the Year awards night.

In somewhat of a shock announcement, Double Twist and Jagger Swagger were named joint recipients of the 2013 NSW Greyhound of the Year award.

Judges could not split the pair after both enjoyed superb years, with Jagger Swagger's achievements including taking out the 2013 National Derby and the Richmond Derby before being victorious in the Bulli Gold Cup.

Racing Review

Double Twist, meanwhile, had a stellar year in 2013 winning 19 races including the Group 3 Christmas Gift and the Group 3 Nowra Puppy Classic. She also competed in the Group 1 Sportingbet Megastar and broke the 520m track record at Dapto in December.

While the feats of Jagger Swagger and Double Twist were remarkable, arguably the most spectacular story of 2013/14 revolved around Shakey Jakey.

On debut in a heat of the Group 3 Sportingbet Magic Maiden, Shakey Jakey set the nation talking when he set a new track record for the 520m at Wentworth Park.

After trialling well prior to the heat, the superlative sprinter scorched around the Glebe circuit, stopping the clock at 29.07.

The new time standard lowered Punch One Out's previous 29.27 record by two tenths.

It was therefore all the more stunning when owner-trainer David Pringle announced shortly afterwards that Shakey Jakey would be retired to stud.

The Golden Easter Egg Carnival concluded on Easter Saturday with the Victorian chaser Tonk defeating a terrific line-up of sprinters to claim the \$250,000-to-the winner Group 1 Macro Meats Golden Easter Egg Final.

That same night at Wentworth Park another Victorian - Sweet It Is - claimed the Group 1 AAA Radiator Specialists

Association Cup over 720m for hard-working trainer Darren McDonald.

Feature racing turned to Maitland next for the Group 2 PPK Mining Maitland Cup in March. The cup provided a glorious bookend to the superb career of NSW whelped sprinter Paw Licking, who claimed the \$40,000 top prize.

After emerging from the tiny Northern Rivers base of Stratheden, Paw Licking became one of the country's top sprinters under the gaze of trainers Allan Lang and, later, Kel Greenough.

The last NSW Group 1 race of the 2013/14 season also threw up an unforgettable story, with Bessy Boo claiming the Rapidvite Peter Mosman Classic.

It was the first Group win for stalwarts Alan and Christine Proctor after more than four decades in the racing game.

The unlikely victory demonstrated yet again that in greyhound racing, dreams can come true.

Emotions at Wentworth Park were also running high a week later when legendary Paul Ambrosoli called his final race night after almost 50 years in the business.

The racing fraternity queued up to pay tribute to the man known simply as 'PA' - illustrating yet again the great camaraderie that exists in the sport.



NSW Greyhound of the Year Double Twist



Eve McGregor

BA LLB
Chairman

Ms McGregor is a Corporate Lawyer with extensive in-house experience in the areas of media rights, licensing and distribution, copyright and general commercial matters. Ms McGregor was appointed to the Board of GRNSW in February 2012.

Previously, Ms McGregor was a Senior Corporate Lawyer at Sky Channel and Tabcorp, and prior to this held senior legal roles with the copyright collecting society APRA/AMCOS, and Southern Star Entertainment.

Ms McGregor is currently the Legal and Business Affairs Manager of The Wiggles Pty Ltd and the Head of Legal and Regulatory Affairs for Commercial Radio Australia Ltd.

Ms McGregor has been Chairman of GRNSW since February 2012.



David Clarkson

MA (Oxon) FCA
Deputy Chairman

Mr Clarkson is a Chartered Accountant, having worked for Ernst & Young in London and Sydney. He was appointed to the Board of GRNSW in February 2012.

He is currently the Financial Controller and Company Secretary of the Australian Financial Markets Association.

From 1987 to 2006 Mr Clarkson was the Finance Manager of the Australian Jockey Club and is also a former Director of the Dubbo Turf Club.



George Bawtree

BA FIPAA

Mr Bawtree is a consultant working in the public sector, particularly on major infrastructure projects and refinancing in the area of stakeholder relations, communications and probity. He was appointed to the Board of GRNSW in February 2012.

From 2004 to 2007 he was Chief Executive of GRNSW and prior to this held senior positions at Sydney Water.

Mr Bawtree has extensive involvement in volunteer based professional, community and sporting organisations.



Peter Davis

Mr Davis has been involved in the greyhound racing industry for 35 years both in the media as well as an owner/trainer and breeder. He is a third generation participant, with his grandfather first training out of Cootamundra in the late 1930s. He was appointed to the Board of GRNSW in February 2014.

He is viewed as one of the leading voices in the racing media having been one of Sky Racing's feature commentators on greyhound racing. This included roles as co-host of 'The Catching Pen' and host of Sky Racing Radio's 'Going Greyhounds'.

Mr Davis is currently regional racing editor for Fairfax Media.



Megan Lavender

Ms Lavender is peer recognised as one of the Asia Pacific's best third sector chief executives and has held senior management roles in the corporate, government and non-profit sectors. An experienced company director, she currently sits on the boards of Sport New South Wales, the Royal Automobile Club of Australia and the Bankstown Harness Racing Club.

Ms Lavender was appointed to the Board of GRNSW in February 2014.

Ms Lavender has also served as an elected city councillor and advisor to a former federal minister for sport, tourism and the Olympics.

She currently operates her own management consultancy business.

Board Report

Members

Members of the Greyhound Racing NSW Board are appointed under the Greyhound Racing Act 2009. The names and particulars of the Board Members in office on the day this report is made out are as indicated on pages 20 and 21.

Board Membership Changes

Board Members are appointed for a maximum term of four years under the Greyhound Racing Act 2009.

There were two changes to the GRNSW Board in this financial year. Murray Nicol resigned from the GRNSW Board in September 2013. Joyce Alamango's term expired at the end of January 2014.

The NSW Minister for Racing the Hon. George Souris announced Megan Lavender and Peter Davis as the new appointments to the GRNSW Board in January 2014, following recommendations by an independent selection panel. Ms Lavender and Mr Davis were appointed to four year terms on the GRNSW Board.

Meetings of Board Members

During the financial year, the Board met 11 times. Attendance at meetings was as follows:

Board Members	Attended	Eligible to attend
E. McGregor	11	11
D. Clarkson	8	11
J. Alamango	6	6
G. Bawtree	11	11
M. Nicol	2	2
P. Davis	5	5
M. Lavender	5	5

During the period 1 July 2013 to 30 June 2014, there were no occasions when substitute delegates attended meetings of the Board.

Meetings of Board Committees

The Board of GRNSW has established two Committees to consider matters relating to the functions below, as well as other matters as allocated to each Committee by the Board of GRNSW from time to time, and to prepare reports and recommendations on such matters for the Board to consider as a whole.

Audit and Compliance Committee

The Audit and Compliance Committee is responsible for overseeing and appraising the quality of the external audit and the internal control procedures, as well as setting, reviewing and ratifying corporate compliance policies, and overseeing the implementation of a corporate compliance system regarding financial, policy and employment issues, with a particular focus on:

- Financial reporting and practices;
- Business ethics, policies and practices;
- Accounting policies; and
- Management and internal controls.

During the financial year, the Audit Committee met on one occasion.

Committee Members	Attended	Held
D.Clarkson	1	1
G.Bawtree	1	1

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for recommending to the Board:

- The appointment of a Chief Executive;
- Recommendation of policy for payment of remuneration and allowances of Directors/members; and
- Undertaking a detailed review of the Chief Executive's performance.

During the financial year, the Remuneration and Nomination Committee did not meet. The review of the Chief Executive's performance was undertaken during a normal board meeting.

Indemnification of Officers and Auditors

GRNSW has paid an insurance premium for Directors and Officers liability insurance for Members of the Board and management. GRNSW has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or auditor of itself or of any related body corporate against a liability incurred as such by an Officer or auditor.



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.

GRICG Membership

Ron Arnold (Chairperson)

Country Clubs Representative

George Hayes (Deputy Chairperson)

NSW Greyhound Breeders Owners & Trainers Association

Wayne Billett

TAB Clubs Representative

Bob Green

NSW Greyhound Breeders Owners & Trainers Association

Mark Merlino

Bookmakers Representative

Mark Alamango

Registered Greyhound Participants Association

GRICG Chairperson's Report

Throughout the year GRICG received an increase of correspondence from participants that was helpful in making representations to the GRNSW Board.

GRICG minutes have been displayed on the website thedogs.com.au and we encourage clubs and participants to follow the detail. GRICG is mindful of a perceived lack of communication within the sport and is strongly committed to bringing GRNSW, clubs and participants into more discussion on matters relative to racing.

We thank the GRNSW Board and management for their endeavours throughout the year.

Ron Arnold
GRICG Chairperson



Sweet It Is on her way to winning the Group 1 AAA Radiator Specialists Association Cup at Wentworth Park in April

2013/14 Payments To Clubs

Club / Entity	Administration Payments	Club Incentive Scheme	On Course Tote	Total
Armidale	78,772	0	0	78,772
Broken Hill	135,038	0	882	135,920
Casino	242,640	28,256	35,013	305,909
Coonabarabran	78,722	0	0	78,722
Coonamble	95,652	0	0	95,652
Cowra	106,905	0	0	106,905
Dapto	262,860	80,286	93,447	436,593
Dubbo	146,490	35,099	31,003	212,592
GBOTA - Appin	1,900	0	37	1,937
GBOTA - Bathurst	217,290	8,972	39,087	265,349
GBOTA - Bulli	247,695	0	45,848	293,543
GBOTA - Gosford	267,915	7,148	49,420	324,483
GBOTA - Gunnedah	140,665	0	2,824	143,489
GBOTA - Lismore	262,860	11,361	35,900	310,122
GBOTA - Maitland	262,860	22,847	45,575	331,282
GBOTA - Temora	157,545	0	2,781	160,326
GBOTA - Wentworth Park	2,286,118	100,000	343,855	2,729,973
Goulburn	157,960	9,056	15,688	182,704
Grafton	186,240	35,089	40,991	262,320
Kempsey	146,292	0	3,779	150,071
Lithgow	157,545	0	0	157,545
Moree	95,652	0	2,049	97,701
Mudgee	78,772	0	0	78,772
Muswellbrook	157,545	0	0	157,545
Nowra	235,515	27,176	33,487	296,178
Richmond	473,790	13,059	100,976	587,825
Social Club	123,785	0	7,435	131,220
Tamworth	112,532	0	1,347	113,879
Taree	146,292	0	3,031	149,323
The Gardens	580,275	8,759	103,216	692,249
Tweed Heads	146,292	0	19,032	165,324
Wagga Wagga	104,085	32,759	12,205	149,049
Wauchope	135,038	0	0	135,038
Young	106,905	0	1,224	108,129
TOTALS	8,136,442	419,867	1,070,133	9,626,442

Infrastructure Projects

2013/14 Capital Funding Activity Summary

Club / Entity	SRWMF Funding	Other Funding	Total
Armidale	2,284	0	2,284
Broken Hill	6,845	947	7,792
Casino	17,514	6,556	24,070
Coonabarabran	6,893	4,500	11,393
Coonamble	8,285	5,788	14,073
Cowra	3,059	0	3,059
Dapto	24,574	3,410	27,984
Dubbo	25,000	8,455	33,455
GBOTA - Bathurst	25,005	0	25,005
GBOTA - Bulli	22,770	46,690	69,460
GBOTA - Gosford	25,000	31,370	56,370
GBOTA - Gunnedah	5,864	12,000	17,864
GBOTA - Lismore	25,000	0	25,000
GBOTA - Maitland	25,000	24,430	49,430
GBOTA - Temora	10,000	24,669	34,669
The Gardens	28,338	381,165	409,503
GBOTA - Wentworth Park	0	145,920	145,920
Goulburn	14,261	2,738	16,999
Grafton	25,000	10,312	35,312
Kempsey	9,217	5,315	14,532
Lithgow	8,334	5,315	13,648
Moree	4,513	0	4,513
Mudgee	9,061	0	9,061
Muswellbrook	9,978	0	9,978
Nowra	11,280	48,365	59,645
Richmond	35,000	91,673	126,673
Social Club	9,963	10,365	20,328
Tamworth	10,000	4,615	14,615
Taree	9,672	7,084	16,755
Tweed Heads	4,341	0	4,341
Wagga Wagga	20,000	78,164	98,164
Wauchope	9,920	3,360	13,280
Young	9,655	3,086	12,741
GRNSW / Industry Wide	0	584,599	584,599
TOTALS	461,626	1,550,891	2,012,517

Five Year Comparison

	FY10	FY11	FY12	FY13	FY14
Racing Activity					
Number of Race Meetings Conducted					
Metropolitan	104	105	106	105	104
TAB	572	726	731	764	820
Non-TAB	698	550	496	429	358
Number of Races Conducted					
Metropolitan	1,040	1,050	1,053	1,052	1,044
TAB	5,339	7,369	7,525	7,671	8,697
Non-TAB	7,852	5,790	5,338	4,502	3,409
Number of Starters					
Metropolitan	7,966	8,096	8,119	8,095	7,881
TAB	41,007	56,416	57,679	59,620	62,721
Non-TAB	57,304	42,764	40,357	33,944	25,130
Participant Returns					
Total Prizemoney and Travel Subsidies Paid					
Metropolitan	6,785,935	6,923,275	7,222,138	7,315,685	7,793,320
TAB	9,989,882	12,326,482	12,423,075	12,775,616	13,702,593
Non-TAB	4,163,472	2,960,721	2,823,203	2,512,992	1,741,091
Integrity					
Number of samples tested	3,393	3,398	3,783	5,562	5,719
Percentage of positives	0.94	0.77	1.27	0.62	0.93
Consumer Activity					
Paying attendees at NSW Greyhound meetings					
Metropolitan	51,378	47,251	48,600	52,506	41,074
TAB	62,062	82,037	83,297	87,462	83,070
Non-TAB	70,305	49,295	46,329	46,037	29,540
Average paying attendees per meeting					
Metropolitan	494	450	458	500	395
TAB	109	113	114	114	101
Non-TAB	101	90	93	107	83
On-course totalisator turnover on NSW greyhound meetings					
Metropolitan	7,598,177	5,116,772	6,785,498	6,099,532	6,877,097
TAB	14,207,473	14,763,312	15,486,267	13,558,647	13,637,113
Non-TAB	2,588,494	1,583,280	1,597,957	1,265,349	888,445
Total TAB turnover on NSW greyhound meetings					
	280,523,000	313,311,744	317,782,520	320,126,692	341,868,069
Wagering Market share of NSW greyhound product with TAB Ltd					
	17.2%	19.7%	19.6%	19.6%	21.7%
Government Revenue					
Government revenue from TAB turnover on NSW greyhound meetings					
	18,556,998	20,726,020	21,021,768	21,176,839	22,615,062

Freedom of Information

Greyhound Racing NSW is subject to the provisions of the Government Information (Public Access) Act 2009. During 2013/14 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								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)								
Members of the public (other)	1	2	1					

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

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

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

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	

Freedom of Information

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

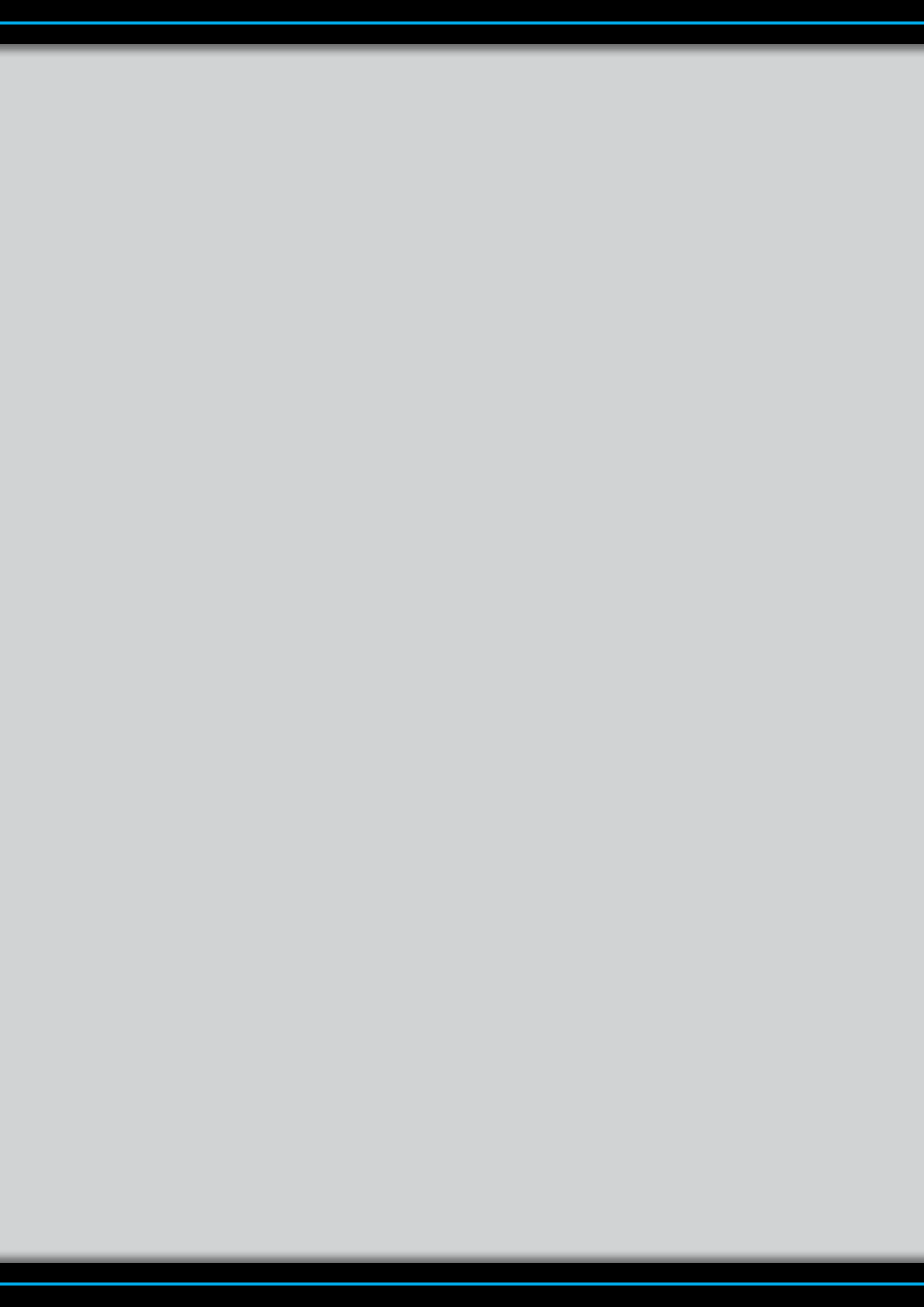
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	
Not decided within time (deemed refusal)	
Total	4

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

	Decision varied	Decision upheld	Total
Internal review			
Review by Information Commissioner			
Internal review following recommendation under section 93 of Act			
Review by ADT			
Total			0

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)	



FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

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 2014

	Notes	2014 \$	2013 \$
Income			
TAB Distributions		32,018,231	30,448,406
Race Field Information Use Fees	14	14,187,573	6,734,242
International GST Recovery		-	652,610
Licensing & Registration Fees		732,415	594,133
Veterinary Services		335,540	279,480
Race Form		322,382	479,309
Interest		206,492	294,052
Marketing & Digital		120,419	152,520
Blue Paws - income		114,473	107,355
Other income		68,945	102,280
Fines & Penalties		56,591	38,748
Greyhounds As Pets		36,295	22,209
Total income		48,199,356	39,905,344
Expenditure			
Prizemoney & Race Club Costs		31,907,926	30,508,353
Finance & Corporate Overheads		2,687,319	2,436,691
Stewarding		2,361,618	2,410,308
Racing & Club Infrastructure		2,012,517	1,465,417
Drug Detection		1,227,731	1,040,200
Grading & Member Services		1,079,775	827,316
Media & Digital		559,287	801,610
IT Costs		508,514	558,365
Veterinary Services		453,323	416,659
Animal Welfare		445,593	297,286
Blue Paws		334,531	383,725
Depreciation		240,351	306,324
Marketing & Events		215,993	209,487
Board Expenses		164,399	175,254
Greyhounds As Pets		76,461	43,296
Loss on sale of fixed assets		58,365	11,687
Other expenses		35,310	87,154
Integrity Auditor		26,167	36,110
Total expenditure		44,395,180	42,015,242
Surplus / (loss) for the year		3,804,176	(2,109,898)
Other comprehensive income		-	-
Total comprehensive income for the year		3,804,176	(2,109,898)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As At 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	897,286	8,463,821
Trade and other receivables	5	10,801,394	9,721,758
Other current assets	7	110,136	675
Total current assets		11,808,816	18,186,254
Non-current assets			
Property, plant and equipment	8	3,334,378	1,558,695
Intangible assets	9	254,100	-
Financial assets	6	7,075,355	6,945,355
Total non-current assets		10,663,833	8,504,050
Total assets		22,472,649	26,690,304
LIABILITIES			
Current liabilities			
Trade and other payables	10	4,781,298	12,834,757
Provisions	11	1,062,267	1,111,839
Total current liabilities		5,843,565	13,946,596
Non-current liabilities			
Provisions	11	81,200	-
Total non-current liabilities		81,200	-
Total liabilities		5,924,765	13,946,596
Net assets		16,547,884	12,743,708
EQUITY			
Reserves	12	676,386	676,386
Retained surplus		15,871,498	12,067,322
Total equity		16,547,884	12,743,708

The accompanying notes form part of these financial statements.

Financial Statements

STATEMENT OF CHANGES IN EQUITY For The Year Ended 30 June 2014

	Reserves \$	Retained surplus \$	Total equity \$
Balance at 1 July 2012	676,386	14,177,220	14,853,606
Loss for the year	-	(2,109,898)	(2,109,898)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(2,109,898)	(2,109,898)
Balance as at 30 June 2013	676,386	12,067,322	12,743,708
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	-	3,804,176	3,804,176
Balance as at 30 June 2014	676,386	15,871,498	16,547,884

STATEMENT OF CASH FLOW For The Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from operations		46,673,767	43,572,421
Payments to suppliers and employees		(52,118,295)	(39,743,027)
Interest received		206,492	294,052
Net cash (used in) / provided by operating activities		(5,238,036)	4,123,446
Cash flows from investing activities			
Payment for property plant and equipment		(813,229)	(60,591)
Acquisition of Playhouse Pet Motel Wyee	18	(1,515,270)	-
Net cash used in investing activities		(2,328,499)	(60,591)
Net (decrease) / increase in cash and cash equivalents held		(7,566,535)	4,062,855
Cash and cash equivalents at the beginning of financial year		8,463,821	4,400,966
Cash and cash equivalents at the end of financial year	4	897,286	8,463,821

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

1 Summary of significant accounting policies

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

The financial statements were authorised for issue on 1 October 2014 by the Board 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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

1 Summary of significant accounting policies (continued)

a) Property, plant and equipment (continued)

Depreciation

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

1 Summary of significant accounting policies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

1 Summary of significant accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

1 Summary of significant accounting policies (continued)

q) New and amended accounting policies adopted

Employee benefits

During the year, the entity adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards. As a result, the entity early adopted AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements because the entity's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The entity has applied AASB 119 (September 2011) and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees. Previously, the entity had separated provisions for benefits with similar characteristics, such as annual leave and sick leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions.

As the entity expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the entity's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the entity's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the entity did not have any of these types of obligations in the current or previous reporting period, these changes did not impact the entity's financial statements.

Fair value measurement

During the year, the entity adopted AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards. As a result, the entity early adopted AASB 2012-1: Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements because the entity's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The entity has applied AASB 13 and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

No material adjustments to the carrying amounts of any of the entity's assets or liabilities were required as a consequence of applying AASB 13.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2014

	2014 \$	2013 \$
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	1,029,581	1,017,483
Other KMP transactions		
For details of other transactions with KMP, refer to Note 16: Related party transactions.		
3 Profit for the year		
Expenses		
Rental expense on operating leases	290,536	279,362
4 Cash and cash equivalents		
Cash at bank	896,136	8,462,671
Cash on hand	1,150	1,150
	897,286	8,463,821
5 Trade and other receivables		
CURRENT		
Receivables	10,801,394	9,721,758
	10,801,394	9,721,758
6 Financial assets		
NON-CURRENT		
Bank Guarantee	377,674	377,674
Wentworth Park Trust	6,497,681	6,497,681
Other loans	200,000	70,000
	7,075,355	6,945,355
7 Other current assets		
Prepayments	110,136	675
8 Property, plant and equipment		
Land and buildings		
Freehold land - at cost	1,320,770	616,350
Buildings - at cost	1,440,400	433,650
Less: accumulated depreciation (i)	-	-
Total buildings	1,440,400	433,650
Total land and buildings	2,761,170	1,050,000
Plant and equipment		
Office equipment and computers - at cost	669,843	623,280
Less: accumulated depreciation	(583,345)	(486,690)
	86,498	136,590

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2014

8 Property, plant and equipment (continued)	2014 \$	2013 \$
Furniture and fittings - at cost	40,609	40,609
Less: accumulated depreciation	(30,325)	(27,029)
	10,284	13,580
Motor vehicles - at cost	597,109	485,002
Less: accumulated depreciation	(120,787)	(138,601)
	476,322	346,401
Website development and software - at cost	578,820	578,820
Less: accumulated depreciation	(578,716)	(566,696)
	104	12,124
Total plant and equipment	573,208	508,695
Total property, plant and equipment	3,334,378	1,558,695

(i) Depreciation expense on buildings is immaterial and has not been charged to buildings.

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 2013	616,350	433,650	136,590	13,580
Additions	264,150	185,850	58,547	-
Acquired through business combinations	440,270	820,900	-	-
Disposals	-	-	(11,983)	-
Depreciation expense	-	-	(96,656)	(3,296)
Carrying amount at 30 June 2014	1,320,770	1,440,400	86,498	10,284
		Motor vehicles	Website development and software	Total
Carrying amount at 1 July 2013		346,401	12,124	1,558,695
Additions		431,500	-	940,047
Acquired through business combinations		-	-	1,261,170
Disposals		(173,200)	-	(185,183)
Depreciation expense		(128,379)	(12,020)	(240,351)
Carrying amount at 30 June 2014		476,322	104	3,334,378

9 Intangible assets	2014 \$	2013 \$
Licence - at cost	254,100	-
Accumulated amortisation	-	-
Net carrying amount	254,100	-

Reconciliation of licence

Balance at 1 July 2013	-
Acquired through business combinations	254,100
Accumulated amortisation	-
Closing carrying amount at 30 June 2014	254,100

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2014

10 Trade and other payables	2014	2013
	\$	\$
CURRENT		
Accounts payable	4,106,036	4,421,640
Prizemoney	428,523	-
Sundry creditors and accruals	246,732	765,000
Australian Taxation Office	7	5
Deferred revenue (note 14)	-	7,648,112
	4,781,298	12,834,757

11 Provisions

CURRENT		
Annual leave	391,354	359,704
Long service leave	105,480	187,737
Approved industry infrastructure funding	561,513	536,078
Other provisions	3,920	28,320
	1,062,267	1,111,839
NON CURRENT		
Long service leave	81,200	-
	81,200	-

	Annual leave	Long service leave	Approved industry infrastructure funding	Other
	\$	\$	\$	\$
Analysis of employee provisions				
Opening balance at 1 July 2013	359,704	187,737	536,078	28,320
Additional provisions	95,351	66,004	1,133,448	-
Amounts used	(63,701)	(67,061)	(1,108,013)	(24,400)
Balance at 30 June 2014	391,354	186,680	561,513	3,920

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 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	245,700	245,700
Later than one year but not later than five years	982,800	982,800
Later than five years	-	245,700
	1,228,500	1,474,200

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

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2014

14 Deferred revenue

During the year GRNSW settled the dispute with Tabcorp Holdings and TAB Ltd in respect of Racefield information use fees and received the amount of \$2,846,211 which is non-recurring revenue.

15 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.

16 Related party transactions

GRNSW has a receivable from The Wentworth Park Trust totalling \$6,497,681 (2013: \$6,497,681) which is interest free. The receivable arose as a result of the privatisation of the Totalisator Agency Board.

17 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:

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	897,286	8,463,821
Loans and receivables	17,876,749	16,667,113
Total financial assets	18,774,035	25,130,934
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables	4,781,298	12,834,757
Total financial liabilities	4,781,298	12,834,757

18 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.

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

19 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 32 to 43:

- 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 2014 and of the performance for the year ended on that date of the consolidated group.

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.

Dated: 1 October 2014



David Clarkson
Greyhound Racing New South Wales - Deputy Chairman



George Bawtree
Greyhound Racing New South Wales - Board Member

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 NSW for the year ended 30 June 2014, 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

RSM BIRD CAMERON

D Talbot

David Talbot

Sydney, NSW

Dated: 1 October 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREYHOUND RACING NSW

We have audited the accompanying financial report of Greyhound Racing NSW ("the entity"), which comprises the statement of financial position as at 30 June 2014, the statement of 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 directors' 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Greyhound Racing NSW as at 30 June 2014 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

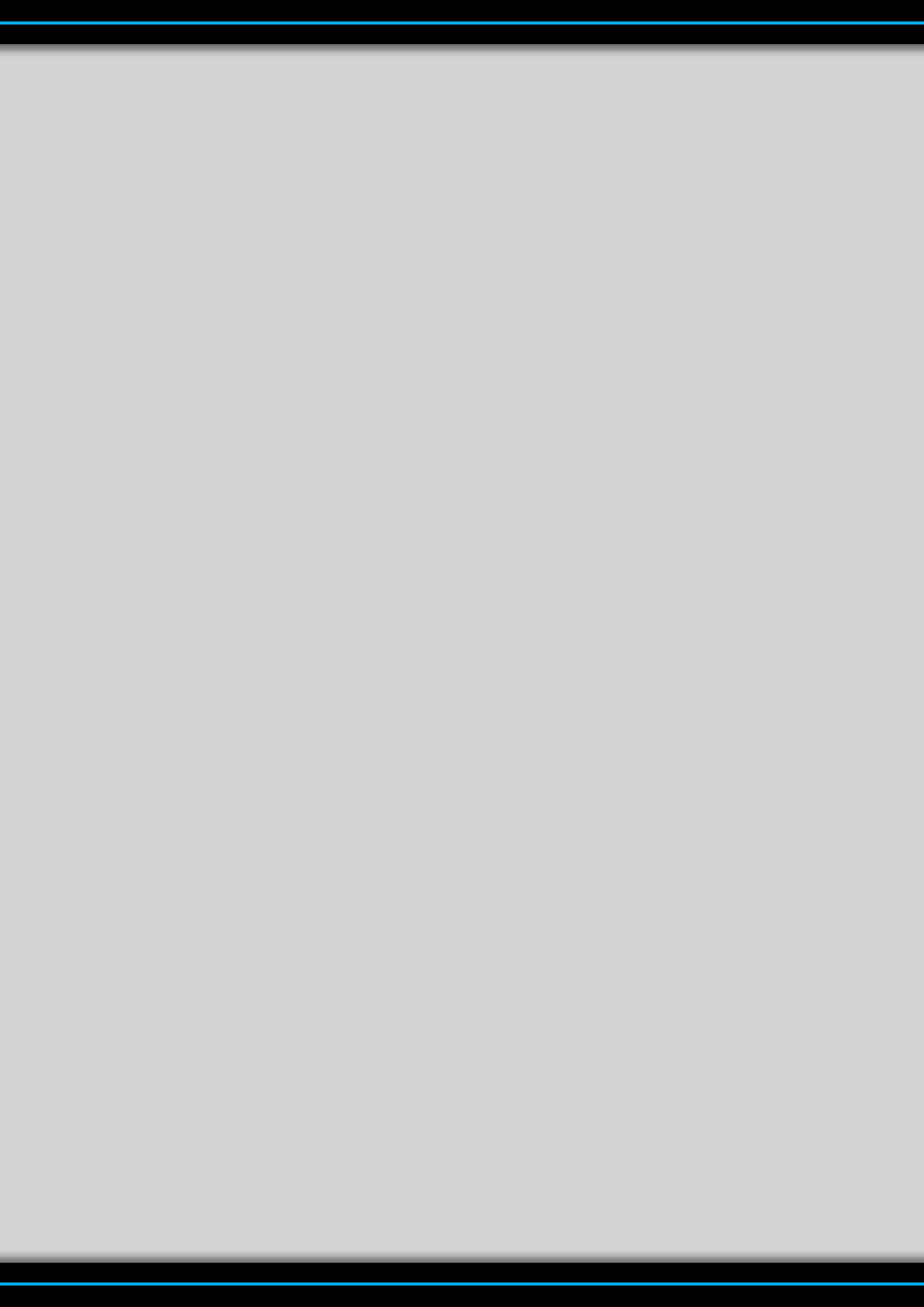


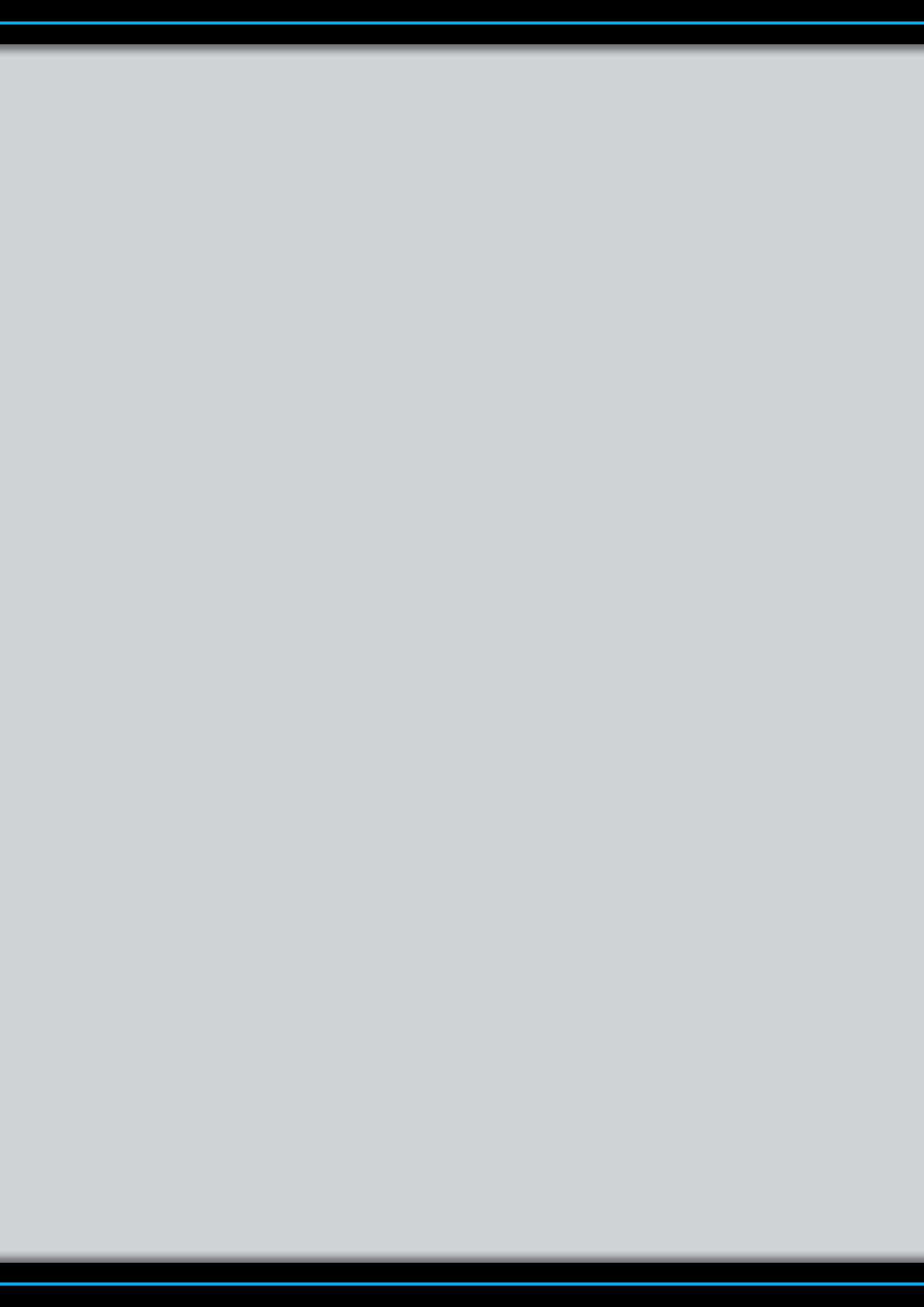
RSM BIRD CAMERON



David Talbot

Sydney, NSW
Dated: 7 October 2014





GREYHOUND RACING NSW

Head Office

Building B, 1 Homebush Bay Drive
Rhodes NSW 2138
Tel: +61 2 8767 0500
Fax: +61 2 9764 6244

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Postal Address:

PO Box 170
Concord West NSW 2138

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Email: admin@grnsw.com.au

Web: www.thedogs.com.au

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Auditors

RSM Bird Cameron Partners
Level 12
60 Castlereagh Street
Sydney NSW 2000

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Solicitors

Thomson Geer
Level 25
1 O'Connell Street
Sydney NSW 2000

•

Bankers

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



ABN 61 018 166 136

Building B, 1 Homebush Bay Drive,
Rhodes NSW 2138 Australia

Tel. 61.2.8767 0500

Fax. 61.2.9764 6244

Web. www.thedogs.com.au