

2018 ANNUAL REPORT

MURRAY BRIDGE STRAIGHT TRACK
View from the catching pen



CONTENTS

2017-18 Industry Snapshot	2
Chairman's Report	5
Year in Brief	8
CEO's Report	12
Clubs' Report	22
Industry Events	24
Directors' Report	27
Financial Report	36
Directors' Declaration	48
Auditor's Declaration and Report	49

Park
AUSTRALIA

Only
at the
dogs



Greyhound Racing SA Limited [GRSA] is the Controlling Body responsible for the conduct, regulation and promotion of greyhound racing throughout South Australia.

It has a primary responsibility to ensure the responsible and ethical management of the sport, the enforcement of local and national rules of racing and the effective oversight of greyhound welfare outcomes.



2017-2018

INDUSTRY SNAPSHOT

4,031 races conducted in SA
(3,926 TAB and 105 Non-TAB)

15 Non-TAB Meetings

9 Coursing Events

6 Group Races

5 Country Cups

THE SOUTH AUSTRALIAN GREYHOUND RACING INDUSTRY

(Figures taken from IER Industry Report released in February 2017)

Generates more than
\$58 MILLION

per annum in economic benefits for South Australia

Drives local employment through the creation of

470

full-time equivalent roles

Provides participation and employment opportunities for more than

2,740

individual South Australians with almost half of that number residing in regional areas

Attracts annual attendances of more than

40,000

to local race meetings

Greyhound racing plays a key role in driving the social fabric of the regional communities that support its conduct, and constitutes a legitimate recreational activity for the tens of thousands of South Australians who attend or wager upon more than 350 race meetings conducted annually in this state.

With limited exceptions, greyhound racing in this state is a self-sustaining enterprise operating without the benefit of external funding support.

1,539

individually registered participants including 132 breeders, 267 registered trainers and 1,272 registered owners and handlers

356

TAB meetings with coverage via Sky 1 (156), Sky 2 (200) and TAB Radio (356)



CHAIRMAN'S REPORT

• GRANTLEY STEVENS •

What a whirlwind my first year as Chair has been!

As a Chartered Accountant I am proud that we've returned a profit of just over \$469,000 for the Financial Year. Our balance sheet and cashflows are strong.

GRSA is a proudly ambitious innovator.

Excitingly, we continue to progress the development of a one-turn and straight track facility at Murray Bridge that will complete the most significant capital reinvestment program our greyhound industry has undertaken for over forty years. We are confident these tracks will be the safest tracks in Australia and both will be operational in the New Year.

We are excited to be able to call Murray Bridge our second home and we think this track can only strengthen the industry. Even prior to a race having been run at the new venue, we have received nothing but the highest level of support from Council and key stakeholders including Mayor Brenton Lewis and local Member, Adrian Pederick MP.

It would be remiss of me not to acknowledge the level of support and enthusiasm that has been evident from the Strathalbyn Committee during the year. Whilst looking forward to new racing opportunities at Murray Bridge it's still difficult to leave your old Club behind. When racing at Strathalbyn ultimately concludes that Committee will be able to take comfort from the fact that they have worked hard to preserve the racing opportunity in that region.

The future promises much for the greyhound industry in this state. The racing opportunities in South Australia have never been stronger and we have worked hard to provide outstanding facilities at Angle Park, Gawler, Mt Gambier and, imminently, Murray Bridge.

I am very proud of our industry in South Australia which is operating at a level of maturity and responsibility that is truly leading the way in racing. No other code approaches animal welfare with a

higher level of commitment or professionalism.

During the year, we upgraded our vet facility at Angle Park and Dr Greg Moore and his team are doing a fantastic job supporting and caring for our canine stars.

The track injury rebate scheme, whereby GRSA contributes to veterinary costs for the treatment of race-related injuries, continues to drive positive welfare outcomes and support the interests of our trainers and owners.

Our record of rehoming greyhounds continues to set the standard nationally with our stated goal of full rehoming being embraced by all participants. In fact, our prison partnership framework is now the largest in the world, incorporating 8 kennels at the Adelaide Womens' Prison and 16 kennels at the new Mobilong Prison facility which commenced operations in December 2017.

These two partnerships provide enormous benefits for the prisoners and enable our dogs to transition into becoming great family pets. It is incredible to see so many greyhounds at the beach, in parks and around the suburbs. Even social media is getting in on the act with various Facebook pages updating where and when the next walks are on.

The many stars in our Greyhound Adoption Program [GAP] are to be thanked for their contribution to the number one rehoming program in the country. Our dedicated staff, fantastic volunteers and incredible foster carers have recently celebrated 21 years of GAP, and the program is getting better all the time because of their commitment and their love of the greyhound breed.

We partnered with Operation Flinders during the year to support the outstanding work that they do in transforming young lives through the delivery of world-leading outback intervention programs for young 'at risk' people. I had the privilege of experiencing one of their treks first hand and witnessing the difference that their program is

capable of making to those young men and women.

We have appreciated recent Government support in the form of fair compensation for the impact which arose from the introduction of the Point of Consumption tax in July 2017. Our industry is a significant contributor to employment and economic benefit in this state, especially in the regional areas where racing is conducted. We look forward to a stronger and healthier relationship with the current Government.

As always, special thanks must go to Tabcorp which has successfully merged with UBET. The impact of this merger will be significant for greyhound racing in South Australia and we are excited by the opportunities that this will present. Undoubtedly, the Tabcorp presence in South Australia will be positive and will benefit all participants.

The professionalism within our greyhound industry is superbly lead by our CEO, Matt Corby. His leadership, hard work and devotion to the industry in our state and nationally is a great credit to him, and I thank him for his dedication to the role.

Of course, Matt cannot do it alone. He is ably supported by a great management team including Sarah Webster, Scott Wuchatsch, Dianne Dumanovic, Lisa Michalanney, Shaun Mathieson and Alex Fairgrieve who all work extremely hard and are motivated to see us succeed. I thank those managers and our committed staff for their passion and commitment to GRSA.

During the year we farewellled Dr Chris Doyle and David Spear from our Board. Special mention must be made of both for their valuable contributions to the organisation, leaving the Board and the company in a much stronger position than when they started.

My fellow Board members Paul Preiss, Ray Fewings and Grahame Marshall have provided me and the organisation with outstanding support. I am very grateful to have the opportunity to Chair a Board with such bright and committed individuals.

A very special mention must go to Michael Fabbro, a director since 2009 and Chair from 2012 until February of this year. Michael's superb knowledge, strategic thinking and great wisdom have helped the local industry to thrive in recent years. I have personally appreciated his ongoing support since he relinquished the top job.

Finally, as the active contributors to greyhound racing, our participants are to be applauded for their dedication and ability to keep flourishing and participating in the sport that they so love. Our people are the secret behind the evident strength and success of greyhound racing in this state.

There are exciting times ahead, and I look forward to seeing you at a track soon.



Grantley Stevens

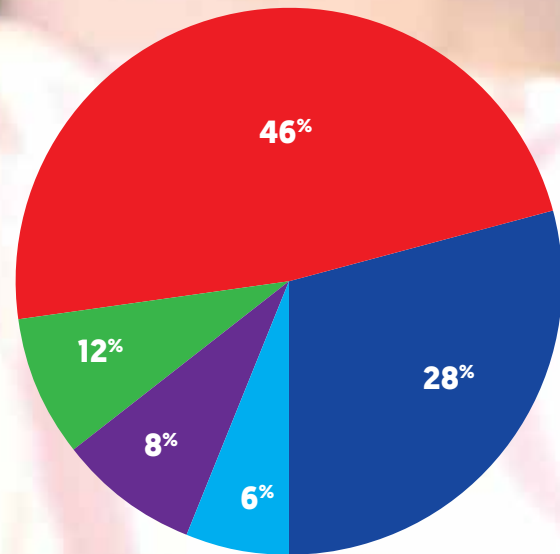


ANIMAL WELFARE STATEMENT

GRSA remains unconditionally opposed to the notion that animal cruelty can ever be an acceptable outcome associated with the training of greyhounds. Additionally, the South Australian greyhound racing industry and its participants embrace, as a fundamental obligation, the requirement for full rehoming of unraced and retired greyhounds. GRSA is committed to ensuring that animal welfare considerations are central to decision-making and that a 'zero tolerance' approach will be applied in response to any discovery of welfare-related breaches by registered participants.

YEAR IN BRIEF

FINANCIAL SNAPSHOT



	2017-2018 [\$'000]	2016-2017 [\$'000]	Change [\$'000]	Change [%]
Net TAB Revenue	\$6,502	\$6,662	[\$160]	[2%]
Racefield Fee Revenue	\$10,593	\$10,450	\$143	1%
Participant Returns	\$8,059	\$8,368	[\$309]	[4%]
Local TAB Turnover	\$14,404	\$15,202	[\$798]	[5%]
National TAB Turnover	\$114,338	\$115,335	[\$997]	[1%]

FINANCIAL HIGHLIGHTS

The end-of-year market share figure for the greyhound code was 18.18%, an increase of 0.23% on the previous year's result of 17.95%. National market share continued to be stronger than local, with wagering on both elements again falling from the previous year. Across the other codes, thoroughbred market share increased from 71.29% to 71.68% and harness decreased from 10.76% to 10.14%. TAB Product fee from SA-based UBET wagering for the greyhound code fell to \$8.48 million from \$8.58 million in the prior year.

Race field revenue, derived from interstate betting on SA greyhound racing, constitutes the other primary source of income for GRSA. Income from this item increased to \$10.59 million, equating to year-on-year growth of 1.3%. During the same period race field fees payable to other states, based on local [SA] wagering activity on interstate racing, increased to \$1.81 million or the equivalent of 2%.

Due to a slight reduction in overall racing, and noting that GRSA had the additional cost of funding stakemoney for the National Championships in the previous year, stakemoney and rebates returned to industry fell by \$0.31 million to \$8.06 million.

INFRASTRUCTURE

- Commencement of the \$8.5 million Murray Bridge project, comprising two racing tracks (1-turn track with lights and a straight track) and associated facilities
- Track works at Mount Gambier to elevate cambers on turns to 10%, address transition issues, and realign selected race starts
- Investment in the upgrade of the existing vet clinic facilities at Angle Park in collaboration with the Adelaide Greyhound Racing Club to expand veterinary services to the industry
- Completion of stage 1 of the LED lighting upgrade at Angle Park to replace 20 ageing metal halide lights along the front straight
- Installation of an upper safety rail at Gawler from the winning post to the end of the back straight, designed primarily to improve greyhound safety but also for future use as part of a track irrigation system
- Upgrade of the Angle Park on-course broadcast system to provide greater flexibility and automation for race meetings, functions and events
- Construction of a new winning post at Angle Park following the destruction of the previous one by severe weather in late 2016

RACING

- On Fire ran second in the Group 1 National Sprint Championship at Albion Park and strung together 13 straight metropolitan wins at Angle Park on his way to securing 2017 Greyhound of the Year honours (making it back-to-back awards for SA trainer Cameron Butcher)
- The Group 1 UBET Adelaide Cup was taken out by Raw Ability from Victoria
- Locally trained greyhound Bogie Bekim won the Group 2 Sky Racing Topgun Invitational at Sandown, defeating nine time Group 1 winner Fanta Bale in the process
- Gun McBain for Raye Kelly retired from the track with two significant records to his name – he secured the Angle Park record of most wins at the venue [53] and claimed the national record of most TAB wins in Australia of any greyhound [68]
- Introduction of Maiden events to the Angle Park Thursday Metropolitan program
- Online bookings introduced for the main trial sessions at both Angle Park and Gawler

GAMING

- Gaming turnover fell by 8% in line with a broader trend experienced across all SA venues
- Contribution from gaming for the year of \$1.5 million (down by 9%)

MARKETING

- Heightened awareness of GAP Prison Partnership Program attributable to the success of the Prisoners and Pups documentary (screened on the ABC) and news coverage of the launch of the new Mobilong facility
- Increased public awareness of the GAP stemming from initiatives such as the Ollie Wines ambassadorship and GAP's participation in the Credit Union Christmas Pageant
- Commencement of partnership with locally based charity, Operation Flinders, culminating in \$16,000 being raised by GRSA to provide opportunities for young 'at risk' people to engage in life-changing outback intervention programs
- Growth of positive media coverage for both GRSA and GAP across all mainstream platforms
- Promotion of the inaugural GAP National Adoption Day which attracted unprecedented local and national media coverage
- Mainstream TV news coverage of GAP's 20th birthday celebrations at Angle Park
- Strategic focus on greyhound foster recruitment, providing carers with all provisions, consumables and a separate weekly subsidy
- A surge of interest to participate in the 2018 Golden Bone Tipping Competition supported by UBET through its retail network
- Active development of all social media platforms supporting both GRSA and GAP

INTEGRITY

- 30,446 runners competed with an overall injury rate of 2.44%
- 1,485 samples were taken with 0.40% testing positive for prohibited substances
- Sampling of greyhounds for prohibited substances amounted to 4.88% of total runners
- Conduct of 15 inquiries during the year, the majority of which related to allegations of participant misconduct or prohibited substance breaches
- Maintenance of a schedule of premise inspections which equates to all licensed participants being inspected at least annually – 423 inspections of individually registered kennel addresses
- Eight routine matters were referred to SAPOL [2] and the RSPCA SA [6] in compliance with reporting triggers under the Animal Welfare Act 1985

	2017-2018	2016-2017
Pre-race urine / blood samples	54	22
Post-race urine / blood samples	1,388	1,417
Out-of-competition samples	42	48
Elective samples	1	3
Total samples	1,485	1,490
No. of positive samples	6	11



GREYHOUND ADOPTION PROGRAM

- GRSA invested a total of \$1,463,000 into GAP and related initiatives across the year
- 389 unique greyhound adoptions to private homes were coordinated through GAP
- An additional 250 greyhounds were rehomed by participants, adopted out through other rehoming programs or taken up by owners
- A new prison partnership program at Mobilong prison was completed in the year which enables up to 16 greyhounds to undergo foster care simultaneously, producing positive outcomes for both the prisoners and the dogs in their care

CEO'S REPORT

• MATTHEW CORBY •



THE NATIONAL INDUSTRY

The most significant change at the national level in recent years relates to the contraction of breeding numbers. In 2015-16 and 2016-17, national breeding activity fell from a previous historical average of approximately 18,000 greyhounds annually down to less than half of that figure. In 2017-18, that downturn has started to calibrate at a more sustainable level.

There have been a number of contributing factors to breeding reduction including:

- The recognition by Controlling Bodies of their obligation to closely balance their racing commitments with their capacity to rehome greyhounds post-retirement
- The introduction of strategies directed at encouraging quality (rather than quantity) as the primary consideration within the mating selection process and breeding activity generally
- The introduction of more stringent requirements in relation to participant licensing including the completion of education units as a mandatory component for renewals
- Some uncertainty around political agendas in the different states and jurisdictions

The aim in all states is to eradicate unnecessary euthanasia and to ensure that all greyhounds which can responsibly be rehomed – as is the case for the overwhelming majority of our greyhound population – are afforded that opportunity.

The concept of 'full rehoming', as observed by Greyhounds Australasia (GA), draws on established principles adhered to by welfare agencies globally. Under this approach, no greyhound can be euthanised for any grounds other than medical (serious illness or injury), temperamental or court order. Achievement of full rehoming has been identified as a critical objective for all states.

GA and its Members are committed to improving the welfare of greyhounds and reducing the incidence of euthanasia by building on the significant advances that the various states and jurisdictions have already made. Notable outcomes in that regard include:

- The strengthening of Rules which require owners to make prompt notification to their Controlling Body when a greyhound has been retired from racing;
- A shift in industry culture which embraces an industry norm of highly accountable and responsible greyhound ownership;
- The introduction of additional export guidelines which ensure that Australasian greyhounds can only be exported to countries that have an acceptably high standard of care and accountability;
- A reduction in injury risk brought about by investment in track works which focus on design for safety;
- Increased kennel inspections and improved processes for managing the risk of non-compliant behaviours;
- The establishment of a dedicated GA Welfare Committee which has been tasked with the development, implementation and monitoring of national welfare initiatives and the setting of industry benchmarks.

GREYHOUND RACING IN SOUTH AUSTRALIA

Greyhound Welfare

GRSA continues to invest heavily in rehoming and welfare initiatives. The total cost of that activity in 2017-18 amounted to \$1,686,000. No racing code in any state returns a greater percentage of its revenue to this part of their business.

The impact of a contraction in national breeding numbers has begun to flow through to local retirement numbers. During the year, a total of 880 greyhounds were retired out of the racing system, compared to 1,152 as recently as 2015-16. The term 'retired' refers to all greyhounds in the South Australian system which have had their registration to race relinquished. The definition incorporates both unraced and raced dogs, and applies to both locally bred and imported greyhounds. Put simply, if a greyhound is essentially part of the SA racing framework, GRSA takes responsibility for the rehoming of that dog.

The overall rehoming rate of retired greyhounds grew from 65% to 73% in 2017-18. Over the course of the year, 389 greyhounds were rehomed through the GAP. A further 208 greyhounds were retained as pets by owners and trainers, rehomed privately with third parties, or placed through other welfare agencies. In addition to that number, 42 were retired for breeding purposes. In this regard, our participants continue to demonstrate their commitment towards rehoming, and our success in this area would simply not be possible in the absence of such strong cultural buy-in.

The number of greyhounds euthanised in 2017-18 reduced to 243, a drop of 32% on the previous year. A local Rule was introduced from May which compels owners to rehome greyhounds or put their dogs through GAP, which will further reduce that number in the coming year by being in place across the full 12 months. Deaths from natural causes, or in some other manner unconnected with racing, accounted for a further 21 dogs.

The Local Industry

Greyhound racing in South Australia generates local employment and forms a key part of the social fabric of regional communities across the state. Each year the industry has a \$58 million impact on the state economy and sustains nearly 500 FTE jobs. At any given time almost 3,000 individuals are engaged by the industry as employees, participants or volunteers.

Many South Australians would be surprised to discover that there were more greyhound race meetings conducted in this state during 2017-18 than there were days in the year (when non-TAB racing is also factored in). For our participants, the training and care of greyhounds is a relentless labour of love which requires patience, optimism and resilience in equal parts.

The number of greyhounds whelped in 2017-18 increased from 373 to 524 pups helping South Australia to be more self-reliant on locally bred dogs and in greater control of breeding standards. The heightened focus that local breeders are placing on quality within the mating selection process is clearly evident and also extremely encouraging.

Participants are taking advantage of the opportunities that have been introduced by GRSA to race greyhounds of all standards and are making conscious efforts to extend their racing careers wherever practical to do so. As a result, older (and slower) greyhounds now have their own place within the sport. Within the context of its allocation of returns (stakemoney and payments) to industry, the Board has increasingly sought ways to target and address the real costs associated with race meeting attendance and breeding and rearing litters, more so than simply linking all increases directly to racing performance.

GRSA has a history of sound governance and acting responsibly on behalf of the diverse stakeholders and participants associated with the sport. The local industry's pride in its own performance, and the anticipation of future opportunities at Murray Bridge, are starting to have a positive impact upon all of our people.



PRISONERS AND PUPS DOCUMENTARY

DURING THE YEAR, ABC2 AIRED 'PRISONERS AND PUPS' A DOCUMENTARY BY AWARD-WINNING FILMMAKER, SHALOM ALMOND ABOUT OUR GREYHOUND ADOPTION PROGRAM FACILITY IN ADELAIDE WOMEN'S PRISON.

Shalom received a coveted grant from the South Australian Film Association to make the film which follows the progress of greyhounds from entry into the program, achieving green collar status and ultimately finding forever homes. The emotive documentary also focuses on the benefits to the women as they assist the dogs to make the transition from the racing environment to life as domestic pets. The film has subsequently won a number of awards.

Murray Bridge

After years of planning, the dual track facility at Murray Bridge is now close to becoming a reality. The Contractors took possession of the site for preliminary works in November 2017 and the project remains on track for completion by December 2018.

The new site incorporates 11 hectares of land located approximately two kilometres to the east of the town centre, immediately adjacent to the Murray Bridge Showgrounds precinct. The project incorporates the construction of a 620m one-turn track and a separate 400m straight track as well as the requisite patron and kennelling facilities. The Murray Bridge Council (RCMB) has been highly supportive of the initiative based on its expectation of the economic, employment and social impacts it will generate in that region.

Once completed, the Murray Bridge project will have cost the industry approximately \$8.5 million. That investment has been undertaken without funding assistance from government. The new venue will play a pivotal role in preserving and growing participation in the region and provide for diverse racing opportunities that have previously been so lacking in this state. It will elevate standards of racing safety, contribute to an increase in the average number of starts that each greyhound has in its career, and stimulate further wagering growth for the code. From a participant perspective, this project is arguably the most important initiative that GRSA could have pursued in support of general viability.

The one-turn track will incorporate the most modern design principles and ensure business continuity and safety by providing the option of a third (and fourth) track to support the existing facilities at Angle Park and Gawler. The location of the venue will also be attractive to participants as far afield as Mount Gambier, the Murraylands and western Victoria.

At a presentation to the Board of Greyhounds Australasia, David Eager from the University of Technology Sydney (UTS) promoted the Murray Bridge layout as an example of modern best-practice track design, and one which will significantly mitigate those factors which have been identified as contributing unduly to the incidence of racing injuries.

THE NEW VENUE
WILL PLAY A
PIVOTAL ROLE
IN PRESERVING
AND GROWING
PARTICIPATION
IN THE REGION...



Community Engagement

In 2017-18 GRSA partnered with Operation Flinders, a South Australian charity which transforms the lives of young people through world leading outback intervention programs. Social disadvantage is a critical social issue in our modern world and one which disproportionately impacts young people who are located in regional communities. We are proud to have been involved with Operation Flinders and to have supported opportunities aimed at helping young people to start to get their lives back on track. The South Australian greyhound racing industry contributed \$16,000 towards this worthy cause.

Our Clubs serve as a vital interface between the industry and the regional communities in which greyhound racing is conducted. Approximately 40,000 South Australians attend greyhound racing in the course of a year to experience the sport first hand. For some of those patrons, that experience is a common precursor to future ownership and industry participation, whilst many others maintain an involvement with the sport as one of the tens of thousands of Australians who wager recreationally on our racing every week.

The Greyhound Adoption Program

The GAP is the cornerstone of GRSA's welfare strategy. South Australia has always been a leader in this area and continues to set the standard nationally. The program is supported by two prison partnerships – with the combined capacity to provide fostering for up to 24 greyhounds at any one time – and a separate network of selfless volunteer foster carers. Our GAP team has evolved from humble volunteer origins to become the largest operational division within GRSA.

The new facility at Mobilong Prison houses the biggest foster care program anywhere in the world. It would be difficult to overstate the profound impact that the prison partnerships have on both dog and handler. For our retired greyhounds, these programs provide invaluable capacity in support of the task of full rehoming. For the prisoners, and the officers who work with them, the impact upon culture and behaviour that comes from working with retired greyhounds is nothing short of remarkable. From the beginning, the Department of Correctional Services and the prison administrators have embraced the program and the clear benefits it has to offer.

All greyhounds in the GAP program are tested for temperament to ensure suitability for rehoming. They are de-sexed and then they are carefully matched to a particular foster care environment. The fostering process may take as little as 3-4 weeks, or as long as 2-3 months in unique cases, before they are ready to move on to life in their new home. During that time, they will acclimatise to the sights, sounds and life within a typical domestic environment.

The program receives substantial marketing and administrative support. GRSA, along with the support of sponsors, absorbs the costs associated with providing foster carers with food, bedding, leads and collars, in addition to which a weekly subsidy of \$25 is also made available. Our two prison partnerships rely on staff and volunteers working inside the facility to closely oversee and instruct the fostering process and assist with related activities such as walking groups. On average, GRSA contributed over \$3,000 towards the rehoming of each dog placed through the GAP program in 2017-18.

GRSA is committed to ensuring that any greyhound which can responsibly be rehomed will have a future after they have been retired from the racing framework. Any changes to future breeding numbers or import activity will always maintain that obligation at front of mind.



POSITIVE IMPACT OF PRISON PARTNERSHIPS

"When coming to Prison for an extended amount of time, especially if it is your first time, as it was for me, you feel ashamed, scared, lonely, depressed and lost. After being in for a couple of weeks, I heard about the GAP. Being a huge animal lover and already missing my dogs at home so much I was instantly excited and wanting to be part of it. I ended up being on the team for 18 months and was lucky enough to care for and train 10 Greyhounds. I truly believe having the opportunity to learn how to care for and train retired greyhounds has made me feel like I can give back and help with my rehabilitation. I know that I am making a difference in the life of a greyhound and feel "unconditional love" from the greyhounds. I intend to continue volunteer work with GAP on the outside and foster greyhounds in the community. Having a responsibility of caring for a greyhound has definitely helped my mental health state."

Track Injury Rebate Scheme (TIRS)

The TIRS continued to support the recovery of greyhounds injured on the racetrack. Under the scheme, GRSA contributes up to 80% of the cost of surgery in the instance of a serious track injury.

A total of 37 greyhounds were covered under TIRS during 2017-18 at a cost of \$27,793. The priority aim for GRSA in the years immediately ahead is to reduce the rate of euthanasia relating directly to racing injury. Disappointingly, and despite the recent focus on this area, that figure grew from 32 to 38 over the past 12 months.



Track Design and Injury Research

Research being undertaken by the University of Technology Sydney (UTS) continues to drive the industry's understanding of safety in track design. The findings from that ongoing body of work reinforce the merits of GRSA's investment in one-turn and straight track racing at the new Murray Bridge venue.

Under the guidance of the UTS research and leading track engineer David Allen, GRSA also undertook major works at the Mount Gambier track earlier this year to address issues that were identified in relation to camber and turn transitions at a cost of more than \$60,000. Those works interrupted racing at that venue for three weeks in the period following on from the Mount Gambier Cup series in March. The early data from those changes indicates that the amendments will effectively reduce the incidence of serious injuries at that venue.

Racing and Wagering

Despite a reduction in overall wagering activity with UBET, the greyhound market share grew slightly from 17.96% to 18.18%. The corporate bookmaker segment and other wagering service providers remained steady. Accordingly, GRSA's wagering return closely mirrored that of the previous year after a run of multiple years of solid growth.

The anticipated benefits from the Tabcorp-Tatts merger have not yet flowed through to local wagering and are unlikely to do so in any material sense before 2019-20. Notwithstanding, the three South Australian codes of racing continue to be encouraged by the prospects for future growth and the evidence of the effort that is going into the difficult process of merging the two wagering businesses.

From July 1, 2017 the State Government introduced a Point of Consumption tax on all wagering conducted by South Australian customers at 15% of gross revenue. No other state or jurisdiction had introduced a similar tax at that time, but subsequent announcements have identified that they all intend to introduce their own version of the tax, at an equal or lower rate than the South Australian charge, at staggered intervals from July 1, 2018.

The state Government's introduction of this tax in 2017-18, in isolation, impacted on the consistent rate of growth that had been evident across the codes in recent years. The state Government honoured a commitment to the codes by the former Treasurer to ensure that the codes were no worse off. Compensation of almost \$5 million was allocated to the codes from the greater pool of revenue that had been generated by the introduction of the new tax.

Noting that the South Australian tax remains at the highest rate of any state, and that the loss of client wagering activity in 2017-18 will take years to recover, it remains clear that there is a need for government to identify the role that it should be playing in support of a sustainable racing industry in this state. In the absence of routine government funding since privatisation (circa 2000), stakemoney levels in SA have failed to keep pace with those of our interstate counterparts. Additionally, the racing codes in a number of those states will derive future benefit from commitments by their respective governments to distribute a share of the revenue raised by the new tax back to the industry which was responsible for generating that revenue in the first place. Within the context of the current national model, the absence of future funding support would place the long-term prospects of the South Australian racing industry in jeopardy.

Integrity

An independent audit of GRSA's integrity function was undertaken by consulting firm McGrath Nicol in 2016-17. The various recommendations from that report continued to be rolled out during 2017-18. A key recommendation of that report was for the Board to establish its own reporting Committee to review integrity performance and make recommendations to the Board on relevant matters. The Board has subsequently expanded the charter of that proposed body to include consideration of animal welfare issues. The composition of the new Integrity and Welfare Committee (IWC), which will include two independent members and one (non-Chairman) Director is currently under determination.

Once formed, the independent members of the IWC are expected to play a separate role as members of a panel that will hear Inquiries for offences deemed to be 'serious' either by virtue of their nature or their potential impact. The aim of that group will be to add a layer of independence to the framework under which these offences are currently prosecuted.

Separately, the Integrity Department has continued to focus on the rigour that is being applied to the collection, validation and management of industry data, the most appropriate approach to licensing criteria, and the development of internal surveillance and intelligence gathering capabilities. All licence holders continue to be inspected at least annually and a high rate of compliance remains evident.

GRSA maintains close and functional relationships with key external stakeholders across government, SAPOL, the RSPCA of SA and the Dog and Cat Management Board. The Racing Minister is routinely apprised of GRSA's strategies for managing industry risk, and its performance in relation to matters of welfare and integrity.

In accordance with the Animal Welfare Act 1985, GRSA diligently observes its obligation to provide timely and faithful notifications to the RSPCA of SA, SAPOL (or both) of known or suspected animal welfare breaches of either a general or potentially criminal nature. The number of matters referred to SAPOL or the RSPCA fell noticeably from 17 (in 2016-17) to 8 in the year just completed.

Key Stakeholders

South Australia is a national leader within the greyhound racing industry. Our local industry has continued to demonstrate acceptance of change and a commitment to establishing a defensible and sustainable model for a future generation of participants.

Some years ago, the local industry identified its vision and then committed to the path that would make it possible. Over a relatively short space of years, we have modernised our venues, introduced safer conditions for racing, are building new modern tracks at Murray Bridge, delivered full rehoming outcomes for retired greyhounds, and continued to achieve commercial growth. This is not the result of the contribution of one or a few individuals, but more a reward for effort across the spectrum of our stakeholder group. An unprecedented opportunity lies ahead for all of those who made these outcomes possible.

I would take this opportunity to thank our hard-working Board, all of our managers and staff who contribute so tirelessly to their roles, and of course our participants for the passion and dedication that they demonstrate to make the South Australian industry a performer of such note.



CLUBS' REPORT

ADELAIDE GREYHOUND RACING CLUB

- Donation of \$10,000 towards upgrade of Angle Park vet clinic
- Purchase of an educational starting box for Angle Park trials
- Involvement of AGRC Chairman with Greyhound Clubs Australia (GCA) – appointed as SA delegate
- Coordination and conduct of the 2017 Puppy Auction in conjunction with GRSA
- Continued growth of membership base and expansion of member benefits
- Christmas function in Chasers Restaurant for 140 members and guests
- Sponsorship of the annual John Gray race series
- Sponsorship of Angle Park race night – SA Owned Grade 5 series
- Serial contributions to industry newsletter 'The Flyer'



SOUTHERN GREYHOUND RACEWAY

- Committee support of, and involvement in, the preliminary processes supporting the cessation of racing at Strathalbyn and the eventual transition to Murray Bridge
- Upgrade of car-park surface and course lighting
- Retention of major sponsor Daish Irrigation and Fodder



GAWLER GREYHOUND RACING CLUB

- Development and launch of the Club's new website
- Unprecedented demand for functions and events in Nixon's Function Centre
- Investment in further improvements to the ground floor patron area to support the venue's event offering and create a different 'space' for premier racedays



MOUNT GAMBIER GREYHOUND RACING CLUB

- Support of major track upgrade to address camber and transition issues in the interests of improved greyhound safety
- Elevation of the Mount Gambier Cup to listed race status
- Completion of Club history and memorabilia display area



GREYHOUND OWNERS, TRAINERS AND BREEDERS ASSOCIATION

- Installation of updated timing system to replace the previous (ageing) system
- Provision of venue access to the Adelaide Lure Coursing and Racing Club to conduct the national fastest dog in Australia series involving poodles, collies, chinese hairless, whippets and other breeds
- Provision of a safe free-galoping area for key-holding members



PORT AUGUSTA AND DISTRICT GREYHOUND CLUB

- Ongoing support from community including Port Augusta City Council, local Member and Club Patron Dan van Holst Pellekaan, and local sporting teams
- Replacement of ladders to lure tower to comply with WHS best-practice standards
- Crusher dust laid in front of betting shelter to create a more even surface for patrons
- Matting installed on kennelhouse floor as safety precaution to prevent slipping



On behalf of GRSA and all of our Clubs, we acknowledge the unique and vital role that our volunteers play in supporting racing operations, managing Club-related activity and serving as the human interface between our industry and the members of the general public who support racing in our regional communities.



INDUSTRY EVENTS

Feature Race Winners 2017-2018

South Australia conducted a total of six Group Races at Angle Park and Gawler during the year. A summary of the Group and feature race winners follows:

GROUP ONE

UBET Adelaide Cup

Raw Ability [Anthony Azzopardi]

GROUP THREE

Coffex Coffee Oaks

Hoo Gur Affair [Angela Langton]

BGC Industrial Cleaning Supplies Derby

Black Bombshell [Enzo Crudeli]

Gawler Gold Cup

Windmill Haze [Ken Gill]

The Brian Johnstone

Baa Man [Karen Wittholz]

The Howard Ashton

Waterloo Kate [Barry Stewart]

OTHER MAJOR RACES DURING THE YEAR INCLUDED:

Gawler Produce Stake

Dream A Little [Jan Jones]

SA Sprint Championship

Hukanui [Tony Rasmussen]

SA Distance Championship

Ashom Monelli [Tony Rasmussen]

SA Anniversary Cup

Cairnlea Jet [Petar Jovanovic]

AGRC/GRSA Auction Final

Springvale Choix [Barry Stewart]

Champion Puppy

Rhynstone Teddy [Stuart Ellis]

SA St Leger

Victa Louise [Robyn Mackellar]

State Final National Sprint

On Fire [Cameron Butcher]

State Final National Distance

Bogie Bekim [Ben Rawlings]

Adelaide Cup Consolation

High Eden Snow [Jan Jones]

Premier's Cup

Bogie Bekim [Ben Rawlings]

COUNTRY CUPS

Strathalbyn Cup

Spring Bloom [Greg Board]

Mount Gambier Cup

Xtreme Caution [Brian Weis]

Port Augusta City Council Cup

Windmill Haze [Ken Gill]

SA Country Cup

Stick Figure [Tony Rasmussen – Strathalbyn]

Waterloo Cup

Gangalla Fury [Nathan Hughes]

TRACK RECORDS

Angle Park

388m: Victa Louise [Robyn Mackellar] 21.85
04/04/2018

Mount Gambier

512m: Lektra Stomp [Philip Lenehan] 29.45
11/03/2018

512m: Lektra Stomp [Philip Lenehan] 29.35
20/04/2018

2017 Award Winners

The 2017 Greyhound of the Year Dinner was held in February at the Gawler Greyhound Racing Club. The award winners presented on the night were:

UBET SA Greyhound of the Year

On Fire

SA Bred Greyhound of the Year

On Fire

SA Sprinting Greyhound of the Year

On Fire

SA Distance Greyhound of the Year

Bogie Bekim

SA Run of the Year

Bogie Bekim

Gawler Trackstar

Emerley Dryad

SA Stud Dog of the Year

Falcon

SA Broodbitch of the Year

Long Gully Libby

SA Breeder of the Year

Cameron Butcher

UBET TAB Trainer of the Year

Tony Rasmussen

SA Owner/Trainer of the Year

Cameron Butcher

City Strike Rate Winner

Len Wilson

SA Syndicate of the Year

The Riff Raff Syndicate, Mgr – Kim Johnstone

Outstanding Service to Industry Award

Ron Burns

Volunteer Services to the Industry Award

Ken Foureur

The major Coursing awards were presented in November and were won by:

Coursing Greyhound of the Year

Gangalla Fury

SA Coursing Trainer of the Year

Ray Fewings



Directors' Report

Your directors present their report on the Company for the financial year ended 30 June 2018.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Grantley William Stevens
Michael Allan Fabbro
Paul James Preiss
Ray Peter Fewings [appointed 21 March 2018]
Grahame Paul Marshall [appointed 31 May 2018]
Dr Chris Leo Doyle [completed directorship 31 October 2017]
David Anthony Spear [resigned 31 December 2017]

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Company during the financial year, in accordance with the Company's Constitution were:

- To encourage, promote and conduct the sport of greyhound racing
- To provide industry control and direction for the greyhound industry
- To effectively market greyhound racing

Operating Result

The consolidated profit of the Company for the financial year amounted to \$469,495.

Review of Operations

The end-of-year market share figure for the greyhound code was 18.18%, an increase of 0.23% on the previous year's result of 17.95%. National market share continued to be stronger than local, with wagering on both elements again falling from the previous year. Across the other codes, thoroughbred market share increased from 71.29% to 71.68% and harness decreased from 10.76% to 10.14%. TAB Product fee from SA-based UBET wagering for the greyhound code fell to \$8.48 million from \$8.58 million in the prior year.

Race field revenue, derived from interstate betting on SA greyhound racing, constitutes the other primary source of income for Greyhound Racing SA Limited. Income from this item increased to \$10.59 million, equating to year-on-year growth of 1.3%. During the same period race field fees payable to other states, based on local [SA] wagering activity on interstate racing, increased to \$1.81 million or the equivalent of 2%.

Due to a slight reduction in overall racing, and noting that GRSA had the additional cost of funding stakemoney for the National Championships in the previous year, stakemoney and rebates returned to industry fell by \$0.31 million to \$8.06 million.

Financial Position

The net assets of the Company have increased to \$10.92m in 2018, up from \$10.45m in 2017.

Dividends

On the basis that the Company has been formed as a company limited by guarantee, for the benefit of the greyhound racing industry in South Australia, no dividend is payable to members.

After Balance Date Events

No significant events have occurred after 30 June 2018.

Future Developments

The Company will continue to operate in the interests of the industry and its stakeholders.

Indemnities and Insurance Premiums for Officers

The Company has paid insurance premiums to insure the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a willful breach of duty in relation to the Company.

Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The directors are responsible for the overall performance of the company and the interests of its various participants and stakeholders.

To achieve this, GRSA has policies and procedures designed to promote high standards of governance and performance which are reviewed, as required, reflecting changes in governance standards and practice.

The routine management of the company's affairs and the implementation of strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and management team, as set out in the company's delegations of authority policy.

A description of the company's main corporate governance practices follows.

Board Responsibilities

The responsibilities of the Board include:

- Providing strategic guidance to the company including the development and approval of company strategy
- Reviewing and approving business plans, the annual budget and financial plans including provision for an appropriate allocation of resources and capital
- Overseeing and monitoring:
 - organisational performance and the achievement of strategic goals and objectives
 - compliance with the Code of Conduct
 - progress of major capital expenditure and other significant projects
 - financial performance and liaison with the company's auditors
 - appointment and performance assessment of the Chief Executive Officer
 - the effectiveness of management processes and planning of major company initiatives
 - nurturing a culture of corporate leadership
 - the enhancement and protection of the reputation of the company
 - the operation of the company's compliance and risk management framework
 - effective communication to members of company, staff and key stakeholders.

Environmental and Animal Welfare Issues

GRSA is an environmentally conscious organisation that takes concerted measures to save water and other natural resources throughout its operations, ensuring that it meets all regulatory requirements.

The welfare of our racing greyhounds will form the central consideration in the development of all company strategies and policy.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Conflicts of Interest

The directors comply with their obligations at law under the Corporations Act in relation to potential or actual conflicts of interest. The directors have a Board conflict of interest policy which outlines their obligations and the processes that they will adopt. At a procedural level, the directors utilise an annual standing notice and adhere to a standing agenda item in Board meetings for the management of conflicts of interest.

Board Charter

The directors adhere to a Board Charter which reflects an expectation of the highest standards of behaviour and identifies the practices that are deemed necessary to maintain the integrity of the company.

Members of Company Communication

All members of company receive an annual report. Additionally, updates on the company's performance and other material issues are prepared for and presented to quarterly Members of Company information meetings.





Board Composition

In accordance with the GRSA Constitution, the Board comprises four independent directors and one industry director.



Grantley William Stevens | B.Arts (Accounting), FCA, CTA, MAICD

Chairman and Non-Executive Director (experience in finance)

Joined the Board in July 2013 and was appointed Chairman in February 2018.

Grantley came onto the Board with a strong background in financial management. Having joined Edwards Marshall in 1987, he was appointed to partner in 2002. He currently manages the Business Consulting and Taxation division of Nexia Edwards Marshall. In addition to holding Board positions with Racing SA Ltd and Greyhounds Australasia, Grantley is the company secretary of the Alexander & Symonds Group and has been a member of the Port Adelaide Football Club's Finance and Audit Committee for ten years. Grantley also sits on a number of advisory Boards for his clients.

Special responsibilities include being Chairman of the Audit and Finance Committee and a member of the Remuneration Committee.



Michael Allan Fabbro | LLB(Hons), BCom (Acct), GDLP, FTIA, IPAA

Non-Executive Director (experience as a legal practitioner)

Joined the Board in November 2009 and was Chairman from March 2012 to February 2018

Michael is a practicing solicitor and principal of his own firm, Ezra Legal, and also holds a Bachelor of Commerce majoring in Accounting. Michael is a fellow of the Tax Institute of Australia, a member of the Leaders Institute of South Australia, the Law Society of South Australia and the Australian Restructuring Insolvency and Turnaround Association. Michael was a director of Racing SA Ltd and Greyhounds Australasia Ltd until stepping down as Chair of GRSA and is a Board member of the not-for-profit organisation the Aged Rights Advocacy Service Inc. Michael has previously had direct investments and experience in the Hotel and Gaming industry.

Special responsibilities include being Chairman of the Remuneration Committee and a member of the Audit and Finance Committee.



Raymond Peter Fewings

Non-Executive Director (experience in greyhound racing industry) as elected by licensed persons

Joined the Board in March 2018

Ray has built his industry experience through having been an owner, breeder and trainer over a period of 58 years. He has been employed as a race broadcaster and a radio presenter continuously since 1972 and was a former management executive within the ranks of 5AA. Ray was also the founding Manager of RadioTAB, Adelaide.



Grahame Paul Marshall | MAICD, FAIM

Non-Executive Director (experience in business)

Joined the Board in May 2018

Grahame came onto the Board bringing with him an extensive corporate skill set, and successful background as a CEO, senior executive, and non-executive Director across a breadth of diverse industry sectors including banking, insurance, power distribution, and the legal sector. He is considered to be a business transformation specialist and has a long track record of demonstrated accomplishments in executive roles with "blue chip" brands including Westpac, ETSA Utilities, and The Royal Flying Doctor Service WA. Grahame has also previously successfully served on a number of Not-For-Profit Boards in South Australia and the Northern Territory.



Paul James Preiss | B.Bus (Marketing), MAICD, FAIM, CPMgr, CPM

Non-Executive Director (experience in marketing)

Joined the Board in November 2011

Paul began his marketing career in manufacturing and international trade, Paul went on to take up senior executive roles with National Pharmacies, the Royal Automobile Association of SA and the University of Adelaide. He is the South Australian Director for the CEO Institute providing leadership development programs for CEO's and senior executives. As a Director of Centour Consulting he consults to organisations on business and people strategies. Paul is also a non-executive Director of Colombin Australia Pty Ltd.



Dr Chris Leo Doyle | BVSc

Non-Executive Director (experience in greyhound racing industry) as elected by licensed persons

Joined the Board in November 2011 and completed his directorship in October 2017

As the South Australian greyhound racing industry's representative, Chris brought to the Board a wealth of experience including more than 40 years of professional involvement with the industry's trainers and owners. He continues to act as the raceday veterinarian for meetings at Angle Park, Gawler and Strathalbyn. He is an Executive Member of Australian Greyhound Veterinarians and also a member of the Greyhounds Australasia Veterinary and Analyst Committee.



David Anthony Spear | FAICD, FAIM

Non-Executive Director (experience in business)

Joined the Board in March 2013 and resigned in December 2017

David is a partner of governance consulting firm VUCA Pty Ltd advising business predominantly on matters of corporate governance, leadership and Board performance. Among the external Board seats he holds are positions as Chairman of Tyre Stewardship Australia, Chairman SMSF Remuneration and Nominations Committee, Chairman Free Throw Foundation and a non-executive Director of Gelganyem Ltd and Kilkayi Ltd. His previous executive positions include State Director for the Australian Institute of Company Directors, State Manager for Ausdoc Information Management Services, State Manager for Regional Express Airlines and Commercial Manager Government for Ansett Airlines. David is a fellow of the Australian Institute of Company Directors and an alumnus of the 2013 Harvard Business School governance program.

Meetings of Directors

The number of Board meetings held during the year was eleven. The Audit Committee met four times and the Remuneration Committees met once during the same period.

Attendance Details

	Eligible	Attended
Board Meetings		
Michael Fabbro	11	11
Grantley Stevens	11	11
Paul Preiss	11	11
David Spear	6	6
Chris Doyle	4	4
Raymond Fewings	3	3
Grahame Marshall	1	1
Audit Meetings		
Michael Fabbro	4	4
Grantley Stevens	4	4
Remuneration Committee		
Michael Fabbro	1	1
Grantley Stevens	1	1

Company Secretary

Matthew Corby

BA, B.Bus [Mktng], Grad Dip Sports Mgmt

Mr Corby was appointed to the Chief Executive Officer role on November 1, 2010.



Auditor's Independence Declaration

During the year, William Buck, the Company's auditor, performed certain other services in addition to the audit of the financial statements. Other services provided included a finance and financial procedures review.

The Board has considered the non-audit services provided during the financial year by the auditor and is satisfied that the auditor's provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act for the following reasons:

- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Amounts paid to the auditor for non-audit services provided during the financial year amounted to \$4,550.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in the Audit Report.

Signed in accordance with the resolution of the Board of Directors



Grantley Stevens,
Chairman

Dated this 4th of October, 2018



Financial Report

Statement of profit or loss and other comprehensive income for the year ended 30 June 2018

	NOTE	2018	2017
		\$'000's	\$'000's
Racing Product income	2	17,107	17,112
Other revenues from ordinary activities	3	1,098	910
Food, Beverage and Gaming Revenue		4,801	4,712
Stakemoney and Rebates	4	[8,059]	[8,368]
Food, Beverage and Gaming Expenditure		[4,580]	[4,647]
Racing and Probity expenses		[5,020]	[5,201]
Administration expenses		[2,903]	[2,487]
GAP and Animal Welfare expenses		[1,686]	[1,324]
Marketing expenses		[289]	[276]
Profit from ordinary activities	5	469	431
Other Comprehensive Income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		469	431

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

Statement of financial position as at 30 June 2018

	NOTE	2018	2017
		\$'000's	\$'000's
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,237	2,003
Receivables	7	1,877	1,696
Inventories	8	49	60
Other Current Assets	9	80	86
Total Current Assets		3,243	3,845
NON-CURRENT ASSETS			
Receivables	7	8	12
Property, Plant and Equipment	10	11,233	8,887
Total Non-Current Assets		11,241	8,899
TOTAL ASSETS		14,484	12,744
CURRENT LIABILITIES			
Payables	11	1,543	1,473
Provisions	12	785	757
Total Current Liabilities		2,328	2,230
NON-CURRENT LIABILITIES			
Provisions	12	46	64
Borrowings	13	1,191	-
Total Non-Current Liabilities		1,237	64
TOTAL LIABILITIES		3,565	2,294
NET ASSETS		10,919	10,450
EQUITY			
Reserves	14	4,927	4,927
Retained Profits	14	5,992	5,523
TOTAL EQUITY		10,919	10,450

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2018

	Retained Earnings	Asset Revaluation Reserve	Capital Acquisition Reserve	Total
	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 JULY 2016	5,092	939	3,988	10,019
Profit attributable to members	431	-	-	431
Total other comprehensive income for the year	-	-	-	-
Balance at 30 JUNE 2017	5,523	939	3,988	10,450
Profit attributable to members	469	-	-	469
Total other comprehensive income for the year	-	-	-	-
Balance at 30 JUNE 2018	5,992	939	3,988	10,919

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cashflow statement for the year ended 30 June 2018

	NOTE	2018	2017
		\$'000's	\$'000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		22,169	21,855
Payments to suppliers and employees		(20,958)	(20,545)
Interest received		12	14
Finance costs		(2)	-
Net cash provided (used) by operating activities		1,221	1,324
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	25
Payments for property, plant and equipment		(3,178)	(1,318)
Net cash provided (used) by investing activities		(3,178)	(1,293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,191	-
Net cash provided (used) by financing activities		1,191	-
Net increase/(decrease) in cash held		(766)	31
CASH AT BEGINNING OF PERIOD		2,003	1,972
CASH AT END OF PERIOD	6	1,237	2,003

The above cashflow statement should be read in conjunction with the accompanying notes to the financial statements.



NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for land and buildings and available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Note 1: Statement of Accounting Policies

The company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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.

New and amended standards and interpretations

Several amendments to Australian Accounting Standards and AASB interpretations apply for the first time in 2017/2018. However, they do not impact the annual financial statements of the Company.

The following is a summary of the material accounting policies adopted by GRSA in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(ii) Rendering of Services

Revenue from UBET distribution for both on-course and off-course wagering is shown net of expenses. Revenue from the supply of race fields is recognised in the month of the race field.

(iii) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iv) Dividends

Revenue is recognised when the Company's right to receive the payment is established.

(b) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income as received.

(c) Taxes

Income Tax

GRSA is exempt from income tax pursuant to the Income Tax Assessment Act.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed including GST recoverable from, or payable to, the taxation authority.

(d) Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings and Improvements 10 to 20 years
- Plant and equipment 3 to 10 years
- Furniture and Fittings 5 to 10 years
- Motor vehicles 4 to 7 years

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company engaged an independent valuation specialist to assess fair value as at 30 June 2014 for revalued land and buildings at Angle Park. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(e) Leases

Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(f) Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash

equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities in the statement of financial position.

(g) Receivables

Receivables that generally have 30 day terms, are recognised at fair value. Collectability of receivables is reviewed on an ongoing basis at an operating level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

(h) Inventories

Inventories are measured at the lower of cost (First in First Out basis) and net realisable value.

(i) Available-For-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date.

(j) Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(k) Employee Entitlements

Wages, salaries, annual leave and sick leave Liabilities for wages and salaries, including non-monetary

benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to

expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(1) Members' Guarantee

GRSA is a company limited by guarantee. If GRSA is wound up, the Constitution states that each member is required to contribute a maximum of two [2] dollars towards meeting outstanding obligations. As at 30 June 2018, the number of members was six [6].



NOTE 2: RACING PRODUCT INCOME

	2018	2017
	\$'000's	\$'000's
UBET Product Fee paid to greyhound racing code	8,482	8,581
less UBET Product Fee Expenses	(1,807)	(1,771)
Race Field Fee Income	10,605	10,450
On-course tote commissions	(173)	(148)
	17,107	17,112

NOTE 3: OTHER REVENUES FROM ORDINARY ACTIVITIES

Sponsorships	44	87
Other	1,054	823
	1,098	910

NOTE 4: STAKEMONEY AND REBATES

Prizemonies	7,203	7,491
Travel Rebates	856	877
	8,059	8,368

NOTE 5: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

5(1) Depreciation of Non-Current Assets

Property, Plant and Equipment	723	748
Total Depreciation	723	748

5(2) Loss on Disposal of Property Plant & Equipment

Loss on Disposal of Property Plant and Equipment	69	3
Loss on Disposal	69	3

NOTE 6: CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000's	\$'000's
Cash on Hand	8	8
Cash at Bank	1,172	148
Investments - Fixed term	53	52
Cash Bank Deposits - At Call	4	1,795
	1,237	2,003

NOTE 7: RECEIVABLES

CURRENT		
Sundry Debtors	1,575	1,476
Loans to Clubs	11	11
Other	291	209
	1,877	1,696
NON-CURRENT		
Loans to Clubs	8	12
	8	12

NOTE 8: INVENTORIES

Beverages - Tavern and Restaurant - At Cost	26	31
Food - Tavern and Restaurant - At Cost	23	29
	49	60

NOTE 9: OTHER CURRENT ASSETS

Prepayments	80	86
	80	86

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$'000's	\$'000's
Land, Building and Improvements - Angle Park at Fair Value	5,591	5,591
Accumulated Depreciation	(658)	(494)
	4,933	5,097
Land, Building and Improvements - Gawler at Fair Value	1,739	1,739
Accumulated Depreciation	(373)	(286)
	1,366	1,453
Capital Works in Progress	3,912	947
Accumulated Depreciation	-	-
	3,912	947
Plant and Equipment	3,610	5,356
Accumulated Depreciation	(2,928)	(4,451)
	682	905
Furniture and Fittings	717	937
Accumulated Depreciation	(497)	(586)
	220	351
Motor Vehicles	362	340
Accumulated Depreciation	(242)	(206)
	120	134
Total Property, Plant and Equipment	11,233	8,887

Revaluation of land and buildings - [1] fair value of land, buildings and improvements at Angle Park is based on valuations performed by CBRE Valuations Pty Limited, an accredited independent valuer. [2] Fair value of land, buildings and improvements at Gawler is based on Director Valuations that use inputs provided by an independent, external valuer.

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial period.	Capital Work in Progress	Land Buildings & Improvements	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Carrying amount at start of year	947	6,550	905	351	134	8,887
Additions	3,726	-	132	-	46	3,904
Disposals	(761)	-	(63)	(11)	-	(835)
Depreciation expense	-	(251)	(292)	(120)	(60)	(723)
Carrying amount at end of year	3,912	6,299	682	220	120	11,233

NOTE 11: PAYABLES

	2018	2017
	\$'000's	\$'000's
Trade Creditors	642	630
Other	901	843
	1,543	1,473

NOTE 12: PROVISIONS

CURRENT		
Provision for Annual Leave	378	334
Provision for Long Service Leave	335	343
Futurity and Gawler Produce Race Series	72	80
	785	757
NON-CURRENT		
Provision for Long Service Leave	46	64
	46	64

NOTE 12(a): FUTURITY AND GAWLER PRODUCE SERIES

During the year, payments are received for eligible greyhounds to compete in the Futurity and Gawler Produce Race Series meetings. The payments received to compete in the series are paid as additional prizemoney to successful participants in the race series.

NOTE 13: BORROWINGS**NON-CURRENT**

Bank loan	1,191	-
	1,191	-

The company entered into a loan facility agreement with Westpac during the financial year for a total facility limit of \$5,500,000. The purpose of the loan facility is to assist with the Murray Bridge development. As at 30 June 2018, \$1,191,000 of this facility has been utilised.

The loan facility is secured by a fixed and floating charge over selected assets of the company.

NOTE 14: EQUITY AND RESERVES**Retained Earnings**

GRSA is a not-for-profit company limited by guarantee. The constitution precludes any distribution of earnings directly or indirectly by way of dividends, bonus or otherwise to a Member.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings to the extent that they offset one another.

Capital Acquisition Reserve

The capital acquisition reserve is used to record fair value from the acquisition of the assets of member clubs where GRSA becomes responsible for the conduct of race meetings at the Club venue

NOTE 15: COMMITMENTS FOR EXPENDITURE

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2018	2017
	\$'000's	\$'000's
Operating lease commitments		
After one year but not more than five years	60	77
More than five years	38	40
Total	98	117

NOTE 16: RELATED PARTY INFORMATION

Board members have no equity participation as GRSA is a company limited by guarantee, for the benefit of the greyhound racing industry.

(a) Board Members' Remuneration

Total Board Members' Remuneration	160	168
--	------------	------------

(b) Key Management Remuneration

Total Key Management Remuneration	1,026	1,155
--	--------------	--------------

Unless otherwise disclosed, transactions between related parties (including key management personnel) are on conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with a non-related party at arm's length in the same circumstances.

During the period that he was a Director, purchases of \$28,050 [2017: \$78,500] were made by the company for veterinary services from Chris Doyle. No amounts were outstanding at the year end [2017: \$Nil].

Purchases of \$475 [2017: \$475] for taxation and accounting services were made by the company from Nexia Edwards Marshall, of which Grantley Stevens is a partner. \$475 was outstanding at the year end [2017: \$Nil].

Wages of \$1,750 were paid by the company to Ray Fewings for race day services since his appointment as a director. No amounts were outstanding at the year end.

NOTE 17: SUBSEQUENT EVENTS

There have been no events subsequent to period end which require adjustment or disclosure in this financial report.

Directors' Declaration

In accordance with a resolution of the directors of Greyhound Racing SA Ltd, I state that:

1. In the opinion of the directors:

a. The financial statements and notes of Greyhound Racing SA Ltd for the financial year ended 30 June 2018 are in accordance with the Corporations Act 2001, including:

- i. Giving a true and fair view of the financial position as at 30 June 2018 and performance for the year ended on that date
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

On behalf of the Board



.....
Grantley Stevens
Chairman

Dated this 4th of October, 2018

Greyhound Racing SA Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Greyhound Racing SA Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**CHARTERED ACCOUNTANTS
& ADVISORS**
Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards



William Buck
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 4th day of October, 2018.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREYHOUND RACING SA LTD

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 4th day of October, 2018.

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

williambuck.com

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.





MEMBERS OF COMPANY

Adelaide Greyhound Racing Club Inc.

Gawler Greyhound Racing Club Inc.

**Greyhound Owners, Trainers and Breeders Association
Coursing Club Inc.**

Mount Gambier Greyhound Racing and Coursing Club Inc.

Port Augusta and District Greyhound Club Inc.

Southern Greyhound Raceway Inc.



OFFICE LOCATION

55 Cardigan Street, Angle Park SA

POSTAL ADDRESS

PO Box 2352, Regency Park SA 5942

CONTACT

Phone: [08] 8243 7100

Email: admin@grsa.com.au

Web: www.grsa.com.au

