Western Australian Greyhound Racing Association

2018-19
ANNUAL REPORT

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Statement of Compliance

HON PAUL PAPALIA CSC MLA
Minister for Tourism; Racing and Gaming;
Small Business; Defence Issues;
Citizenship and Multicultural Interests

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Greyhound Racing Association for the financial year ended 31 July 2019.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and the Treasurer's Instructions.

Yours sincerely,

Richard Humphries
Chairperson
Date: 14 October 2019

Sophie Dwyer
Deputy Chairperson
Date: 14 October 2019

ABOUT US

Mission Statement

- Achieve sustainable profit to invest in the development of greyhound racing facilities in Western Australia.
- Be affordable and accessible for industry participants, patrons and members.
- Provide an exciting entertainment product.

WAGRA's present tasks are to:

- Ensure the operation and development of Greyhounds WA venues are recognised as premier racing facilities within Australia.
- Raise the profile of the sport and the industry.
- Provide convenience and comfort to patrons.
- Focus on the delivery of quality service and standards to both internal and external customers.
- Maximise sustainable growth in returns from the RWWA Distribution, food & beverage sales and oncourse wagering and gaming operations.
- Explore and develop additional revenue streams.

Aims and Objectives

The Western Australian Greyhound Racing Association (WAGRA) is established under the provisions of the Western Australian Greyhound Racing Association Act 1981 and is a body corporate.

With the inception of controlling authority Racing & Wagering Western Australia (RWWA) and for the purpose of its role in the state's racing industry, WAGRA assumes the status as "designated greyhound racing club".

The functions of WAGRA are to:

- Provide for the optimum level of facilities as well as racing and trialling opportunities for the Association's industry participants.
- Consult with the controlling authority on all issues relative to greyhound racing inclusive of the racing programme and the review of stakemoney levels.
- Provide an optimum level of facilities for the Association's oncourse patrons.
- Exercise and discharge such powers, functions and duties as are conferred on the WAGRA by this Act or any other Act.

Internal Audit Charter

WAGRA's Internal Audit Committee provides independent, objective assurance and consulting activities that add value and improve WAGRA operations.

The primary objective is to assist the WAGRA Committee and General Manager (CEO) in corporate governance and the effective discharge of their responsibilities.

Charter

- In consultation with Racing and Wagering Western Australia (RWWA), develop and implement strategies to ensure the long-term growth and continued success of greyhound racing in Western Australia.
- Provide and maintain an efficient administration to service and support the needs of participants within greyhound racing and the general public.
- Ensure appropriate mechanisms are in place and forums established to allow input into the club's conduct of greyhound racing.
- Provide a range of services and facilities for the benefit of industry participants and the general public.
- Provide training for all WAGRA personnel to ensure continuously improving delivery of customer service.

Corporate Governance Principles

- Lay solid foundations for management and responsibility.
- Structure the Committee to add value.
- Promote ethical and responsible decision-making.
- Safeguard integrity in financial reporting.
- Recognise and manage risk.
- Encourage enhanced and sustainable performance.
- Remunerate fairly and responsibly.
- Recognise the legitimate interest of stakeholders.

WAGRA BOARD

The Western Australian Greyhound Racing Association (WAGRA) and the Committee are committed to achieving the highest standards of corporate governance.

The Chairman and Committee members are responsible to the Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests for the performance of the organisation and seek to achieve objectives in keeping with WAGRA's Charter and Mission Statements.

Day to day management of the Association and the implementation of organisational strategy and policy initiatives are formally delegated by the Committee to the General Manager (CEO) and Senior Management.

The Committee's overall responsibilities include:

- Providing strategic direction and approving corporate strategies.
- Monitoring management and financial performance and recording.
- Monitoring and ensuring the maintenance of adequate risk management controls and reporting mechanisms.
- Ensuring the business is conducted ethically and transparently.

Mr Richard Humphries

Chairman

First appointed
December 2014
Appointed Chairman
June 2018

Ms Sophie Dwyer

Deputy Chairperson

First appointed
February 2018

Mr Peter Casey

First appointed
October 2016

Ms Cheryl Isaac

First appointed
July 2019

Mr Wayne Barrett

First appointed
February 2019

Ms Lauren Prater

Deputy Chairperson (part)

First appointed
February 2018
Resigned March 2019

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CHAIRMAN'S REPORT

It is my privilege to present the Chairman's Report for the Western Australian Greyhound Racing Association activities for 2018/19 racing season.

The 2018/19 racing year has seen a significant expansion in activity in the our racing code with the mooted sale of the wagering licence by the Government of Western Australia, the trial expansion of our greyhound code to race seven days per week, our Group 1 feature races, New Year's Eve celebration, preparations for the first ever Greyhounds National Symposium and the National Sprint and Distance Championships to be held at our Cannington race track in August 2019.

The racing year has seen significant upgrade to the broadcast infrastructure as well as the construction of trainer race night facilities at Mandurah race track, the installation of a children's playground and the addition of bespoke greyhound race night yards at our Cannington race track. During the first meeting at our Northam race track Greyhounds WA deployed a new hoop arm lure system, designed to improve safety for the dogs racing and for race day staff.

The 2018/19 racing season was headlined by the win of Victorian chaser Orson Allen in the 2019 Group 1 Perth Cup. Trained by Corey Grenfell, the quickest qualifier clocking 29.32secs, a half-length outside of the Cannington track record. In the final he stopped the clock at 29.62secs. Orson Allen went on to win the Australian Greyhound of the Year title.

In a major boilover, Young WA Trainer James Jefferies and partner Gemma Jovanovic won their first Group 1 as owners when Rockstar Patriot defeated Australia's best stayer Tornado Tears in the 715m final of the Galaxy.

The WA Derby was won by another local, the Chris Halse trained Premium Share. Owned and bred in WA by Linda Britton, Premium Share followed in the footsteps of kennelmate West On Augie which won the same race a year earlier. The Halse kennel completed the Derby/Oaks double when Grace Ali took out the Group 2 WA Oaks. Chips And Trains another Halse-trained runner was successful in the Group 2 All Stars held in October.

At Mandurah, the Linda Smithson-trained Bundles Galore won the Mandurah Cup whilst Quara's Emma took out the Birthday Cup in January. The Northam Anniversary Cup was won by All the Rave trained by Tony Scott. Kathy Scott, partner of Tony, was involved in preparing the first two Northam Anniversary Cup winners Rip Van Rosco and After Lunch back in 1997/98 and she was extremely thrilled to win the Northam feature race again in 2018. The now retired Moment To Jive won the final feature race of her career for popular owner/trainer Sarah Appleton when she was successful in the Group 3 Miata Final.

The financial trading performance has seen the Association return a deficit position of $72,596 for the 2018/19 financial year. The ongoing decline in our oncourse attendance and oncourse wagering have contributed to the financial outcome, Trading conditions remain generally static.

The 2018/19 year has seen an increased focus on the promotion and marketing of our greyhound racing and its venues to both counter the attendance decline and to increase our visibility to ensure that greyhound racing remains a credible and acceptable pursuit into the future.

Greyhound racing is an exciting product, it provides a unique entertainment experience and the Association is proud to share this with the wider community. The Association has increased our presence on social media with content not only to promote, educate and entertain our existing audience but to extend our reach to the wider community.

On behalf of WAGRA I would like to thank Hon. Paul Papalia CSC MLA, Minister for Tourism;

Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests and his staff for the support provided to the Association during 2018/19.

There has been a number of new Board appointments in 2018/19. I welcome the appointment of Ms Sophie Dwyer as Deputy Chairperson following the resignation of Ms Lauren Prater in 2019. Mr Wayne Barrett and Ms Cheryl Isaac have been appointed by the Minister as Members of the WAGRA Board. I also acknowledge Mr Peter Casey and Ms Lauren Prater (part) for the ongoing contribution to our governance.

The Board has been active with the greyhound industry and RWWA through the WAGRA WAGBOTA Consultative Committee, the Greyhound Racing Advisory Committee and the Greyhound Racing Consultative Group. As Chairman, I would like to acknowledge the commitment of Board members to undertake an increased role during the 2018/19 year.

Acknowledgement goes to our industry regulator, RWWA, for the ongoing support and assistance to the Association during this financial year. RWWA remains fundamental to the future sustainability and success of the greyhound code. I applaud the initiative to reintroduce the Greyhound Racing Consultative Group to enhance industry consultation and communication.

I wish to recognise specifically the efforts of RWWA Chairman Mr Jeff Ovens, Greyhound Industry representative and Chairman of the Greyhound Racing Committee Mr Gary Gliddon and other members of the RWWA Board, CEO Mr Richard Burt and the Executive team in continuing to work with the Association to further the mutual interests of our code.

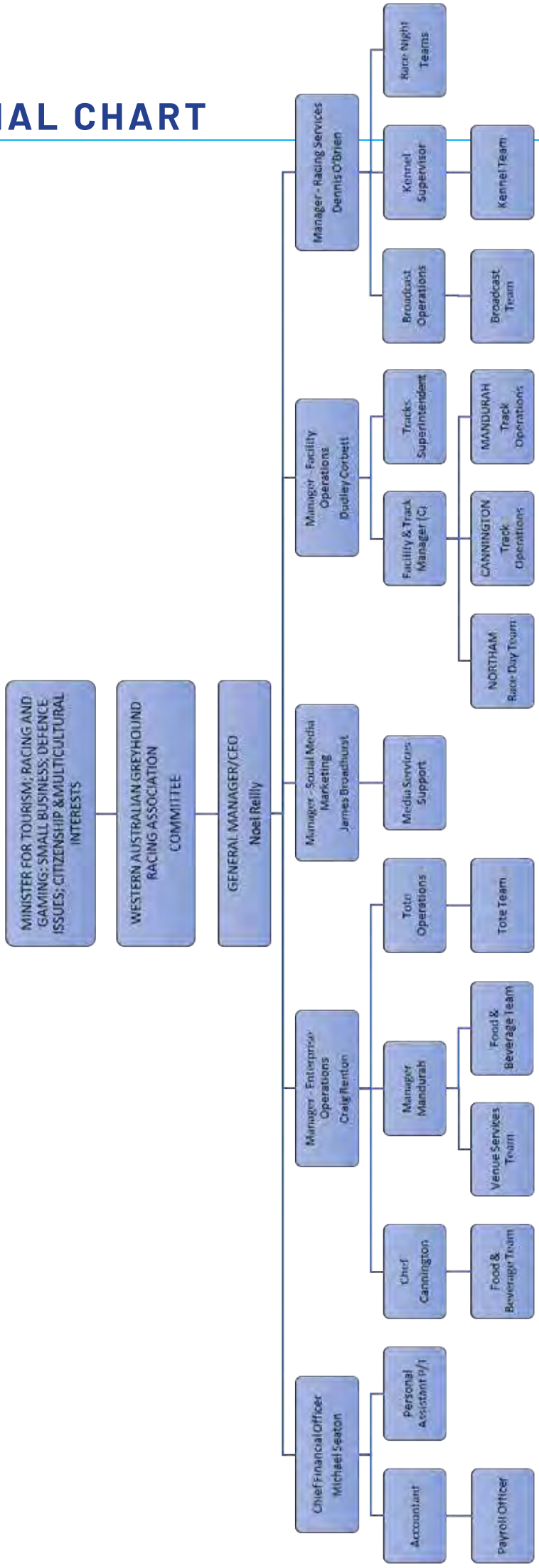
I wish to express my ongoing thanks and that of the Board to the WAGRA Executive and Staff team for their ongoing proficiency to deliver 315 race meetings this year. The WAGRA team is greatly valued, continuing to act as primary partners in delivering the greyhound racing experience.

Finally, WAGRA acknowledges our industry participants, without whom the rich and enjoyable experience of greyhound racing could not thrive. Their commitment to animal welfare and integrity matters, industry expansion day in day out provision of racing product is unsurpassed. I look forward to the continuing cooperation necessary to maintain and grow our code.

RICHARD HUMPHRIES

CHAIRMAN

ORGANISATIONAL CHART



SENIOR OFFICERS

GENERAL MANAGER/CEO **Noel Reilly**	Responsible to the WAGRA Committee for the effective performance of the Association's functions and duties.
CHIEF FINANCIAL OFFICER **Michael Seaton**	Generates financial management information and accounting reports to the Committee and Management. Determines and interprets operating results and establishes accounting policies and practices.
MANAGER STATUTORY OPERATIONS **Craig Renton**	Responsible for Gaming and Food & Beverage procedures at Cannington and Mandurah. Administers Occupational Health & Safety Committee function, and other statutory reporting requirements. Liaises with WAGRA's insurance company.
MANAGER RACING & SPONSORSHIP **Dennis O'Brien**	Ensures the effectiveness of the Association's racing product, including programmed race meetings and trials. Manages the expansion of the racing product.
MANAGER SOCIAL MEDIA & MARKETING **James Broadhurst**	Manages the Association's social media and marketing strategies. Implements the administration and supervision of the Association's Marketing function. Liaises with media and industry participants
MANAGER FACILITY OPERATIONS **Dudley Corbett**	Manages the Association's operational policies and procedures to deliver on the requirements of racing. Manages the facilities services, projects and coordinates strategic maintenance plans.

COMMITTEES

WAGRA Consultative Committee

The WAGRA Consultative Committee provides industry input on issues important to the conduct and promotion of greyhound racing in Western Australia. As at 31 July 2019 the Consultative Committee comprised of Richard Humphries (Chair), Noel Reilly, Craig Renton, Dennis O'Brien, James Broadhurst, Dudley Corbett, Tim Mullany David Robartson, Stephanie Catchpole, Linda Britton, Lynne Vagg.

RWWA Chief Steward (Greyhounds) Mr Carlos Martins, RWWA Racing Manager (Greyhounds), Mr Peter Howell and RWWA Manager Animal Welfare, Dr Anna Smet commenced formal ongoing attendance in 2019.

The forum continues to provide Consultative Committee members with an opportunity to express points of view on a range of industry-related matters to WAGRA Management and officials. Many topics were forwarded for discussion at the RWWA Greyhound Racing Consultative Group.

RWWA Board Representation

It is a requirement of the RWWA Act 2003 for the eligible greyhound racing bodies to nominate a member and an alternative member of the RWWA Board of Directors, and a member of the RWWA Selection Panel, for a term not exceeding three years.

The eligible greyhound racing bodies, WAGRA and WAGBOTA provided joint nominations.

RWWA members Mr Gary Gliddon (Board Member), Mr Jeff Schrull (Alternative Member) were appointed for a three year term from 1 August 2018.

WAGRA Audit And Risk Committee

The Audit and Risk Committee is responsible for recommending financial policies, goals, and budgets that support the strategic goal of the organisation. The Committee also reviews the Association's financial performance against its goals and targets.

The Committee is also responsible for ensuring that the Association's systems and internal controls are maintained in a manner that are compliant with its policies and procedures.

As at 31 July 2019 the WAGRA Audit and Risk Committee comprised of Richard Humphries (Chair), Santo Casilli (Appointed Internal Auditor), Horst Bemmerl (Independent Member), Noel Reilly (General Manager/CEO) and Michael Seaton (Chief Financial Officer).

RWWA Greyhound Racing Advisory Committee

The RWWA Greyhound Racing Advisory Committee comprised:

RWWA

Mr Gary Gliddon Greyhound Code Director (Chairman)

WAGRA

Mr Richard Humphries, Chairman

Mr Noel Reilly, General Manager (CEO)

WAGBOTA

Mr Dean Starkie

Mr Gary Weston

INDEPENDENT

Ms Cheryl Isaac

Mr Ken Norquay

Western Australian Greyhound Breeders, Owners and Trainers' Association

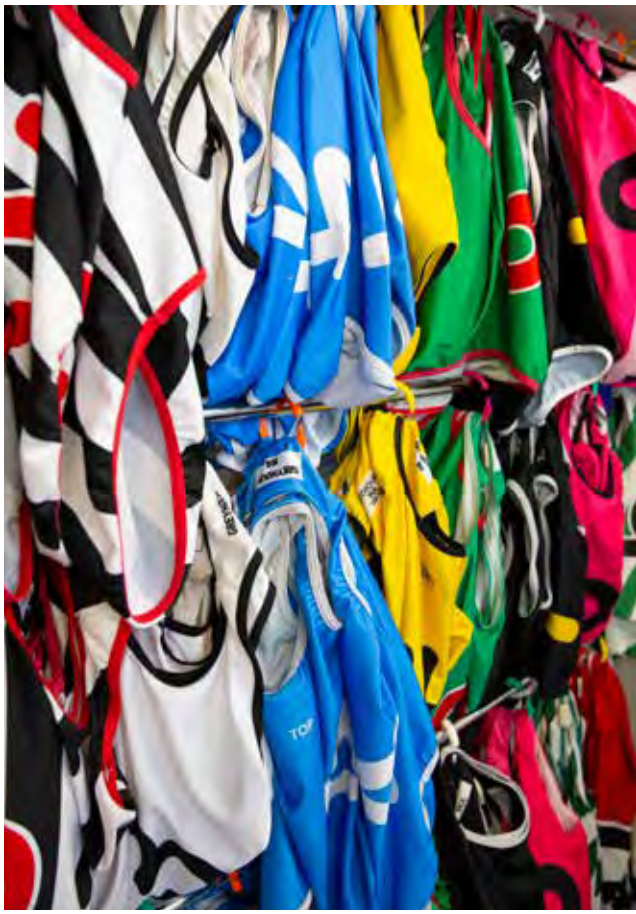
At the WAGBOTA Annual General Meeting at Cannington on 26 February 2017 the following were elected and remain current:

President:	Mr Tim Mullany
V/President:	Mr Darren Rowe
Treasurer:	Mrs Mel Rowe
Secretary:	Mrs Moana Marshall
Committee:	Mr David Robartson Ms Susan Peterson Ms Linda Britton Mr Bill Choules Mr Andrew Ball Mr Graham Hall Ms Leanne Nelson Ms Jackie Wilson Ms Michelle Romer

RWWA Greyhound Racing Consultative Group

The RWWA Greyhound Racing Consultative Group comprised:

RWWA	
Mr Gary Gliddon	Director (Chairman)
Mr Richard Burt	Chief Executive Officer
Ms Charlotte Mills	General Manager Racing
Mr Denis Borovica	General Manager Racing Integrity
Mr Peter Howell	Manager Greyhound Racing
Mr David Hunter	Manager Racing Commercial and Planning
WAGRA	
Mr Richard Humphries	Chairman
Mr Peter Casey	Board Member
Mr Noel Reilly	General Manager (CEO)
WAGBOTA	
Mr Tim Mullany	President
Mr Dean Starkie	Representative (Trainer)
Mr Gary Weston	Representative (Owner)
Ms Linda Britton	Representative (Breeder)



EMPLOYEE PROFILE

	2018/19			2017/18			2016/17		
Category	M	F	T	M	F	T	M	F	T
Permanent Full-Time									
Level 1	-	-	-	-	-	-	-	-	-
Level 2	-	-	-	-	-	-	-	-	-
Level 3	1	2	3	1	3	4	2	2	4
Level 4	1	1	2	1	1	2	1	1	2
Level 5	1	-	1	1	-	1	1	-	1
Level 6	4	1	5	3	-	3	3	-	3
Level 7	-	-	-	1	-	1	-	-	-
Level 8	3	-	3	2	-	2	2	-	2
Level 9	-	-	-	1	-	1	1	-	1
F&B Level 5	-	-	-	-	-	-	-	-	-
F&B Level 6	2	-	2	2	-	2	2	-	2
Class 4	1	-	1	0	-	0	1	-	1
Track & Grounds	6	-	6	7	-	7	8	-	8
SUB TOTAL	**19**	**4**	**23**	**19**	**4**	**23**	**21**	**3**	**24**
Permanent Part-Time									
Level 1	-	-	-	-	-	-	-	-	-
Level 2	-	1	1	-	1	1	-	1	1
Level 3	-	-	-	-	-	-	-	-	-
Level 4	-	-	-	-	-	-	-	-	-
Level 5	-	-	-	-	-	-	-	-	-
Track & Grounds	1	-	1	-	-	-	-	-	-
Racing	1	-	1						
SUB TOTAL	**2**	**1**	**3**	**0**	**1**	**1**	**0**	**1**	**1**
Casual	65	109	174	60	85	145	69	94	163
TOTAL	**86**	**114**	**200**	**79**	**90**	**169**	**90**	**97**	**187**

LEGEND:
F&B: Food and Beverage

FIVE YEAR STATISTICAL SUMMARY

	2019	2018	2017	2016	2015
Racing					
Race Meetings:					
Cannington	127	145	113	41	99
Mandurah	155	131	167	198	169
Northam	33	41	28	69	40
TOTAL	**315**	**317**	**308**	**308**	**308**
Races	3487	3545	3600	3624	3,628
Starters	25,750	25,945	27,401	27,705	27,736
Average Starters per Race	7.4	7.3	7.6	7.6	7.7
Financials $000					
Operating Surplus/(Deficit)	(72)	252	26	(860)	(1,675)
Net Cash Provided/(Used) by Operating Activities	98	803	331	(147)	(770)
TAB Distribution *	19043	17,928	17,709	17,201	15,887
Grants (Off-course)	784	1,551	831	472	43
Stakes/Trophies & BOIS	13,574	12,868	13,062	12,793	11,536
Stakes/TAB Distribution %	71.28%	71.78%	73.60%	74.21%	72.61%
Betting Turnover $000					
Oncourse Turnover (Tote) $000	4,231	4,137	4,738	3,498	5,636
TAB on WAGRA meetings	62,238	60,288	63,091	72,130	73,956
Membership					
Total Members	107	274	273	205	64

* Includes Tax rebates and discretionary TAB payments.

OUTPUT MEASURES

	2018/19 Actual	2018/19 Target	Reason for Significant Variance
Quantity			
On-course Totalisator Profit	$270,058	$333,357	Declining on-course attendance and the attractiveness of online betting has led to lower actual.
Stakemoney*	$12,658,745	$11,154,293	
Quality			
On-course Totalisator Profit: Number of racing opportunities for on-course investment (average number of races held/meeting).	11.03	12.00	
Off-course Commission: Number of meetings where live off-track vision was made possible through MDS or satellite services.	315	316	
Stakemoney: Number of feature races conducted as opportunity for higher stakemoney and continued quality of programme.	50	50	
Timeliness			
On-course Totalisator Profit: Number of meetings conducted in accordance with programme.	315	316	
Stakemoney: % stakemoney payments available. (excludes swabs) within 4 working days of entitlement).	100%	100%	
Cost			
On-course Totalisator Profit: Average profit/meeting	$855	$1,055	The attractiveness of online betting has led to lower on-course turnover.
Stakemoney: Average stakemoney/ meeting	$40,059	$35,298	

Notes

* Exludes trophies and Breeders & Owners Incentive Scheme (BOIS)

COMPLIANCE STATEMENTS

Advertising Expenditure

In accordance with section 175ZE of the Electoral Act 1907, the Association incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total expenditure for 2018/2019 was $92,462 and was incurred as:

Advertising Agencies/ Organisations	$
ADZOO	750
Examiner Newspapers	600
Community Newspapers	9,993
Crocmedia	56,236
Western Sports Media	8,625
Blue Sky Media	695
McLeod Publishing	500
Fairfax Media Publications	15,063
Total Expenditure	**92,462**

Compliance with Public Sector Standards and Ethical Codes

In accordance with the Public Sector Management Act 1994, S31(1), WAGRA complies with the Public Sector Standards in Human Resource Management, Grievance Resolution and Ethical Codes. We continue to monitor and assess our compliance.

Recordkeeping Plan

In accordance with the State Records Act 2000, S61, and the State Record Commission Standards, Standard 2: Principle 6; WAGRA is reviewing and updating a Recordkeeping Plan together with an approved Retention and Disposal Schedule. That plan is currently under review for future submission to the State Records Commission.

Disability Access and Inclusion Plan Outcomes

In accordance with the Disability's Services Act 1993, WAGRA continues to ensure, wherever possible, that services and facilities are provided in accordance with the principles of universal access to all members of the community.

Consideration of the needs of disabled persons, both general public and employees, is included in routine building maintenance, capital works projects and information technology improvements. WAGRA is committed to develop and promote the aspirations and potential of people with a disability within the community.

We continue our commitment to the Companion Card program.

WAGRA is committed to the principles of substantive equality and the elimination of systemic discrimination from within our policies, practices and services.

Corruption Prevention

In accordance with Premier's Circular 2005/02: Corruption Prevention, WAGRA is required to report on measures taken to reduce the risk of corruption and misconduct.

In a proactive manner, WAGRA continues to focus on identifying potential areas of risk with a view to developing treatment plans to minimise exposure. Potential areas of risk are included in WAGRA's ongoing risk management evaluation scheme and staff are educated in risk reduction.

The Public Interest Disclosure Act 2003 defines special action that must be taken in relation to disclosures of public interest information that may show that a public authority, officer or contractor has been, or proposes being involved in, improper conduct, committing an offence, or misuse of public resources.

WAGRA has an appointed Public Interest Disclosure Officer and there were no reported disclosures during the 2018/2019 year.

Occupational Safety and Health

In accordance with Premier's Circular 2007/12: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector all agencies are required to report on occupational safety, health and injury management performance, policies and initiatives.

WAGRA complies with the injury management requirements of the Workers' Compensation and Injury Management Act 1981 by adhering to a documented Injury Management Policy which is available for all staff, by educating staff regarding safe work practices, maintaining a safe and healthy environment and by holding regular risk-assessment meetings to identify and rectify potential problems.

Standard Operating Procedures provide staff with written instructions to ensure safe use of equipment.

WAGRA continued its program of offering flu vaccinations as part of an employee wellness program.

Staff are encouraged to undertake Senior First Aid courses and Automated External Defibrillators were recently installed within our workplaces.

Only one workers' compensation claim was lodged during the 2018/2019 year.

Annual Performance Indicator	**2018/19**
Number of fatalities	0
Number of severe claims	1
Number of Lost time injury/ diseases (LTI/D)	1
Lost time injury severity rate	100.0000

Sustainability

Commitment 1.2 of the Sustainability Code of Practice for Government Agencies and Resource Guide for Implementation requires agencies to report on compliance with the Code and other sustainability achievements.

WAGRA provides opportunities for all members of society to engage in recreational activity that provides enrichment in people's lives through hobby participation and general race meeting attendance, and improves connections amongst the wider community.

In the 2018/2019 year WAGRA continued to adopt sustainable practices in line with Government policies when procuring goods and services and in the delivery of its services.

In respect to waste management and recycling, energy and water conservation, vehicle and fuel efficiencies, WAGRA will continue to work towards enhancing its performance and is committed to developing policies and practices to encourage its employees to continue to adopt and improve sustainable practices.

Contracts with Senior Officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with WAGRA other than normal contracts of employment.

Freedom of Information

WAGRA received no Freedom of Information applications during this reporting period.

FINANCIALS

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Certification of Financial Statements

The accompanying financial statements of the Western Australian Greyhound Racing Association (WAGRA) have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 July 2019 and the financial position as at 31 July 2019.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

RICHARD HUMPHRIES
WAGRA Chairperson
Date: 14 October 2019

SOPHIE DWYER
WAGRA Deputy Chairperson
Date: 14 October 2019

MICHAEL SEATON
Chief Financial Officer
Date: 14 October 2019

Statement of Comprehensive Income

Income	Note	2019 $	2018 $
Racing:			
RWWA Distribution	8	19,043,900	17,928,286
On-course Totalisator	8	649,479	696,800
Food and Beverage Sales	8,9	1,636,796	1,622,940
Admissions	8	17,891	14,245
Sponsorship	8	124,221	66,969
Other Racing Revenue	8	97,338	105,603
Total Racing Revenue		21,569,625	20,434,843
Administration			
Interest Revenue	8	21,672	14,159
Other Administration Revenue	8	681,126	587,274
Total Administration Revenue		702,798	601,433
Gains			
Gain on disposal of non-current assets	8,10	1,623	5,881
Total Income		22,274,046	21,042,157
Expenses			
Racing:			
Stakemoney and Trophies	11	13,574,715	12,868,276
Employee Benefits Expense	12	2,244,693	1,996,404
Marketing, Advertising and Promotions		180,487	61,677
CCTV, Photo and Telecasting Link		1,462	38
Food & Beverage Cost of Sales	9	658,360	623,835
Other Racing Expenses	13	915,731	854,163
Total Racing Expenses		17,575,448	16,404,393
Administration:			
Employee Benefits Expense	14	2,717,068	2,704,635
Depreciation and Amortisation	15	938,125	1,646,369
Corporate Utilities and Services		426,987	346,574
Lease	17	259,660	254,766
Maintenance		317,340	198,212
Other Administration Expenses	16	896,344	786,383
Loss on Disposal of Non-Current Assets	10	-	-
Total Administration Expenses		5,555,524	5,936,939
Total Expenses		23,130,972	22,341,332
(Deficit) Before Grants and Subsidies from State Government		(856,926)	(1,299,175)
Grants and subsidies from State Government			
Grants and subsidies received	8	784,330	1,550,806
Surplus (Deficit) for the Period		**(72,596)**	**251,631**
Other Comprehensive Income			
Items Not reclassified subsequently to profit or loss			
Changes in asset revaluation decrement		-	-
Total other comprehensive income		-	-
Total Comprehensive Income for the Period		**(72,596)**	**251,631**

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

	Note	2019 $	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	18,30(a)	1,814,384	1,716,247
Inventories	9,19	75,151	58,059
Receivables	20	1,264,603	737,352
Assets held for Distribution to Government	21(a)	-	-
Total current Assets		3,154,138	2,511,658
Non Current Assets			
Property, Plant and Equipment	21(b)	13,688,488	14,360,919
Intangible Assets	22	18,035	6,699
Total Non Current Assets		13,706,523	14,367,618
Total Assets		16,860,661	16,879,276
LIABILITIES			
Current Liabilities			
Payables	23	1,404,026	787,244
Provisions	24	1,240,570	1,298,346
Total Current Liabilities		2,644,596	2,085,590
Non-Current Liabilities			
Payables	23	14,837,879	15,356,037
Provisions	24	36,240	23,107
Total Non-Current Liabilities		14,874,119	15,379,144
Total Liabilities		17,518,715	17,464,734
Net Assets/(Liabilities)		**(658,054)**	**(585,458)**
Equity			
Asset Revaluation Surplus	25	-	-
Retained Earnings	26	(658,054)	(585,458)
(Equity Deficit)/Total Equity		**(658,054)**	**(585,458)**

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes In Equity

	Note	Asset Revaluation Surplus $	Retained earnings $	Total equity $
Balance as at 1 August 2017		4,859,512	2,462,347	7,321,859
Total Comprehensive income for the period		-	251,631	251,631
Distribution to Government		-	(8,158,948)	(8,158,948)
Transfers (from)/to reserves		(4,859,512)	4,859,512	-
Balance at 31 July 2018		**-**	**(585,458)**	**(585,458)**
Balance as at 1 August 2018		-	(585,458)	(585,458)
Total Comprehensive income for the period		-	(72,596)	(72,596)
Distribution to Government		-	-	-
Transfers (from)/to reserves		-	-	-
Balance at 31 July 2019	**25,26**	**-**	**(658,054)**	**(658,054)**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flow

	Note	2019 $	2018 $
Cash Flows from Operating Activities			
Receipts:			
Receipts from RWWA		19,693,379	18,625,085
Receipts from Customers		2,043,130	2,447,306
Interest Received	**8**	21,672	14,159
GST Receipts on Sales		318,920	307,780
Payments:			
Payments to Suppliers		(2,872,037)	(2,850,889)
Payment of Stakemoney		(13,574,715)	(12,868,276)
Payments to Employees		(4,931,387)	(4,573,255)
Payments for Rent		(259,660)	(254,766)
GST Payments on Purchases		(331,929)	(232,183)
Net Cash Provided by/(Used by) Operating Activities	30(b)	107,373	614,961
Cash Flows from Investing Activities			
Receipts:			
Proceeds from Sale of Plant & Equipment	**10**	1,623	19,773
Payments:			
Purchases for Intangible Assets		(13,840)	(8,407)
Purchases for Property, Plant & Equipment		(263,190)	(703,066)
Net Cash Used in Investing Activities		(275,407)	(691,700)
Cash Flows from State Government			
Other grants and subsidies		266,171	879,493
Net Cash from State Government		266,171	879,493
Net Increase/(Decrease) in Cash and Cash Equivalents		**98,137**	**802,754**
Cash and Cash Equivalents at beginning of the period		1,716,247	913,493
Cash and Cash Equivalents at end of the period	30(a)	**1,814,384**	**1,716,247**

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Nature of operations

The Association is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Association is a not-for-profit entity (as profit is not its principal objective).

The functions of the Association are-

(a) to promote greyhound racing, including the keeping and training of greyhounds;
(b) to conduct greyhound racing and provide facilities to enable greyhounds to compete in trial and be trained in racing;
(c) to exercise and discharge such powers, functions and duties as are conferred on the Association by the *Western Australian Greyhound Racing Association Act 1981* **(the Act)** or any other Act.

These financial statements for the year ended 31 July 2019 were approved for issue by the Accountable Authority of the Association on 14 October 2019.

2. General information and statement of compliance

These general purpose financial statements have been prepared in accordance with:

(a) *The Financial Management Act 2006* **(FMA)**
(b) The Treasurer's Instructions **(the Instructions or TI)**
(c) The Act
(d) Australian Accounting Standards **(AAS)** including applicable interpretations
(e) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TI take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has a material or significant financial effect upon the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

3. Basis for preparation

The financial statements are presented in Australian dollars applying the accrual basis of accounting using the historical cost convention, except for land and buildings structures and improvements which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The Association is a going concern despite the net liability position. The Association's Total Current Assets exceeds the Total Current Liabilities by $509,542. The Non Current Payables will be released over the life of the New Cannington lease, another 53 years.

4. Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

5. Summary of significant accounting policies

(a) **Income**

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sales of goods and services

Sales revenue is recognised from revenue earned from the sale of goods and services net of returns, allowances, expenses and GST as the services are provided. Other revenue is fully described in the Statement of Comprehensive Income.

Distributions received

Distribution from RWWA is based on an agreed formula taking into account the performance of Greyhound Racing both on and off-course in WA and is recognised as it is earned. Reimbursement of expenses from external entities is accounted for as revenue in the Statement of Comprehensive Income and not netted off against expenditure.

Notes to the Financial Statements

5. Summary of significant accounting policies continued

Grants
If conditions are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, recognition of the grant is deferred until those conditions are satisfied.

Interest
Revenue is recognised as interest accrues
Gains
Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(b) **Property, Plant and Equipment**
Capitalisation/Expensing of assets
Items of property, plant and equipment costing $5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property plant and equipment costing less than $5,000 are expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement
Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement
Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings, structures and improvements and historical cost for all other property, plant and equipment. Land, buildings, structures and improvements are carried at fair value less accumulated depreciation (buildings, structures and improvements only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and Buildings were independently valued in 2015 by John Garmony & Associates 9 Hardy St. South Perth, Western Australia. The freehold land valuation was based on adopting similar use, while the buildings valuation was based on depreciated capital replacement value.

When buildings, structures and improvements is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions and judgements in estimating fair value are made assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition
Upon disposal or derecognition of an item of property, plant and equipment any revaluation surplus relating to that asset is retained in the asset revaluation surplus.
Asset revaluation surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Notes to the Financial Statements

5. Summary of significant accounting policies continued

Depreciation
All non-current assets having a limited useful life are systemically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method using rates which are reviewed annually. Motor vehicles are depreciated by the diminishing value method. Estimated useful lives for each class of depreciable asset are:

Buildings	20 to 40 years
Furniture and equipment	10 to 15 years
Office equipment	5 years
Computer equipment	3 years
Software [(a)]	3 to 10 years
Motor vehicles	4 to 6 years
Leasehold improvements	5 to 30 years

(a)Software that is integral to the operation of related hardware

Land is not depreciated

(c) **Intangible Assets**

Capitalisation/expensing of assets
Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Association have a finite life and zero residual value.
The expected useful lives for each class of intangible asset are:

Software [(a)]	3 years
Website Costs	10 years

(a)Software that is not integral to the operation of any related hardware

Computer software
Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than $5,000 is expensed in the year of acquisition.

Website costs
Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent future economic benefits.

(d) **Impairment of assets**
Property, plant and equipment, and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognized in profit and loss. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Association is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

Notes to the Financial Statements

5. Summary of significant accounting policies continued

(d) **Impairment of assets continued**

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in the useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(e) **Non-current assets (or disposal groups) classified as held for sale/distribution to owner**
Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount or fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

(f) **Leases**
Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.The Association has entered into a lease for land upon which it operates in Cannington. The lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

The Association does not have any finance leases.

(g) **Financial instruments**
In addition to cash and bank overdraft, the Association has three categories of financial instrument:

- Receivables;
- Held-to-maturity investments (commercial bills and term deposits); and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Receivables
  - Term deposits
- Financial Liabilities
  - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(h) **Cash and cash equivalents**
For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(I) **Accrued Salaries**
Accrued salaries and wages (see Note 23 Payables) represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Association considers the carrying amount of accrued salaries to be equivalent to its fair value.

Notes to the Financial Statements

5. Summary of significant accounting policies continued

(j) **Inventories**

Inventories are measured at the lower of cost or net realisable value. Costs are assigned by the method most appropriate to each class of inventory, with the majority being valued on a first in first out basis.

(k) **Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectable amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written off against the allowance account. The allowance for uncollectable amounts (doubtful debts) is raised where is objective evidence that the Association will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(l) **Payables**

Payables, are recognised at the amounts payable when the Association becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(m) **Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provision - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wages and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and period of service. The expected future payments are discounted to present values using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and period of service. The expected future payments are discounted to present values using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service provisions are classified as current liabilities as the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Per-conditional and conditional long service leave provisions are classified as non-current liabilities because the Association has a unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

A liability for long service leave is recognised after a salary employee has completed 4 years of service and wages staff have completed 7 years of service. An actuarial assessment of long service leave and annual leave is undertaken by PriceWaterhouseCoopers Actuaries as at 31 July 2019.

Notes to the Financial Statements

5. Summary of significant accounting policies continued

(m) **Provisions (continued)**

Superannuation

The Association has no liabilities under the Pension or GSS Schemes.

In joining the contributory Government Employees Superannuation Scheme in 1995, WAGRA has no liabilities for unfunded superannuation. Under current arrangements the liability for superannuation charges incurred under the *Government Employees Superannuation Act* is extinguished by fortnightly payment of employer contributions to the Government Employees Superannuation Board.

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Association's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(n) **Comparative figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Correction of Prior Year Errors.

There are no errors from prior year to correct

6. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Associations long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors

Initial Application of an Australian Accounting Standard

The Association has applied the following Australian Accounting Standards effective or adopted, for annual reporting periods beginning on or after 1 August 2018 that impacted on the Association.

AASB 9 Financial instruments.

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurements* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Association applied AASB 9 prospectively, with an initial application date of 1 August 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Association has not restated the comparative information which continues to be reported under AASB 139. There are no differences arising from adoption.

There was no financial impact on the Association.

Notes to the Financial Statements

7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors

	TITLE	Operative for reporting periods beginning on/after
AASB 15	Revenue from Contracts with Customers This Standard establishes the principles that the Association shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory effective date of this standard is currently 1 January 2019 after being amended by AASB 2016-7. The Association has not yet determined the application or the potential impact of the standard	1 Jan 2019
AASB 16	Leases This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The recognition of additional assets and liabilities, will increase the Association's Total Assets by $2,806,059 and Total Liabilities by the same amount. There will be no equity impact on 1 August 2019. In addition, interest and depreciation expenses will increase, offset by a decease in lease rental expense for the year ending 31 July 2020 and beyond. The above assessment is based on the following accounting policy position: Option1 of the modified retrospective approach to transition; The 'low value asset' threshold set at AUD $5,000; For leases classified as 'short term' (12 months or less), these not recognized under AASB 16. Land, buildings and investment property ROU assets are measured under the fair value model subsequent to initial recognition; and Discount rates are sourced from WA Treasury Corporation. The Association will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach.	1 Jan 2019
AASB 1058	Income of Not-for-Profit Entities This Standards clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise transfer a good or service), or, an obligation to acquire an asset. The Association has not yet determined the application or the potential impact of the standard.	1 Jan 2019

Notes to the Financial Statements

7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors

	TITLE	Operative for reporting periods beginning on/after
AASB 1059	Service Concession Arrangements: Grantors This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by the grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement of the recognition of a specific asset class occurs on the commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Association has not identified any public private partnerships within the scope of the standard	1 Jan 2020
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	1 Jan 2019
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. There is no financial impact as the Association does not issue licences.	1 Jan 2019
AASB 2018-5	Amendment to Australian Accounting Standards – Deferral of AASB 1059 This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.	1 Jan 2019
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material This Standard clarifies the definition of material and it's application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.	

Notes to the Financial Statements

7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors

	TITLE	Operative for reporting periods beginning on/after
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-profit Entities This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The Association does not have any peppercorn leases and as a result there is no financial impact on the Association.	

	2019 $	2018 $
8. Revenue		
The Association's revenue may be analysed as follows for each service category		
Distribution		
• Stakemoney	13,550,895	12,839,480
• Other	5,493,005	5,088,806
	19,043,900	17,928,286
Totalisator		
• Oncourse Commission	667,132	714,526
• Unclaimed Dividends	17,899	22,111
• Goods and Services Tax	(35,552)	(39,837)
	649,479	696,800
Food and Beverage		
• Sales	1,636,796	1,622,940
Admissions		
• Admission Charges	17,891	14,245
Sponsorship		
• Sponsorship	124,221	66,969
Other Racing Revenue		
• Trial Income	43,882	83,578
• Racebook Sales	13,683	14,891
• Sundry Racing Income	39,773	7,134
	97,338	105,603
Grants and subsidies from State Government		
• Sundry Grants	748,778	1,510,969
• GST Recoup from State Government	35,552	39,837
	784,330	1,550,806
Other Administration Revenue		
• Venue Hire	11,161	10,772
• Printing	57,809	56,003
• Sundry Administration Income	612,156	520,499
	681,126	587,274
Investment Income		
• Interest	21,672	14,159
	23,056,753	22,587,082
Other Income		
Net Gain on disposal of property, plant and equipment	1,623	5,881
	1,623	5,881
	23,058,376	22,592,963

Notes to the Financial Statements

		2019 $	2018 $
9.	**Trading Profit**		
	Food and Beverage Sales	1,636,796	1,622,940
	Cost of Sales:		
	Opening Inventory	(58,059)	(58,628)
	Purchases	(675,452)	(623,266)
		(733,511)	(681,894)
	Closing Inventory	75,151	58,059
	Cost of goods sold	(658,360)	(623,835)
	Trading Profit	978,436	999,105
10.	**Net Gain / (Loss) on Disposal of Non Current Assets**		
	Proceeds from Disposal of Non Current Assets:		
	Buildings and improvements	-	-
	Leasehold Improvements	-	-
	Motor Vehicles	-	19,773
	Plant and Equipment	1,623	-
	Carrying Amount of Assets Sold:		
	Intangibles	-	-
	Building and Improvements	-	-
	Leasehold Improvements	-	-
	Motor Vehicles	-	(13,892)
	Plant and Equipment	-	-
	Net (Loss)/Gain on disposal of Non-Current Assets	1,623	5,881
11.	**Stakemoney & Trophies**		
	Stakemoney	12,658,745	11,804,730
	Breeders Bonus	892,150	1,034,750
	Trophies	23,820	28,796
		13,574,715	12,868,276
12.	**Employee Benefits Expense - Racing**		
	Salaries and Wages – Oncourse Totalisator	231,723	219,901
	Salaries and Wages – Food and Beverage	644,704	573,784
	Salaries and Wages – Printing	28,667	24,658
	Other Casual Wages	1,339,599	1,178,061
		2,244,693	1,996,404
13.	**Other Racing Expenses**		
	Direct Expenses – Oncourse Totalisator	124,588	128,197
	Direct Expenses – Food and Beverage	19,959	23,703
	Veterinary Fees	258,034	248,888
	Printing Expense	113,611	105,201
	Security	99,753	80,725
	Cleaning and Laundry	122,000	114,649
	Sundry Racing Expenses	177,786	152,800
		915,731	854,163

Notes to the Financial Statements

		2019 $	2018 $
14.	**Employee Benefits Expense - Administration**		
	Salaries	1,279,561	1,232,471
	Ground Staff Salaries and Wages	667,500	742,029
	Annual Leave	216,932	192,431
	Long Service Leave	101,922	107,303
	Fringe Benefit Tax	19,123	26,132
	Redundancy	-	-
	Training – Other	4,478	2,304
	Employee Benefits	3,145	2,980
	Admin Temp/Contract Staff	8,429	5,102
	Superannuation	415,978	393,883
		2,717,068	2,704,635
15.	**Depreciation & Amortisation Expenses - Administration**		
	Depreciation:		
	Furniture and Equipment	150,202	218,103
	Motor Vehicles	23,918	28,203
	Buildings,and Leasehold Improvements	761,501	1,374,498
		935,621	1,620,804
	Amortisation:		
	Intangible Assets	2,504	25,565
		2,504	25,565
		938,125	1,646,369
16.	**Other Administration Expenses**		
	Insurance	112,845	92,621
	Motor Vehicle Expenses	72,879	60,230
	Travel, Accommodation & Conferences	24,127	22,650
	Legal Expenses	-	-
	Postage and Stationery	4,109	3,495
	Rates and Taxes	80,693	82,840
	Payroll Tax	252,266	236,133
	Interest Expense	-	-
	Staff Recruitment Expenses	1,135	280
	Bad Debts Written Off	-	-
	Sundry Administration Expenses	348,290	288,134
		896,344	786,383
17.	**Leases**		
	Lease expenses for period	259,660	254,766

CANNINGTON:
The Western Australian Greyhound Racing Association has a lease with the Canning Agricultural, Horticultural and Recreational Society (Inc) for the lease of the Cannington Racecourse for a period of 30 years from 27th July 2011 with options of renewal for further period of 30 years. Lease payments totaling $183,049 per annum are adjusted annually for CPI and a market review after 10 years.

Notes to the Financial Statements

		2019	2018
		$	$
18.	**Cash and Cash Equivalents**		
	Current		
	Short Term Deposits	1,709,072	1,213,148
	Cash at Bank	23,049	419,080
	Cash on Hand	82,263	84,019
		1,814,384	1,716,247
	Short term deposits are held with BankWest on an at call basis.		
19.	**Inventories**		
	Current		
	As at balance date inventories held by the Association were:		
	Restaurant food stocks	18,513	13,892
	Restaurant beverage stocks	56,638	44,167
		75,151	58,059
20.	**Receivables and Prepayments**		
	Current		
	Accounts receivable for goods and services supplied	739,681	529,267
	GST Receivable	146,217	133,760
	Prepayments	377,909	73,739
	Accrued Income	796	586
		1,264,603	737,352
21.	**Property, Plant & Equipment**		
(a)	**Current (Assets held for distribution to Government)**		
	Land	-	-
	Buildings, Structures and Improvements at Valuation	-	-
		-	-
	Land and Buildings were independently valued in 2015 by John Garmony & Associates, 9 Hardy St. South Perth, Western Australia.		
	Reconciliation		
-	Land, Buildings, Structures and Improvements at Valuation		
	Carrying amount at start of period	-	7,942,148
	Transferred from Non Current to Current	-	-
	WIP Additions	-	406,565
	Additions	-	-
	Less		
	Net Disposals	-	(8,158,948)
	accumulated depreciation	-	(189,765)
	Carrying amount at end of period	-	-

Notes to the Financial Statements

		2019	2018
		$	$
(b)	**Non Current**		
	Furniture and Equipment at Cost	2,733,769	2,691,253
	less accumulated depreciation	(1,720,093)	(1,569,890)
		1,013,676	1,121,363
	Motor Vehicles at Cost	295,095	267,412
	less accumulated depreciation	(168,938)	(145,020)
		126,157	122,392
	Leasehold Improvements at Cost	15,023,894	14,944,451
	Less accumulated depreciation	(2,648,499)	(1,886,999)
		12,375,395	13,057,452
	Capital Works in Progress	173,260	59,712
		173,260	59,712
	Total Property Plant and Equipment	13,688,488	14,360,919

The reconciliation of carrying amounts of property, plant and equipment at the beginning and end of the current financial year is set out below.

2019	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Buildings	Land at Valuation	Capital Works in Progress	Total
	$	$	$	$	$	$	$
Carrying amount at start of the year	1,121,363	122,392	13,057,452	-	-	59,712	**14,360,919**
Plus				-	-		
Additions	22,945	27,683	52,292	-	-	173,260	**276,180**
Transfers between asset classes	19,570	-	27,152	-	-	(59,712)	**(12,990)**
Less				-	-		
Net Disposals	-	-	-	-	-	-	**-**
Depreciation	(150,202)	(23,918)	(761,501)	-	-	-	**(935,621)**
Carrying amount at end of the year	1,013,676	126,157	12,375,395	-	-	173,260	**13,688,488**

2018	Furniture & Equipment	Motor Vehicles	Leasehold Improvements	Buildings	Land at Valuation	Capital Works in Progress	Total
	$	$	$	$	$	$	$
Carrying amount at start of the year	992,059	145,165	11,694,109	-	-	2,693,895	**15,525,228**
Plus							
Additions	236,259	19,322	7,136	-	-	42,192	**304,909**
Transfers between asset classes	111,148		2,540,940	-	-	(2,676,375)	**(24,287)**
Less							
Net Disposals	-	(13,892)	-	-	-	-	**(13,892)**
Depreciation	(218,103)	(28,203)	(1,184,733)	-	-	-	**(1,431,039)**
	-	-	-	-	-	-	**-**
Carrying amount at end of the year	1,121,363	122,392	13,057,452	-	-	59,712	**14,360,919**

(c) Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.

Information on fair value measurement is provided in Note 28

Notes to the Financial Statements

		2019	2018
		$	$
22.	**Intangible Assets**		
	Intangible Assets – Computer Software	48,622	34,782
	less accumulated amortisation	(30,587)	(28,083)
		18,035	6,699
	Reconciliation		
	Computer Software		
	Carrying amount at start of period	6,699	7,977
	WIP Additions	12,990	-
	Additions	850	24,287
	Less		
	Amortisation	(2,504)	(25,565)
	Carrying amount at end of period	18,035	6,699
23.	**Payables**		
	Current		
	Accounts Payable	633,155	284,162
	Accrued Expenses	152,410	105,589
	Other Liabilities: Fees in Advance	618,461	397,493
		1,404,026	787,244
	Non-Current		
	Other Liabilities: Grants in Advance	14,837,879	15,356,037
		14,837,879	15,356,037
		16,241,905	16,143,281
	All financial liabilities are unsecured. The Association considers the carrying amounts of creditors, accrued expenses and other payables approximate to their net fair values.		
24.	**Provisions**		
	Current		
	Employee benefits Provisions:		
	Annual Leave [(a)]	440,507	438,716
	Long Service Leave [(b)]	709,570	775,543
		1,150,077	1,214,259
	Other Provisions		
	Employment On Costs [(c)]	90,493	84,087
		90,493	84,087
	Total Current Provisions	1,240,570	1,298,346

Notes to the Financial Statements

		2019	2018
		$	$
24.	**Provisions (Continued)**		
	Non-Current		
	Employee benefits Provisions:		
	Long Service Leave [b]	33,623	21,622
		33,623	21,622
	Other Provisions		
	Employment On Costs [c]	2,617	1,485
		2,617	1,485
	Total Non Current Provisions	36,240	23,107
	Total Provisions	1,276,810	1,321,453

(a) Annual Leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	219,061	201,354
More than 12 months after the end of the reporting period	221,446	237,362
	440,507	438,716

(b) Long Service Leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	303,522	363,329
More than 12 months after the end of the reporting period.	439,671	433,836
	743,193	797,165

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 14 Employee Benefits Expense – Administration

Movement in each class of Provisions during the period other than employee benefits are set out below:

Employment on-cost Provision:

Carrying amount at start of period	85,572	82,251
Additional/(reversals of) provisions recognised	7,538	3,321
Payments/Other sacrifices of economic benefit	-	-
Carrying amount at end of period	93,110	85,572

25.	**Asset Revaluation Surplus:**		
	Balance at start of year	-	4,859,512
	Transfer to Retained Earnings:		
	Buildings & Improvements	-	(1,836,398)
	Land	-	(3,023,114)
	Balance at end of year	-	-

Notes to the Financial Statements

		2019 $	2018 $
26.	**Retained Earnings**		
	Balance at start of year	(585,458)	2,462,347
	Transfer from Asset Revaluation Surplus	-	4,859,512
	Distribution to Government	-	(8,158,948)
	Result for period	(72,596)	251,631
	Balance at end of year	(658,054)	(585,458)

In accordance with a September 2016 Cabinet Decision, WAGRA transferred the Mandurah Land and Buildings to Racing and Wagering Western Australia in a non-reciprocal transfer. In accordance with Treasurers Instruction 955 this transfer is to be treated as a Distribution to Government, and in lieu of any equity injection from Government the amount was to be transferred to Retained Earnings. As a consequence of this transfer, liabilities exceed assets and therefore there is no residual interest in the assets of WAGRA.

27.	**Remuneration of Auditor**		
	The total of fees paid or due and payable for the financial year is as follows:		
	Auditing the accounts, financial statements and key performance indicators	75,861	74,740

28. Fair value measurements

Assets measured at fair Value	Level 1	Level 2	Level 3	Fair Value At end of period
2019				
Land (Note 21)	-	-	-	-
Buildings(Note 21)	-	-	-	-
	-	-	-	-
2018				
Land (Note 21)	-	-	-	-
Buildings(Note 21)	-	-	-	-
	-	-	-	-

There were no transfers between Levels 1, 2 or 3 during the current or previous period.

Notes to the Financial Statements

28. Fair value measurements (continued)

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land are derived using the market approach. Market evidence of sales prices of comparable land in close proximity is used to determine price per square metre. Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)		
2019	Land	Buildings
Fair Value at start of period	-	-
Additions	-	-
Distribution to Government	-	-
Revaluation Increments/(Decrements) recognized in Other Comprehensive Income		-
Depreciation Expense	-	-
Fair Value at end of period	-	-

2018	Land	Buildings
Fair Value at start of period	-	3,942,148
Additions	-	
Disposals	-	(3,752,383)
Revaluation increments/(decrements) recognized in Other Comprehensive Income		-
Depreciation Expense	-	(189,765)
Fair Value at end of period	-	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognized on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and Infrastructure to be categorized within Level 3 where valuations will utilize significant Level 3 inputs on a recurring basis.

Buildings (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimization (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications. Valuation using depreciation replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by John Garmondy and Associates. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fare values of buildings.

Notes to the Financial Statements

28. Fair value measurements (continued)
Information about significant unobservable inputs (Level 3) in fair value measurements

Basis of Valuation
In the absence of market-based evidence, due to the specialized nature of some non financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognizes that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Western Australian Greyhound Racing Association's enabling legislation.

Mandatory application of AASB2016-4 Amendments to Australian Accounting Standards – *Recoverable Amount of non-Cash-Generating Specialised Assets of Not-for-Profit* entities has no financial impact for the Association as the association is classified as not-for-profit and regularly revalues specialized infrastructure, property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

	2019 $	2018 $
29. Compensation of Key Management Personnel		
The Association has determined that key management personnel include Ministers, board members and senior officers of the Association. However the Association is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances:		
(i) **Compensation of members of the accountable association**		
Compensation Bands:		
$0-$10,000	4	4
$10,000 -$20,000	1	2
$20,000 -$30,000	-	-
Short term employee benefits	41,254	41,548
Post employment benefits	2,676	3,774
Other long term benefits	-	-
Termination benefits	-	-
The total compensation of members of the accountable association	**43,930**	**45,322**
No members of the Accountable Association are members of the Pension Scheme.		
(ii) **Compensation of Senior Officers**		
Compensation Bands:		
$100,001 - $120,000	1	-
$120,001 - $140,000	2	-
$140,001 - $160,000	-	4
$160,001 - $180,000	2	-
$180,001 - $200,000	1	3
$200,001 - $220,000	1	-
Short term employee benefits	907,208	926,580
Post employment benefits	159,252	182,750
Other long term benefits	32,936	32,038
Termination benefits	-	-
Total compensation of senior officers	1,099,396	1,141,368
No senior officers are members of the Pension Scheme.		

Notes to the Financial Statements

		2019	2018
		$	$
30.	**Notes to the Statement of Cash Flows**		
(a)	Reconciliation of Cash Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
	Cash at Bank	23,049	419,080
	Investments	1,709,072	1,213,148
	Cash on Hand	82,263	84,019
		1,814,384	1,716,247
(b)	Reconciliation of profit to net cash flows provided by/(used in) Operating Activities		
	Surplus/(Deficit) for the period	(72,596)	251,631
	Non Cash Items:		
	Depreciation and Amortisation	938,125	1,646,369
	Net (gain)/Loss on sale of Non Current Assets Disposed	(1,623)	(5,881)
	Grants and Subsidies from State Government	(266,171)	(879,494)
	(Increase)/decrease in Assets:		
	Current Receivables and Prepayments(a)	(527,251)	48,996
	Current Inventories	(17,092)	569
	Increase/(decrease) in liabilities		
	Current Payables(a)	616,782	94,441
	Current Provisions	(57,776)	53,090
	Non Current Payables	(518,158)	(671,313)
	Non Current Provisions	13,133	(324)
	Net GST receipts/(payments)(b)	-	76,877
	Net Cash Provided by/(used in) operating activities	107,373	614,961

(a) Note that the Australian Taxation Office receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of noncurrent assets are not included in these items as they do not form part of the reconciling items.

(b) This reverses out the GST included in receivables /payables

31. Explanatory Statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and $420,469 for Statements of Comprehensive Income and Cash Flows, and
- 5% and $337,585 for the Statement of Financial Position.

Statement of Comprehensive Income Variances

	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between Estimate and Actual $	Variance between actual results for 2019 and 2018 $
Income						
Racing:						
RWWA Distribution	1(a)	17,191,921	19,043,900	17,928,286	1,851,979	1,115,614
On-course Totalisator		684,623	649,479	696,800	(35,144)	(47,321)
Food and Beverage Sales		1,631,355	1,636,796	1,622,940	5,441	13,856
Admissions		19,200	17,891	14,245	(1,309)	3,646
Sponsorship		62,500	124,221	66,969	61,721	57,252
Other Racing Revenue		155,503	97,338	105,603	(58,165)	(8,265)
Total Racing Revenue		19,745,102	21,569,625	20,434,843	1,824,523	1,134,782
Administration						
Interest Revenue		21,648	21,672	14,159	24	7,513
Other Administration Revenue		626,708	681,126	587,274	54,418	93,852
Total Administration Revenue		648,356	702,798	601,433	54,442	101,365
Gains						
Gain on disposal of non-current assets		-	1,623	5,881	1,623	(4,258)
Total Income		20,393,458	22,274,046	21,042,157	1,880,588	1,231,889

Statement of Comprehensive Income Variances (Continued)

	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between Estimate and Actual $	Variance between actual results for 2019 and 2018 $
Expenses						
Racing:						
Stakemoney and Trophies	2(b)	12,126,013	13,574,715	12,868,276	1,448,702	706,439
Employee Benefits Expense		2,220,072	2,244,693	1,996,404	24,621	248,289
Marketing, Advertising, and Promotions		200,599	180,487	61,677	(20,112)	118,810
CCTV, Photo and Telecasting Link		1,280	1,462	38	182	1,424
Food and Beverage Cost of Sales		533,676	658,360	623,835	124,684	34,525
Other Racing Expenses		957,849	915,731	854,163	(42,118)	61,568
Total Racing Expenses		16,039,489	17,575,448	16,404,393	1,535,959	1,171,055
Administration						
Employee Benefits Expense		2,410,113	2,717,068	2,704,635	306,955	12,433
Depreciation and Amortisation	(c)	988,330	938,125	1,646,369	(50,205)	(708,244)
Corporate Utilities and Services		330,140	426,987	346,574	96,847	80,413
Lease		254,610	259,660	254,766	5,050	4,894
Maintenance		185,420	317,340	198,212	131,920	119,128
Other Administration Expenses		815,369	896,344	786,383	80,975	109,961
Loss on disposal non-current assets		-	-	-	-	-
Total Administration Expenses		4,983,982	5,555,524	5,936,939	571,542	(381,415)
Total Expenses		21,023,471	23,130,972	22,341,332	2,107,501	789,640
(Deficit) Before Grants and Subsidies from State Government		(630,013)	(856,926)	(1,299,175)	(226,913)	442,249
Grants and subsidies from State Government	(d)	569,918	784,330	1,550,806	214,412	(766,476)
Surplus (Deficit for the Period)		(60,095)	(72,596)	251,631	(12,501)	(324,227)
Total Comprehensive Income for the Period		(60,095)	(72,596)	251,631	(12,501)	(324,227)

Statement of Comprehensive Income Variances (Continued)

Major Estimate and Actual (2019) Variance Narratives

1) RWWA Distribution estimate increased by $1,852K (10.77%). Changes in Distribution for the Financial year are not released until late July, early August, therefore the forecast was prepared with the 2017/18 levels. The variance of $1,852K is principally made up of Stakemoney increase $1,456K and Event Fees increased $395K. RWWA increases Stakemoney and Event Fees based on available Distributable funds across all three codes.
2) Stakemoney and Trophies increased by $1,449K (11.95%) due to the increased Distribution Stakemoney.

Major Actual (2019) and Comparative (2018) Variance Narratives

a) RWWA Distribution increased by $1,115K (6.22%). RWWA increased the Stakemoney by $711K and the Event fee by $404K. RWWA increases Stakemoney and Event Fees based on available Distributable funds across all three codes.
b) Stakemoney and Trophies increased by $706K (5.49%), due to the increased Distribution for Stakemoney.
c) Depreciation and Amortisation decreased by $708K (43.02%). The 2017/18 charge included a one off charge for the prior year for the Cannington Marque. The transfer of the Mandurah Land and buildings to RWWA last year also contributed to the decreased charge.
d) Grants and Subsidies from State Government decreased by $766K (49.42%). The 2017/18 Revenue included a number of one-off grants for the Northam Rail Replacement and the Mandurah sand replacement programs which were particular to that year. There was also the release of 29 months of the grant for the Cannington marquee.

Statement of Financial Position Variances

	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between Estimate and Actual $	Variance between actual results for 2019 and 2018 $
Assets						
Current Assets:						
Cash and Equivalents		2,490,699	1,814,384	1,716,247	(676,315)	98,137
Inventories		58,628	75,151	58,059	16,523	17,092
Receivables		763,225	1,264,603	737,352	501,378	527,251
Total Current Assets		3,312,552	3,154,138	2,511,658	(158,414)	642,480
Non-Current Assets						
Property, Plant and Equipment	3	14,465,442	13,688,488	14,360,919	(776,954)	(672,431)
Intangible Assets		-	18,035	6,699	18,035	11,336
Total Non-Current Assets		14,465,442	13,706,523	14,367,618	(758,919)	(661,095)
Total Assets		17,777,994	16,860,661	16,879,276	(917,333)	(18,615)
Liabilities						
Current Liabilities:						
Payables		692,802	1,404,026	787,244	711,224	616,782
Provisions	4	1,852,891	1,240,570	1,298,346	(612,321)	(57,776)
Total Current Liabilities		2,545,693	2,644,596	2,085,590	98,903	559,006
Non-Current Liabilities						
Payables	5	12,623,447	14,837,879	15,356,037	2,214,432	(518,158)
Provisions		23,430	36,240	23,107	12,810	13,133
Total Non-Current Liabilities		12,646,877	14,874,119	15,379,144	2,227,242	(505,025)
Total Liabilities		15,192,570	17,518,715	17,464,734	2,326,145	53,981
Net Assets		2,585,424	(658,054)	(585,458)	(3,243,478)	(72,596)
Equity						
Retained Earnings		2,585,424	(658,054)	(585,458)	(3,243,478)	(72,596)
Total Equity		2,585,424	(658,054)	(585,458)	(3,243,478)	(72,596)

Statement of Financial Position Variances (Continued)

Major Estimate and Actual (2019) Variance Narratives

3) Property, Plant and Equipment is $777K (5.41%) below estimate. The estimate was prepared based on only the land being transferred. When the transfer was processed it also included Buildings and Improvements.
4) Provisions is $612K (47.16%) below estimate. The estimate was based on larger than actual increases in the present value of leave balances.
5) Non-Current Payables variance is $2,214K (14.42%). As part of the Mandurah Land and Buildings transfer during late 2017/18, additional Unearned Income was identified and properly classified.

Major Actual (2019) and Comparative (2018) Variance Narratives

Nil

Statement of Cash Flows Variances

	Variance Note	Estimate 2019 $	Actual 2019 $	Actual 2018 $	Variance between Estimate and Actual $	Variance between actual results for 2019 and 2018 $
Cash Flows from Operating Activities						
Receipts						
Receipts from RWWA Distribution		5,750,531	6,118,664	5,785,605	368,133	333,059
Stakemoney Received	6(e)	12,126,013	13,574,715	12,839,480	1,448,702	735,235
Receipts from Customers	7	2,495,266	2,043,130	2,447,306	(452,136)	(404,176)
Interest received		21,648	21,672	14,159	24	7,513
GST Receipts on Sales		450,000	318,920	307,780	(131,080)	11,140
Payments						
Payments to Suppliers		(3,024,333)	(2,872,037)	(2,850,889)	152,296	(21,148)
Payment of Stakemoney	8(f)	(12,126,013)	(13,574,715)	(12,868,276)	(1,448,702)	(706,439)
Payments to Employees	9	(4,365,108)	(4,931,387)	(4,573,255)	(566,279)	(358,132)
Payments for Rent		(254,610)	(259,660)	(254,766)	(5,050)	(4,894)
GST Payments on Purchases		(450,000)	(331,929)	(232,183)	118,071	(99,746)
Net Cash Provided by/(Used by) Operating Activities		623,394	107,373	614,961	(516,021)	(507,588)
Cash Flows from Investing Activities						
Receipts						
Proceeds from Sale of Plant and Equipment		-	1,623	19,773	1,623	(18,150)
Payments						
Purchases for Property, Plant and Equipment	(g)	(237,000)	(263,190)	(703,066)	(26,190)	439,876
Purchases for Intangible Assets		-	(13,840)	(8,407)	(13,840)	(5,433)
Net Cash Used in Investing Activities		(237,000)	(275,407)	(691,700)	(38,407)	416,293
Cash Flows from State Government						
Other Grants and Subsidies	(h)	42,566	266,171	879,493	223,605	(613,322)
Net Cash from State Government		42,566	266,171	879,493	223,605	(613,322)
Net Increase in Cash and Cash Equivalents		428,960	98,137	802,754	(330,823)	(704,617)
Cash and Cash Equivalents at beginning of the period		2,061,739	1,716,247	913,493	(345,492)	802,754
Cash and Cash Equivalents at end of period		2,490,699	1,814,384	1,716,247	(676,315)	98,137

Statement of Cash Flows Variances (Continued)

Major Estimate and Actual (2019) Variance Narratives

6) Stakemoney Received increased by $1,449K (11.95%). The changes in Distribution for the Financial year are not released until late July, early August, therefore the forecast was prepared with the 2017/18 levels. The variance is the increase in Stakemoney.
7) Receipts from Customers was below estimate by $452K (18.12%). The actual 2018/19 prepayments were higher than estimated.
8) Payment of Stakemoney increased by $1,449K (11.95%). The changes in Distribution for the Financial year are not released until late July, early August, therefore the forecast was prepared with the 2017/18 levels. The variance is the increase in Stakemoney.
9) Payments to Employees increased by $566K (12.97%). Increase in the number of track staff, along with the use of casuals whilst permanent staff take leave and the payout of accrued leave entitlements all contributed to the greater than estimated figure

Major Actual (2019) and Comparative (2018) Variance Narratives

e) Stakemoney Received increased by $735K (5.49%). RWWA increased the Stakemoney for the 2018/19 year.
f) Payment of Stakemoney increased by $706K (5.49%). RWWA increased the Stakemoney for the 2018/19 year.
g) Purchases for Property Plant and Equipment decreased by $439K (62.57%). The 2018 Actual included two high value one off asset addition, Northam rail replacement and Mandurah track sand replacement.
h) Other Grants and Subsidies decreased by $613K (69.74%). The 2017/18 Revenue included a number of one-off grants for the Northam Rail Replacement and the Mandurah sand replacement programs which were particular to that year.

Notes to the Financial Statements

32. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial Instruments held by the Association are cash and cash equivalents, receivables and payables. The Association has limited exposure to financial risks. The Association's overall risk management program focuses on managing the risks identified below.

Credit Risk
Credit risk arises when there is the possibility of the Association's receivables defaulting on their contractual obligations resulting in financial loss to the Association.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying value of those assets.
The Association trades only with recognised, creditworthy third parties. The Association has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts in minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity Risk
Liquidity risk arises when the Association is unable to meet its financial obligations as they fall due. The Association is exposed to liquidity risk through its trading in the normal course of business.

The Association has appropriated procedures to manage cash flows by monitoring cash flows to ensure that sufficient funds are available to meet its commitments.

Market Risk
Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Associations income or the value of its holdings of financial instruments. The Association does not trade in foreign currency and is not materially exposed to other price risks.

The Association's exposure to market risk is restricted to interest risk as cash and fixed term deposits are interest bearing.

	2019	2018
	$000	$000

(b) Categories of Financial Instruments
The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

Financial Assets		
Cash and cash equivalents	1,814	1,716
Receivables[(a)]	739	529
Financial Liabilities		
Payables	786	390

(a)The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

32. Financial Instruments (continued)

(c) Financial Instrument Disclosures

Aging analysis of financial assets.

			Past Due but not impaired					
Financial Assets	Carrying Amount $'000	Not past due and not impaired $'000	Up to 3 Months $'000	3-12 Months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Impaired financial assets $'000
2019								
Cash and cash equivalents	1,814	1,814						
Receivables[(a)]	739	739						
	2,553	2,553	-	-	-	-	-	-
2018								
Cash and cash equivalents	1,716	1,716						
Receivables[(a)]	529	529						
	2,245	2,245	-	-	-	-	-	-

(a)The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

32. Financial Instruments (continued)

(c) Financial Instrument Disclosures (continued)

Liquidity Risk and interest rate exposure

The following table details the Association's interest rate exposure and contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

			Interest Rate Exposure				Maturity Dates				
	Weighted Average Effective Interest Rate %	Carrying Amount $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non Interest Bearing $'000	Nominal Amount $'000	Up to 1 Months $'000	1-3 Months $'000	3 months - 1 year $'000	1-5 years $'000	Mor- than 5 years $'000
2019											
Financial Assets											
Cash and cash equivalents	1.17	1,814	1,732	-	82	1,814	1,814	-	-	-	-
Receivables[(a)]		739	-	-	739	739	739	-	-	-	-
		2,553	1,732	-	821	2,553	2,553	-	-	-	-
Financial Liabilities											
Payables		786	-	-	786	786	786	-	-	-	-
		786	-	-	786	786	786	-	-	-	-
2018											
Financial Assets											
Cash and cash equivalents	1.08	1,716	1,632	-	84	1,716	1,716	-	-	-	-
Receivables[(a)]		529	-	-	529	529	529	-	-	-	-
		2,245	1,632	-	613	2,245	2,245	-	-	-	-
Financial Liabilities											
Payables		390	-	-	390	390	390	-	-	-	-
		390	-	-	390	390	390	-	-	-	-

(a)The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

Notes to the Financial Statements

32. Financial Instruments (continued)

Interest Rate Sensitivity Analysis

The following table represents a summary of the interest rate sensitivity of the Association's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+ 100 basis points	
2019	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000
Financial Assets					
Cash and cash equivalents	1,732	(17.3)	(17.3)	17.3	17.3

		-100 basis points		+ 100 basis points	
2018	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000
Financial Assets					
Cash and cash equivalents	1,632	(16.3)	(16.3)	16.3	16.3

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable note.

33. Impairment of Assets

There are no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 31 July, 2019.

The Association held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 31 July 2019 have been classified as assets held for resale or written-off.

	2019 $	**2018** $
34. Commitments		
Capital Expenditure Commitments		
Capital expenditure commitments, being contracted capital expenditure additional to amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-

Notes to the Financial Statements

		2019 $	2018 $
34.	**Commitments (Continued)**		
	Non-Cancellable Operating Lease Commitments		
	Commitments in relation to the lease contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
	Within one year	263,739	260,093
	Later than one year and not later than five years	944,400	936,156
	Later than five years	4,755,241	5,205,342
		5,963,380	6,401,591

The Association has entered into a property lease which is a non cancellable lease with a thirty year term, with rent payable in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by CPI each year. An option exists to renew the lease at the end of the thirty year term for an additional term of thirty years.

35. Contingent liabilities and contingent assets

Contingent Liabilities

There are no contingent liabilities at the end of the financial year.

Contingent Assets

The assets of Avon Valley Greyhound Racing Association (AVGRA) will be passed on to WAGRA if the club is dissolved. The potential financial impact, subject to fair valuation at the time of transfer, is an increase in the following assets:-

Cash	-	-
Buildings and improvements	92,000	97,000
Furniture and Equipment	111,000	120,000
	203,000	217,000

36. Affiliated Bodies

There are no affiliated bodies with respect to the Association's operation

37. Related Bodies

There are no related bodies with respect to the Association's operation.

Notes to the Financial Statements

38. Related Party Transactions

The Association is wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Association is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to state.

Related parties of the Association include:

- All Ministers and their close family members, and their controlled or jointly controlled entities;
- All Board members and their close family members, and their controlled or jointly controlled entities;
- All senior officers and their close family members, of Racing and Wagering Western Australia and Western Australian Greyhound Racing association and their controlled or jointly controlled entities;
- Other departments and public sector entities , including related bodies included in the whole of government consolidated financial statements;
- Associates and joint ventures, that are included in the whole of government consolidated financial statements; and

The Government Employees Superannuation Board (GESB)

Significant transactions with government related entities

Significant transactions include:

- Distribution for Stakemoney and Other from Racing Wagering Western Australia (RWWA) (Note 8)
- Oncourse commission from RWWA (Note 8)
- Goods and Services Tax from RGL(Note 8)
- Superannuation payments to GESB(Note 14)
- Audit Fees to Office of the Auditor General (Note 27)
- Insurance Premiums to Riskcover (Note 16)

Material transactions with related parties

All other transactions (including general citizen type transactions between the Association and Ministers/Board Members/senior officers or their close family members or their controlled (or jointly controlled) entities are not material for disclosure.

	2019 $	2018 $
39. Events occurring after the end of the reporting period		
There were no events occurring after the reporting date that impact on the financial statements.		
40. Supplementary financial information		
(a) Write-offs		
Bad debts Written off during the financial year	-	-
	-	-
(b) Losses through theft, defaults and other causes		
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-
(c) Gifts of public property		
Gifts of public property by the Association	-	-
	-	-

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION

Report on the Financial Statements

Qualified Opinion

I have audited the financial statements of the Western Australian Greyhound Racing Association which comprise the Statement of Financial Position as at 31 July 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion section of my report, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Greyhound Racing Association for the year ended 31 July 2019 and the financial position at the end of that period, and are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Qualified Opinion

In prior years, grants received from Racing and Wagering Western Australia to fund construction costs for the new Cannington track were not recognised as revenue in accordance with Australian Accounting Standard AASB 1004 "Contributions". Instead, these grants were recorded as Non-Current Liabilities – Payables, with revenue being recorded progressively over the life of the asset.

As a result, for the year ended 31 July 2019, 'Non-Current Liabilities – Payables' are overstated by $14,837,879 in 2019 and $15,356,037 in 2018. Retained Earnings are understated by the same amount for each respective year. In addition, 'Grants and subsidies received from State Government' in the Statement of Comprehensive Income is overstated by $518,158 (2018: $671,311).

Responsibility of the Association for the Financial Statements

The Association is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Association determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Association is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Association.

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Auditor's Responsibility for the Audit of the Financial Statements
As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 agency's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.

- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion
I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Greyhound Racing Association. The controls exercised by the Association are those policies and procedures established by the Association to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Western Australian Greyhound Racing Association are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 July 2019.

The Association's Responsibilities
The Association is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls
Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Qualified Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Greyhound Racing Association for the year ended 31 July 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, except for the effects of the matter referred to in the Basis for Qualified Audit Opinion paragraph, the key performance indicators of the Western Australian Greyhound Racing Association are relevant and appropriate to help users assess the Association's performance and fairly represent the indicated performance for the year ended 31 July 2019.

Basis for Qualified Opinion
The Association is not reporting its key effectiveness indicator 'Attendance at race meetings'.

As a consequence, the Association has not complied with the requirement to report results for all key performance indicators approved by the Under Treasurer.

The Association's Responsibility for the Key Performance Indicators
The Association is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Association determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Association is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators
I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Greyhound Racing Association for the year ended 31 July 2019 included on the Association's website. The Association's management is responsible for the integrity of the Association's website. This audit does not provide assurance on the integrity of the Association's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
16 October 2019

Key Performance Indicators

Desired Outcome: The efficient administration, promotion and maintenance of greyhound racing.

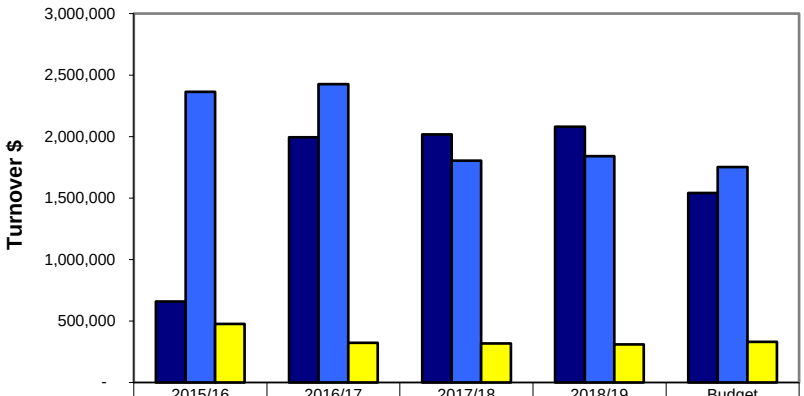
Service: Entertainment and opportunity through greyhound racing.

The overall service includes the supporting activities of:

Services and Facilities: The provision of optimum quality services and facilities to encourage maximum participation in greyhound racing by participants and spectators.

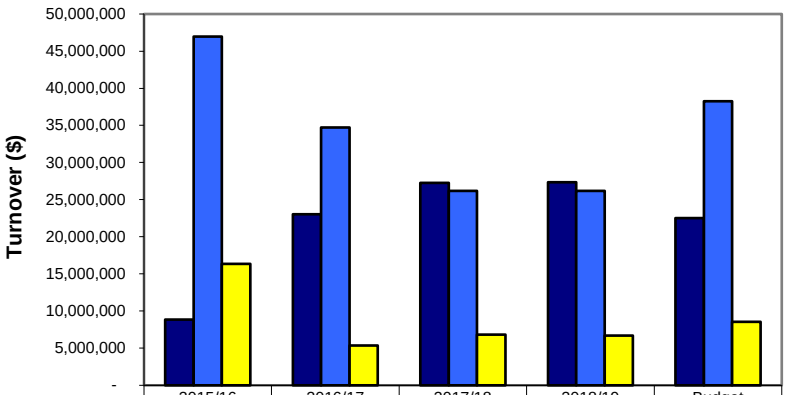
Industry Promotion: The encouragement of direct participation in the greyhound racing industry by providing appropriate quality and quantity of infrastructure, incentives and opportunities to participate.

On-course Totalisator Turnover Comparison by Venue 2015/16 to 2018/19



	2015/16	2016/17	2017/18	2018/19	Budget
Cannington	659,440	1,994,709	2,016,320	2,079,944	1,539,855
Mandurah	2,363,911	2,426,200	1,803,641	1,841,183	1,752,750
Northam	475,137	323,264	317,229	309,712	331,740

Off-course Totalisator Turnover Comparison by Venue 2015/16 to 2018/19



	2015/16	2016/17	2017/18	2018/19	Budget
Cannington	8,846,565	23,031,084	27,245,360	27,358,116	22,500,000
Mandurah	46,949,058	34,720,686	26,195,602	26,177,336	38,250,000
Northam	16,334,579	5,339,359	6,846,759	6,703,036	8,550,000

Effectiveness

On-course Totalisator turnover is directly related to the Association's on-course tote commission and is a major income source for operations. The importance of this commission also reflects WAGRA's commitment to attract on-course patrons.

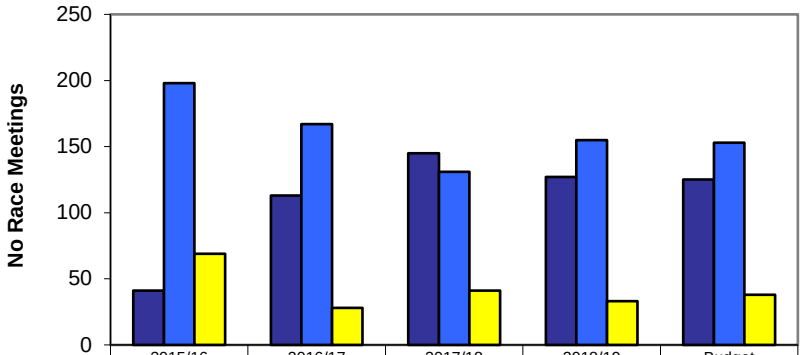
Despite the use of online bookmakers by the punters and smaller on-course attendance contributes to the overall On-course turnover remained steady. During 2017/18 Mandurah was closed for two months whilst a track upgrade was undertaken, consequently Cannington ran 32 more meetings and Northam 13.

Effectiveness

Coverage of local and interstate race meetings through TAB agencies, quality of race meetings, stakemonies and the overall promotion of this racing code in WA are collectively important to maximise the interest of off-course investors. The success of this business output is paramount to the achievement of the desired business outcome.

Key Performance Indicators

Racing Opportunities Comparison by Venue 2015/16 to 2018/19



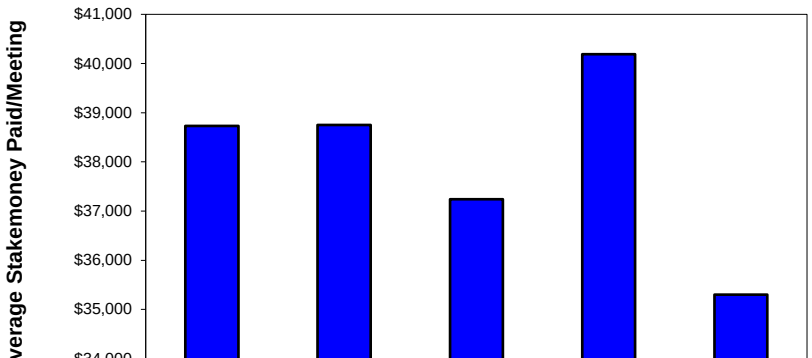
	2015/16	2016/17	2017/18	2018/19	Budget
Cannington	41	113	145	127	125
Mandurah	198	167	131	155	153
Northam	69	28	41	33	38

Effectiveness

Race meetings held at the three locations provide the opportunity for owners, as well as trainers, to race their greyhounds. The 6 month delay in opening the Cannington track meant Mandurah and Northam ran extra meetings during 2015/16. During 2017/18 Cannington and Northam ran extra meetings whilst the Mandurah track was upgraded and improved.

Whilst the graph logs race meetings, the number of races held in 2018/19 was 3,487 as compared to 3,545 the previous year.

Average Stakemoney paid/Meeting Comparison 2015/16 to 2018/19



	2015/16	2016/17	2017/18	2018/19	Budget
Av Stakemoney	38,735	38,750	37,239	40,186	35,298

Effectiveness

Stakemonies paid in conjunction with the number of race meetings held provide the incentive for new and existing owners as well as trainers, to increase their interest in the sport.

In 2017/18 stake-money totaled $11,804,730 being paid over 317 race meetings and an additional $1,063,546 was allocated in the form of trophies and incentives.

Country stake-money for Northam racing reduces the average stakemoney paid per meeting.

The increase in average reflects increased Stakemoney Distribution by RWWA.

In prior years, the Association included Attendance at Race meetings as an effectiveness KPI. WAGRA's Board felt that the admission fee was unprofitable and a detriment to attracting patrons to bet on-course. During 2015 the admission fee was abolished, other than Friday nights at Mandurah, which was abolished during 2019. As a result, the Attendance at Race meetings are no longer suitable to be reported as an effectiveness indicator.

Key Performance Indicators

WAGRA Costs per $000 of Betting Turnover
Comparison by Venue 2015/16 to 2018/19

PERIOD	TOTAL BETTING TURNOVER $000	OPERATING EXPENSES $000	COST/$000 BETTING TURNOVER
Budget	**72,924**	**20,577**	**282.16**
2018/19	**64,469**	**22,469**	**348.52**
2017/18	**64,425**	**21,717**	**337.10**
2016/17	**67,835**	**21,265**	**313.47**
2015/16	**75,629**	**21,027**	**278.03**

Operating expense amounts above exclude expenses relating to Food and Beverage cost of sales.

Operating Expenses to Betting Turnover

The table shows total operating expenses to total turnover for betting assessed as a global indicator for the overall operations of WAGRA, in particular the output of maximum participation in greyhound racing by investors and spectators.

The operating expenses are identified as a relevant and measurable output to generate customer investment through betting sales.

Increasing costs, especially for stake-money has led to the increased cost of Betting Turnover.

The budget figure for Betting Turnover was based on a return to those levels from 2015/16 which did not eventuate.

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Greyhound Racing Association's (WAGRA) performance, and fairly represent the performance of WAGRA for the financial year ended 31 July 2019.

RICHARD HUMPHRIES
WAGRA Chairperson
Date: 14 October 2019

SOPHIE DWYER
WAGRA Deputy Chairperson
Date: 14 October 2019

Statement of Comprehensive Income

Income	2020 $ BUDGET	2019 $ ACTUAL
Racing:		
RWWA Distribution	20,025,714	19,043,900
On-course Totalisator	715,034	649,479
Food and Beverage Sales	1,812,359	1,636,796
Admissions	11,000	17,891
Sponsorship	71,500	124,221
Other Racing Revenue	108,645	97,338
Total Racing Revenue	22,744,252	21,569,625
Administration		
Interest Revenue	20,186	21,672
Other Administration Revenue	607,708	681,126
Total Administration Revenue	627,894	702,798
Gains		
Gains on disposal of non-current assets	-	1,623
Total Income	23,372,146	22,274,046
Expenses		
Racing:		
Stakemoney and Trophies	14,629,658	13,574,715
Employee Benefits Expense	2,246,839	2,244,693
Marketing, Advertising and Promotions	249,099	180,487
CCTV, Photo and Telecasting Link	10,000	1,462
Food & Beverage Cost of Sales	716,421	658,360
Other Racing Expenses	880,919	915,731
Total Racing Expenses	18,732,936	17,575,448
Administration		
Employee Benefits Expense	2,643,832	2,717,068
Depreciation and Amortisation	820,096	938,125
Corporate Utilities and Services	379,530	426,987
Lease	256,820	259,660
Maintenance	221,720	317,340
Other Administration Expenses	984,843	896,344
Loss on Disposal of Non-Current Assets	-	-
Total Administration Expenses	5,306,841	5,555,524
Total Expenses	24,039,777	23,130,972
Surplus/(Deficit) Before Grants and Subsidies from State Government	(667,631)	(856,926)
Grants and subsidies from State Government		
Grants and Subsidies Received	743,849	784,330
Surplus / (Deficit) for the Period	**76,218**	**(72,596)**

This Statement is not subject to Audit.

Statement of Financial Position

	2020 Budget $	2019 Actual $
ASSETS		
Current Assets		
Cash and Cash Equivalents	2,251,841	1,814,384
Inventories	58,059	75,151
Receivables	737,352	1,264,603
Total current Assets	3,047,252	3,154,138
Non Current Assets		
Property, Plant and Equipment	13,249,764	13,668,488
Intangible Assets	3,762	18,035
Total Non Current Assets	13,253,526	13,706,523
Total Assets	16,300,778	16,860,661
LIABILITIES		
Current Liabilities		
Payables	787,244	1,404,026
Provisions	1,475,758	1,240,570
Total Current Liabilities	2,263,002	2,644,596
Non-Current Liabilities		
Payables	14,361,512	14,837,879
Provisions	23,107	36,240
Total Non-Current Liabilities	14,384,619	14,874,119
Total Liabilities	16,647,621	17,518,715
Net Assets	**(346,843)**	**(658,054)**
Equity		
Retained Earnings	(346,843)	(658,054)
Total Equity	**(346,843)**	**(658,054)**

This Statement is not subject to Audit.

Statement of Cash Flows

	2020 Budget $	2019 Actual $
Cash Flows from Operating Activities		
Receipts:		
Receipts from RWWA	20,740,748	19,693,379
Receipts from Customers	2,611,212	2,043,130
Interest Received	20,186	21,672
GST Receipts on Sales	450,000	318,920
Payments:		
Payments to Suppliers	(3,442,532)	(2,872,037)
Payment of Stakemoney	(14,629,658)	(13,574,715)
Payments to Employees	(4,819,338)	(4,931,387)
Payments for Rent	(256,820)	(259,660)
GST Payments on Purchases	(450,000)	(331,929)
Net Cash Provided by/(Used by) Operating Activities	223,798	107,373
Cash Flows from investing Activities		
Receipts:		
Proceeds from Sale of Plant & Equipment	-	1,623
Payments:		
Purchases for Intangible Assets		(13,840)
Purchases for Property, Plant & Equipment	(141,000)	(263,190)
Net Cash Used in Investing Activities	(141,000)	(275,407)
Cash Flows from State Government		
Other grants and subsidies	246,586	266,171
Net Cash from State Government		266,171
Net Increase/(Decrease) in Cash and Cash Equivalents	**329,384**	**98,137**
Cash and Cash Equivalents at beginning of the period	1,814,384	1,716,247
Cash and Cash Equivalents at end of the period	**2,143,768**	**1,814,384**

This Statement is not subject to Audit.

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