

Statement

No. ACT of 2016

Tabcorp Holdings Limited

Proposed acquisition of Tatts Group Limited by Tabcorp Holdings Limited by way of scheme of arrangement



Statement of: Matthew Corby
Address: 55 Cardigan Street, Angle Park, South Australia, 5010
Occupation: Chief Executive Officer, Greyhound Racing South Australia
Date: 22 February 2017

I, Matthew Corby of 55 Cardigan Street, Angle Park, in the State of South Australia, say:

1. I am the Chief Executive Officer (**CEO**) of Greyhound Racing South Australia Limited (**GRSA**). I have held this position since 1 November 2010.
2. I am authorised to make this statement on behalf of GRSA.
3. This statement is made in relation to an application by Tabcorp Holdings Limited (**Tabcorp**) to the Australian Competition Tribunal (**the Tribunal**) for authorisation of the merger of Tatts Group Limited (**Tatts**) and Tabcorp.
4. Exhibited to me at the time of making this statement is a paginated Exhibit of the documents which I refer to in this statement (Exhibit MC-1).
5. Except as stated otherwise, the Exhibit contains business records of GRSA, either prepared in the course of conducting its business, or received by it in the course of that business.
6. Where in this statement I refer to the Exhibit MC-1 Tab[x], I am referring to the corresponding Tab outlined in the index to this statement.

Background and qualifications

7. I hold a Graduate Diploma of Sports Management from Deakin University, a Bachelor of Business (Marketing) from Monash University, and a Bachelor of Arts from Monash University.
8. Since November 2010, I have been employed as the CEO of GRSA. My responsibilities in that role include development and implementation of the company's strategic plan and budgetary framework, monitoring and reporting on performance to an independent board,

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Prepared by Michael Corrigan

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managing GRSA's risk profile, identifying and implementing a robust corporate governance framework, managing GRSA in a manner that appropriately reflects the highly visible nature of greyhound racing, and balancing returns to industry participants with an appropriate level of investment in racing infrastructure and facilities. I also communicate with external stakeholders, consult closely with racing industry participants and represent the industry on various bodies.

9. I manage 35 permanent staff, more than 100 casual and volunteer staff and six racetrack facilities, with a turnover annually of approximately \$20 million.
10. Before my current employment with GRSA, between December 2004 and October 2010, I was the CEO of Sandown Greyhound Racing Club (**SGRC**) where I undertook similar tasks and had similar responsibilities to those which I currently undertake at GRSA, albeit with a specific 'Club' focus. Prior to being appointed to that position, between January 2002 and December 2004, I was the marketing manager at SGRC in which role, among other things, I was responsible for the development of the organisation's marketing plan, and provided direct support to the former CEO across a range of operational, financial, strategic and marketing issues.
11. Between September 1996 and May 2001, I was employed by Tabcorp in Victoria as a Book Manager (in a division of Tabcorp called "TAB Sportsbet"). My primary responsibilities in that role were to support the modelling of derivative bet types and to support the bookmaking function of the business generally in support of maximising returns. Prior to that, between September 1995 and August 1996, I worked in Tabcorp's Racing Industry Centre in Victoria as a Network Services Officer, in which role I supported Tabcorp's retail operations.
12. These roles, collectively, provided me the opportunity to liaise with different racing and industry bodies across the national framework and provided me with a detailed understanding of the manner in which totalisator wagering underpins the funding of the thoroughbred, harness and greyhound racing industries in Australia.
13. I have worked in the wagering and racing sector for 20 years. During this time I have acquired detailed knowledge of:
 - (a) the Australian and South Australia wagering industry and the interaction between the wagering industries across Australian States and Territories;
 - (b) the interrelationship between the wagering industry and the greyhound racing industry in South Australia;
 - (c) the funding arrangements GRSA has with Tatts and corporate bookmakers;
 - (d) the activities of Tatts (as the exclusive totalisator in the South Australia) and of corporate bookmakers licensed in the Northern Territory; and
 - (e) the nature and amount of payments made by Tatts and the corporate bookmakers to GRSA under the funding arrangements referred to in (c) above.
14. My current curriculum vitae is at Exhibit MC-1 Tab 1.

GRSA's operations and activities

15. GRSA was formed as a public company when the three codes of racing in South Australia were corporatised with effect from 1 October 2001.

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16. GRSA is the controlling body for greyhound racing in South Australia. It is responsible for the conduct, regulation and promotion of the sport of greyhound racing in South Australia. It has primary responsibility to ensure the responsible and ethical management of the sport, the enforcement of local and international rules of racing and the oversight of greyhound welfare outcomes associated with the breeding, racing, care and rehoming of greyhounds. It is also responsible for ensuring the industry's financial sustainability for the benefit of stakeholders and the wider community in South Australia, in particular greyhound owners, breeders and trainers.
17. GRSA is overseen by a predominantly independent Board of Directors recruited through a public process on the basis of professional skills-based selection criteria.
18. Six member clubs operate under the auspices of GRSA as separate incorporated entities. They are Adelaide Greyhound Racing Club; Gawler Greyhound Racing Club; Greyhound Owners, Trainers and Breeders Association Coursing Club; Mount Gambier Greyhound Racing and Coursing Club; Port Augusta & District Greyhound Club and Southern Greyhound Raceway.
19. GRSA regularly consults with owners, breeders, and trainers to monitor the current status of the industry and develop long-term plans. GRSA's key industry stakeholder groups include the Industry Consultative Group, the Grading Review Panel, and the Breeders Task Force. Delegates of GRSA Board and management routinely attend meetings of the Australian Greyhound Racing Association and the Board of Greyhounds Australasia .
20. Further details of the functions, objects and responsibilities of GRSA are recorded in the Constitution of the GRSA which is at Exhibit MC-1 Tab 2.

GRSA's activities

21. GRSA puts on an average racing schedule of 13 meetings a fortnight, with the main greyhound racing facility in South Australia, located at Angle Park, hosting racing on Mondays, Wednesdays and Thursdays.
22. In 2015-16, GRSA:
 - (a) had 1,787 individually registered participants including 180 breeders, 386 registered trainers and 1,401 registered owners and handlers;
 - (b) held 342 TAB meetings (at which tote odds are offered and which are undertaken at venues capable of hosting televised racing) with coverage via Sky 179, Sky 2 163 and TAB Radio. Eleven of these TAB meetings were feature events, including 6 Group races and 5 Country cups; and
 - (c) conducted 3,855 races in South Australia. Over 97% of these were TAB races, with the balance being non-TAB races or straight-track coursing where tote betting was not available for the race;
23. In 2015-16, the number of participants individually registered with GRSA, the number of TAB meetings and total number of races increased slightly compared to 2014-15. My expectation is that the figures for 2016-17 will be similar to the 2015-16 figures.
24. As mentioned above, one of the responsibilities of GRSA is to ensure the responsible and ethical management of the sport. During 2015-16, no registered South Australian participant faced charges on any allegation of live-baiting or the unauthorised export of a greyhound in their care. Through the Greyhound Adoption Program, GRSA rehomed more than 300

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greyhounds. This rehoming ratio was higher than any other State or Territory in Australia.

25. GRSA is continuing to expand its integrity and animal welfare resources and is a leader among the racing industry in this regard. Other key recent initiatives have included the introduction of the "Pathways" and time-based grading frameworks for lower standard greyhounds, which allow for greyhounds to be graded across the whole racing population rather than being applicable to only those greyhounds capable of competing at a relatively high standard. This system provides more levels of competition and enables all the racing greyhound population to be effectively raced according to comparable abilities. It also assists in eliminating the notion that a greyhound is "too slow" to be raced. GRSA has also instituted the development of breeder and trainer surveillance measures in support of improved animal welfare outcomes, and introduced an industry panel to review breeding applications. GRSA is currently in the process of rolling out formal education for all registered participants.
26. In recent years, appearance fees and unplaced stake money allocations have also increased disproportionately in an effort to reduce the emphasis on performance, increase the reward for participation and drive a more equitable distribution of industry returns generally. To support the objective of increasing the number of greyhounds which graduate to racing, during the 2015-16 year GRSA also doubled the Maiden victory bonus, which is split between owner and breeder.

GRSA's social and economic contribution to South Australia

27. In 2012, GRSA, together with Thoroughbred Racing SA and Harness Racing SA, commissioned an economic study into the South Australian racing industry (**Economic Study**) from IER Pty Ltd. IER Pty Ltd consulted widely with the SA racing industry in preparing the Economic Study. A copy of the Economic Study, published in June 2013, appears at Exhibit MC-1 Tab 3
28. The findings of the Economic Study were accepted by the Board in about June 2013. For 2011-12 the Economic Study reported:
- (a) the South Australian greyhound racing industry generated value-added expenditure¹ of \$45.41 million to South Australia's Gross State Product;
 - (b) in 2011-12, 4,083 people were engaged in the South Australian greyhound racing industry as either participants, employees, volunteers or contractors to produce racing greyhounds or producing raceway product;
 - (c) on-course raceday spending was \$1.17 million and off-course raceday spending was \$440,000; and
 - (d) 42,526 people attended approximately 354 race meetings, spending nearly \$4.6 million.
29. I understand that IER Pty Ltd has prepared a draft update to the 2011-12 Economic Study, which confirms that the racing industry's contribution South Australia's economy has increased since 2011-12. In addition, I note that that greyhound racing's share of the racing industry compared to other racing codes has slightly improved since the economic study was undertaken.

¹ Value-added expenditure is defined in the Economic Study (Exhibit MC-1 Tab 3) as the value of sales less the value of inputs used in production. That is, equal to the income (wages, salaries and profits) generated.

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GRSA's current financial position and performance

30. GRSA's Annual Report for 2015-16 records its most recent financial performance. A copy of that report is at Exhibit MC-1 Tab 4.
31. I consider GRSA's current financial position to be relatively healthy. GRSA's total income for 2015-16 increased from \$426,000 in 2014-15 to \$579,000.² Net assets also increased to \$10,019,000 from \$9,440,000 in 2014-15.³ Cash flows also increased across the same period.
32. In four of the past five years, greyhound racing has realised market share growth in comparison to the other racing codes. In 2015-6, the end-of-year national market share figure for the greyhound code was a record high 17.7%, an increase of 1.1% on the previous year's result of 16.6%. This market share growth has been generated in part by the scheduling of additional race meetings. It has also been assisted by the introduction of fixed odds betting on all race meetings by UBET SA Pty Ltd (**UBET SA**) and the increasing appeal of the greyhound racing product with a younger demographic.
33. The introduction of fixed odds betting has been particularly important for greyhound racing due to typically smaller totalisator pools for greyhound events. I made the following observation in GRSA's 2014-15 Annual Report⁴:

"It is difficult to overstate the importance that the availability of fixed odds on SA greyhound product has had in relation to wagering growth. Albeit noting that a proportion of fixed odds is cannibalised from the tote pools, it is not unusual for fixed odds wagering activity in relation to a given timeslot to have tripled when measured against a comparable meeting from the previous year."

34. If fixed odds had not been introduced by UBET SA, industry funding derived from the totalisator would have been lower (and in all likelihood significantly lower) than the level it reached in 2015-16. I say this because ongoing small totalisator pools for greyhound events would have been likely to have acted as a disincentive to punters placing bets with UBET SA. I consider that punters would instead have sought to eliminate the risk of large fluctuations in totalisator odds by making fixed odds bets with other wagering providers (for example corporate bookmakers offering fixed price or tote-derivative odds).

GRSA's sources of revenue and industry funding arrangements

35. Greyhound racing and totalisator wagering are closely connected to each other in the following ways:
- (a) GRSA supplies the product (that is, holds race meetings and conducts races) on which wagering operators, both totalisator and bookmakers, offer betting through a range of wagering products; and
 - (b) UBET SA, as the totalisator in South Australia, distributes funding to the racing industry in South Australia which is derived from wagering conducted with UBET SA.
36. In South Australia, industry funding is determined by the payment of a product fee which is

² Exhibit MC-1 Tab 4, 2015/16 Annual Report.

³ Exhibit MC-1 Tab 4, 2015/16 Annual Report.

⁴ Exhibit MC-1 Tab 5, 2014/5 Annual Report.

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based on the net wagering revenue earned by UBET SA. Under those arrangements, UBET SA pays to Racing SA (the governing body for Thoroughbred Racing South Australia (**TRSA**), Harness Racing South Australia (**HRSA**) and GRSA) two separate amounts being:

- (a) a fee of 39% of its net wagering revenue generated by pari-mutuel and fixed odds betting (less race field fees payable to interstate and international racing operators less input tax credits); and
- (b) an additional 6% of all net wagering revenue on racing, which, at one time, constituted the rate of tax on that activity, and which is now fully rebated to the codes.

Wagering through the tote therefore attracts product fees which flow through to industry, and which are higher than the amount that would be received by the industry in racefield fees were that same wagering to be conducted through corporate bookmakers (see also paragraph [42] below).

- 37. The fees received by Racing SA are then distributed between TRSA, HRSA and GRSA pursuant to a racing distribution arrangement between Racing SA and those entities, which considers the respective market shares of the three codes. In turn, GRSA (as the controlling body) then distributes funding to South Australian greyhound racing clubs pursuant to a Club Funding Framework that was most recently amended in March 2016 and determines the annual funding allocation that each South Australian Club is eligible to receive from GRSA.
- 38. Since 2000, GRSA's revenue distribution from wagering has increased by over 70%, corresponding to the growth of its local and national market share:
 - (a) in 2000 greyhound racing received less than 10% of wagering revenue distribution;
 - (b) in 2014-15, greyhound racing received about 15.71% of wagering revenue distribution;
 - (c) in 2015-16, greyhound racing received about 17.7% of wagering revenue distribution.
- 39. GRSA's sources of revenue (by percentage contribution) in each of the last three financial years are depicted in Table 1 below. The sources of revenue which are represented below and which I describe in this statement as industry funding from wagering include TAB Product Fee Revenue (being the gross Product Fee paid to GRSA by UBET SA) and Race Field Fee Revenue (the fees that totalisators (excluding UBET SA) and corporate bookmakers are required to pay for the right to access GRSA's greyhound race field information which enables them to offer wagering on GRSA's product).

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Table 1

	2013-2014 ⁵	2014-15 ⁶	2015-16 ⁷
TAB Product Fee Revenue	44%	36%	36%
Race Field Fee Revenue	32%	39%	40%
Gaming⁸	13%	12%	13%
Food & Beverage⁹	8%	8%	7%
Other	3%	5%	4%

40. GRSA's financial performance (in \$000's) in each of the last three financial years is depicted in Table 2 below.

Table 2

	2013-14 ¹⁰	2014-15 ¹¹	2015-16 ¹²
TAB Product Fee Revenue	8,112	7,905	8,280
Race Field Fee Revenue	6,128	8,432 ¹³	9,373
Stake money and Rebates/Participant Returns	6,197	6,743	7,234

41. Tables 1 and 2 above demonstrate that the two largest components of GRSA's revenue are TAB Product Fee Revenue and Race Field Fee Revenue. The tables also show that over the past three financial years:

- (a) TAB Product Fee Revenue and Race Field Fee Revenue have been stable at between 75% and 76% of GRSA's total revenue;

⁵ Exhibit MC-1 Tab 6, 2013/14 GRSA Annual Report.

⁶ Exhibit MC-1 Tab 5, 2014/15 GRSA Annual Report.

⁷ Exhibit MC-1 Tab 4, 2015/16 GRSA Annual Report.

⁸ This is the revenue earned from electronic gaming machines (**EGMs**) located in the McQueen's tavern at Angle Park.

⁹ This is revenue earned from sales of food and beverages at GRSA race events.

¹⁰ Exhibit MC-1 Tab 6, 2013/14 GRSA Annual Report.

¹¹ Exhibit MC-1 Tab 5, 2014/15 GRSA Annual Report.

¹² Exhibit MC-1 Tab 4, 2015/16 GRSA Annual Report.

¹³ This was the first year in GRSA's history that Race Field Fee Revenue was larger than TAB Product Fee Revenue.

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- (b) in percentage terms, TAB Product Fee Revenue has been declining whilst Race Field Fee Revenue has been increasing;
 - (c) in dollar terms, TAB Product Fee Revenue and Race Fields Fee Revenue have both generally been increasing; and
 - (d) in dollar terms, the rate of increase in revenue has been higher for Race Field Fee Revenue than from TAB Product Fee Revenue since I began working for GRSA in November 2010.
42. Even though revenue from Race Fields Fees might be increasing, this increase does not equally offset the rate at which revenue which could be earned from TAB Product Fees, in relation to the same amount of wagering activity (see paragraph [36] above). While revenue from TAB has increased, it would increase by more in percentage and dollar terms than revenue from Race Fields Fees if punters in South Australia were encouraged to place bets with the totalisator(s) rather than the corporate bookmakers (who do not make any Product Fee payments to GRSA).

The proposed merger of Tatts and Tabcorp

43. I have had regard to the publicly available Tabcorp/Tatts ASX statement and investor presentation dated 19 October 2016. A copy of the investor presentation is at Exhibit MC-1 Tab 7.
44. I have also had the benefit of an additional briefing on the proposed merger by representatives of Tabcorp.
45. Prior to making this statement, GRSA made a submission to the Australian Competition and Consumer Commission (**ACCC**). The submission was made in response to a market inquiries letter sent by the ACCC to GRSA in November 2016. A copy of GRSA's submission to the ACCC is at Exhibit MC-1 Tab 8 (**ACCC submission**).
46. As set out in the ACCC submission, GRSA supports the proposed merger on the basis that the proposed merger is likely to enhance the current totalisator offer in South Australia, and is likely to lead to increased industry funding in comparison to a situation where the proposed merger did not occur.
47. The merging of Tabcorp and Tatts will foreseeably result in a more competitive wagering market, evidenced by greater innovation, better product offering and enhanced service levels. That heightened competition will produce improved outcomes for wagering customers and act as a catalyst for greater customer choice.
48. The synergies that the merged entity will be capable of realising will only serve to bring it into closer alignment with the circumstances of the online corporate bookmakers within the context of the greater cost and regulatory impositions under which Tabcorp and Tatts are required to operate. I believe that this will produce a healthier competitive environment generally that will drive stronger returns back to the racing industry and government.
49. A sustainable model for the racing industry as a whole is best served by the presence of a strong and efficient national tote provider complemented by a diverse and competitive corporate bookmaker market. In my view, the proposed merger is an important step towards such a model.
50. I expect that the proposed merger will lead to an increase in industry funding as a result of greater flow through of funding to each of the controlling bodies of the thoroughbred, harness and greyhound racing codes in South Australia, including GRSA.

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51. If the merger occurs, I expect that the merged firm will be able to draw upon Tabcorp's experience as a totalisator in the larger wagering states of New South Wales and Victoria to operate a more efficient totalisator with a deeper and more diverse product offering than either provider is currently able to offer individually.
52. If Tabcorp were to rebrand the totalisator agencies, hotels, pubs, clubs and other facilities in South Australia under the Tabcorp brand after the merger, I expect this to lead to an increase in totalisator wagering turnover in South Australia for the following reasons:
- (a) I consider that the Tabcorp brand is generally better recognised for totalisator wagering than the Tatts brand (which is more readily associated with lotteries) or the UBET brand (which was launched by Tatts in 2015 in respect of Tatts' wagering activities and has been rolled-out across a minority of retail venues in South Australia). Increasing brand recognition should increase the probability of more recreational wagering spend;
 - (b) I am aware of Tabcorp's scale and experience in other States and Territories, and consider this may enable Tabcorp to roll-out any re-branding of retail venues quickly and professionally in South Australia.
53. Further, a greater level of product innovation and delivery is likely to stimulate competition from corporate bookmakers for the benefit of customers generally. For reasons set out in paragraphs [47] to [52] above, in my view this is good for punters and under current industry funding arrangements which are calculated based on turnover, is likely to lead to increased industry funding.
54. The Tabcorp/Tatts investor presentation (Exhibit MC-1 Tab 7) states that the proposed merger provides a pathway to national pooling for totalisator wagering. I agree with this statement. Any national pool, or merger of existing pools, would be of benefit to greyhound racing and racing generally as deeper and more liquid pools mean more reliable and stable odds for punters and increased punter certainty and confidence to wager with a totalisator rather than a corporate bookmaker offering fixed odds products. This is important for:
- (a) greyhound racing in general (where the amount of money per bet is often smaller than the other codes);
 - (b) attracting larger punters who want to access greater liquidity to maximise potential winnings relative to risk and probability of an particular outcome occurring; and
 - (c) smaller jurisdictions like South Australia where the totalisator tends to have smaller pools because the type and quality of races offered and because the in-state betting population is not large enough to sustain a larger pool.
55. In summary, GRSA expects that the proposed merger would assist in offsetting the cost of conducting racing operations - which continues to escalate - by way of a more efficient funding model. In contrast to the current separation of the existing entities, which creates inefficiencies and duplicated effort, the benefits of moving toward a single, national tote are efficiencies that would allow a national tote to deliver better innovation, greater product offerings and enhanced service levels. A strong tote is a critical element of a national wagering framework that is capable of delivering clear benefits to the national racing industry in terms of sustainability, improved viability for thousands of trainers, breeders and owners (whose involvement drives the supply of racing product, and direct improvements in economic and employment outcomes, predominantly in the South Australia's regional areas where racing has traditionally been conducted.

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GRSA's media rights for racing vision

56. I consider the broadcasting of GRSA's racing vision to be essential because increased viewing of racing vision leads to increased wagering potential, and because punters desire access to vision for any race that they may be able to place a bet on. Wagering potential is maximised by strategic scheduling of races, but that scheduling must also take into account operational considerations at the controlling body level. To the extent that this leads to an increase in overall wagering activity, that increased wagering corresponds to increased funding flowing to GRSA by way of TAB Product Fees (as explained in paragraph 36).
57. Currently Tabcorp, via Sky Racing, holds exclusive rights to broadcast racing vision of all greyhound races in South Australia (including digital) under an agreement that was recently renewed between Sky and GRSA. During the negotiations of that agreement, Tatts/UBET did not express any interest in obtaining media rights from GRSA. To the best of my knowledge Tatts have never expressed interest in or made an attempt to acquire GRSA's media rights.
58. If the proposed merger were to complete, because Tatts/UBET is not a competitor to acquire our media rights, I would not expect that the merger would affect competition to acquire media rights from GRSA in future or our negotiating position over our media rights.
59. I see the market for media rights becoming more competitive in the future because of the emergence of entities such as TVN and *racing.com* and would contemplate that other new parties may also take an interest in acquiring media rights in the future. I expect that GRSA, like any controlling body, will consider these evolving market dynamics at any point of rights renewal in the future.
60. I do not expect that if the merger occurs, Tabcorp/Sky will operate any differently in respect of TRSA's media rights than it does today. From my experience of dealing with Sky, the primary factors that influence Sky's race vision scheduling are achieving a strategic balance between the three codes; weekend and weekday race meetings, and metro/regional racing. I am not aware of any evidence of a code's wagering partnership (ie with Tatts or Tabcorp) being a factor that affects scheduling of the code's racing, and I would not expect that to become the case post-merger. I expect the commercial considerations that underpin race vision scheduling will be unaffected if Tabcorp were to acquire Tatts, because the overriding interest of all parties is to schedule broadcast of racing events so as to optimise viewer interest and wagering.

Selection of GRSA's challenges for the future

61. In recent years, greyhound racing has come under increased scrutiny as a result of incidents in other states and territories involving serious integrity and animal welfare issues. The Board of GRSA is committed to ensuring that the highest standards of integrity and animal welfare in South Australia are observed, in order to restore public trust and confidence in the industry.
62. The Board views the management of animal welfare issues as a priority obligation and has committed significant funding to integrity and animal welfare initiatives. By 2018, GRSA aims to:
- (a) to have introduced a full rehoming strategy in relation to all unraced and retired greyhounds in South Australia;
 - (b) ensure that euthanasia is confined to dogs who have medical issues, whose temperament is incompatible with being successfully rehomed, or who have been the subject of a court order to euthanase;

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(c) increase the capacity of its Greyhound Adoption Program (**GAP**) from 307 in 2015-16, to 450 in 2016-17 and then 600 by mid-2018.

63. Consistent with this aim, GRSA will increase its annual funding for rehoming dogs from \$832,000 in 2015-16 to more than \$1million in 2016-17 (representing approximately 5% of GRSA's total annual revenue).

64. In GRSA's 2014-15 Annual Report I wrote and continue to believe (Exhibit MC-1 Tab 5):

*"The key aspect of any vision for a transparent and accountable industry is a national commitment to rehoming opportunities for unraced or retired greyhounds.
...*

The national industry acknowledges the fundamental obligation that it has in relation to animal welfare and accepts that, despite the extent of recent rehoming initiatives, it has not moved quickly enough to mitigate the unnecessary euthanasia of greyhounds. There is a commitment at the national level to undertake greater disclosure in this area and establish future targets for performance. An external review will commence in the second half of 2015 which will identify the impact of a range of current and proposed change initiatives on industry sustainability with a particular focus on the responsible reduction of national breeding levels.

The South Australian GAP program rehomes the highest ratio of locally bred stock of any jurisdiction in Australia. In the coming year, GRSA expects to announce an expansion of its prison partnership program into Mobilong Prison in addition to industry-based solutions relating to the provision of foster care for greyhounds. Within the next two years, GRSA aspires to achieve a level of rehoming which offsets the requirement based on local breeding numbers."

65. In the 2015-6 Annual Report, GRSA's Chairman stated (page 3):

"Against a difficult background, the industry remained focussed on the things it could control and ensured that it operated in a cohesive and professional manner.

With an ever-increasing need to ensure that our animal welfare practices and outcomes constitute national best practice, our investment into the Greyhound Adoption Program (GAP) and animal welfare oversight doubled in the 2016 financial year and now exceeds one million dollars annually. This represents the highest percentage investment into animal welfare for any racing code in Australia and underscores the importance we place on the welfare of the greyhound whilst still maintaining a successful, vibrant and viable industry. This investment is a recurrent annual commitment which will underpin our declared goal of achieving full rehoming by June 2018.

This investment, coupled with the commendable efforts of our GAP staff and volunteers, saw our GAP program set a new record high for adoptions for the year with 307 greyhounds being rehomed directly through the GAP program. In addition to the efforts of our GAP staff and volunteers, industry participants themselves accounted for a further 332 rehomed greyhounds.

The development of the "You.Me.Six Weeks." marketing campaign by our marketing team ensured the profile and effectiveness of our GAP program were elevated. This campaign, designed at building our foster care capacity, produced significant results in support of the GAP program and has helped to build a platform for success in the ensuing years."

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66. I agree with the Chairman's views. The key elements of GAP which require funding from GRSA include:
- (a) expanded GAP resourcing, foster care partnerships with Adelaide Women's Prison and Mobilong Prison, and a broad network of volunteer foster carers;
 - (b) the introduction of subsidised boarding kennels to support a more efficient transition of greyhounds into the GAP program;
 - (c) mainstream advertising across TV, print, radio, transit and digital vehicles, designed to stimulate of new foster care recruitment and adoption demand; and
 - (d) reinforcement of key messaging to stakeholders within the industry.

67. In the 2015-6 Annual Report, I also wrote and continue to believe (page 10):

The issues that the states are dealing with are often complex and, for the most part, are not isolated to the greyhound racing code. They include considerations of the following:

- The eradication of live-baiting or any other practices detrimental to animal welfare, supported by a zero tolerance approach to breaches of this nature

- Breeding regulation and the strategies for striking an optimal balance between national breeding outputs and the collective obligation that the various Controlling Bodies have to move towards full greyhound rehoming (which also contemplates the movement of greyhounds across state borders)

- The need for IT systems and processes to produce timely, accurate and comprehensive data which tracks the greyhound life-cycle from birth to death

- A shift in industry culture which embraces an industry norm of highly accountable and responsible greyhound ownership which, in turn, underpins a broader objective of eradicating the unnecessary euthanasia of unraced or retired greyhounds

- The need for reform of national grading frameworks with the aim of providing genuine racing opportunities for greyhounds of all standards and removing the notion of a greyhound being 'too slow' to race

- The need for ratification of the proposed federal passport system and the prohibition of greyhound exports to high-risk international destinations, particularly within the Asian region

- The extent to which the national Rules framework supports effective industry regulation and embodies the spirit of current reform

68. The financial viability of the South Australian racing industry is another key challenge for the future. With the exception of occasional minor grants, the three codes in South Australia do not receive routine funding from Government, but rely instead predominantly on returns from wagering to fulfil their obligations under their respective licences. A significant proportion of the proceeds from the sale of SA TAB were distributed to the codes at the time of its sale,

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however that amount has been 'clawed back' in annual instalments until as recently as June of 2016.

69. Against this funding backdrop, costs to the Controlling Bodies associated with the conduct, promotion and regulation of racing have risen at a significant rate. Like many similar bodies, GRSA must remain responsive to the challenges posed by ageing facilities and infrastructure (including health and safety considerations), welfare-related and rehoming strategies, and integrity oversight (including swabbing rates, surveillance methodologies, rate of premise inspections and participant education strategies). In the absence of government funding, the South Australian racing industry starts at a disadvantage compared to other states. A more efficient tote partner becomes a critical element of sustainability within the context of these rapidly escalating costs associated with the regulation of the racing industry.

How GRSA would apply additional revenue

70. Assuming racing wagering turnover does in fact increase after the proposed merger, the payments that the UBET SA, as the licensed totalisator in South Australia, will make to industry should increase. This is because payments made by the totalisator to industry are calculated based on a proportion of turnover, and any increase in totalisator wagering turnover will result in an increase amount paid to the racing industry overall, including GRSA. I have addressed this issue at paragraphs [35] to [37] above.
71. Additional industry funding as a result of the proposed merger would enable GRSA to deliver more comprehensively against its priority initiatives and the broader issues facing the industry such as those set out in paragraphs [56] to [64] above. It would also enable GRSA to be more responsive to investment and development opportunities as they arise, and to maximise its return on investment by delivering initiatives that place greyhound racing in the best possible light for stakeholders and punters. Delivering against these objectives is to the benefit of GRSA's stakeholders and the broader community.
72. In particular, and subject to GRSA Board approval, increased funding would be used to improve the maintenance and upgrade of racing and patron facilities (especially for compliance with health and safety standards). For example, increased funding would provide more funding for GRSA to progress the \$8 million Murray Bridge project, which proposes a new and more modern track at Murray Bridge. The project will allow a greater variety of events to be offered at Murray Bridge and increased funding would ensure that GRSA could make a greater investment into patron facilities and track development and improve utility of the site. Although this project is already budgeted for, increased funding would enable GRSA to maximise its investment to extract maximum gains and realise the full value of the proposed development.
73. Increased funding would also allow GRSA to implement the following proposed initiatives which at this time would benefit from additional funding:
- (a) Support of critical service provision (heavily restricted at the present time) in relation to the rearing and education of greyhound pups - noting that industry participants are often forced to seek such services interstate;
 - (b) Integrity and animal welfare measures, including for example:
 - (i) best practice intelligence collection methodologies;
 - (ii) support of best practice rehoming strategies, including additional funding towards GAP, and the recruitment of additional integrity and stewarding resources; and
 - (iii) increased rate of swabbing for prohibited substances.

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I note in this regard that GRSA's full time resources have increased by 50% in the past two years - mainly in the areas of welfare and integrity - and the costs in relation to swabbing, premises inspections, education and broader compliance will continue to rise at an exponential rate to revenue. As these requirements increase so will the cost of industry compliance.

- (c) Education and training programs for licensed participants in support of improved breeding and training strategies and better informed industry decision-making in relation to breeding selection, rearing practices, nutrition, welfare and administration of first aid care; and
- (d) Increased returns to industry participants in support of their general viability.

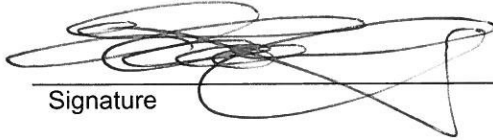
Potential benefits of the merger for South Australia

- 74. I believe that the merger has the potential to benefit the state of South Australia because any steps which improve GRSA's revenue, will improve GRSA's ability to implement the initiatives described in paragraphs [66] to [67] above, and pursue other initiatives which it may not otherwise be able to pursue without the extra funding.
- 75. Facility upgrades are likely to make South Australia a more attractive destination for local and interstate patrons and punters. Facility upgrades will drive future revenues from punters by way of increased totalisator betting, which I believe will see totalisator turnover increase and the GRSA, under industry funding arrangements, receive greater returns than it does currently: see paragraphs [38] to [39] above.
- 76. Facility upgrades should also increase "on-track" revenues by increasing food and beverage sales and make for stronger engagement with community. I expect that facility upgrades will result in larger crowds at greyhound racing events and increased wagering. Increased employment of hospitality, security and other staff at racing events is also likely. This will result in benefits to the state of South Australia as it will increase employment and result in greyhound racing having a greater impact on Gross State Product than prior to the merger.
- 77. Depending on the amount of increased industry funding that flows to GRSA, it would also look at increasing the level of prize money available to encourage participation in the sport. If GRSA is able to increase prizemoney, I believe this will also result in benefits to the community and to the state of South Australia because any increase in participation driven by increased prizes or rewards means increased employment from breeder to trainer to track, and a more viable and sustainable industry overall.
- 78. In summary, the more additional funding the GRSA receives as a result of the merger, the more GRSA will be able to invest in the development of its greyhound racing product and improve its ability to attract new local and interstate patrons and punters to South Australia, thereby increasing the contribution which the greyhound racing industry in South Australia currently makes to South Australia's Gross State Product.

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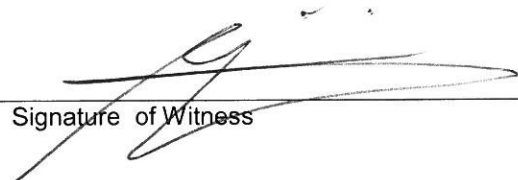
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 14



Signature

Mr Matthew Corby, Chief Executive Officer, Greyhound Racing South Australia Limited



Signature of Witness

Nina Janic
Level 18, 333 Collins Street,
Melbourne VIC 3000
An Australian Legal Practitioner within the meaning
of the Legal Profession Uniform Law (Victoria)

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IN THE AUSTRALIAN COMPETITION TRIBUNAL

TABCORP LIMITED

ACT of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

EXHIBIT CERTIFICATE

This is the exhibit marked "**MC-1**" to the statement of **MATTHEW CORBY** dated **22 February 2017**.

Exhibit MC-1

Filed on behalf of Tatts Group Limited

Prepared by Michael Corrigan

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Tab	Document Description	Document ID
1.	Matthew Corby Curriculum Vitae	TAT.001.023.0001
2.	Constitution of Greyhound Racing South Australia Ltd	TAT.001.023.0006
3.	Economic Study by IER Pty Ltd June 2013	TAT.001.023.0036
4.	Greyhound Racing South Australia Ltd Annual Report 2015 - 2016	TAT.001.023.0114
5.	Greyhound Racing South Australia Ltd Annual Report 2014 - 2015	TAT.001.023.0162
6.	Greyhound Racing South Australia Ltd Annual Report 2013 - 2014	TAT.001.023.0210
7.	Tabcorp/Tatts Investor Presentation dated 19 October 2016	TAT.001.023.0254
8.	GRSA submission to ACCC	TAT.001.023.0270

Matthew Corby

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CAREER SUMMARY

Following successful engagements within Tabcorp Holdings Limited, I was appointed Marketing Manager of Sandown Greyhound Racing Club in 2002 and subsequently, reflecting the strength of my achievements in that role, was elevated to the position of Chief Executive Officer in 2004.

A record of demonstrated performance within the Victorian Racing industry led to my next appointment as Chief Executive Officer of Greyhound Racing South Australia in 2010, requiring our young family to relocate to Adelaide.

Within the racing industry, I am considered an innovative and accountable administrator, a strategic thinker, and an agent of positive organisational change. My reputation is that of a passionate and people-oriented professional, committed to delivering business outcomes to the highest possible standards. My career choices have provided me with almost 20 years of experience in the national not-for-profit sporting sector, and have honed my skills in general management, event delivery and the strategic management of an industry defined by its highly-vested participants and stakeholders.

QUALIFICATIONS

1999	Graduate Diploma of Sports Management	Deakin University, Melbourne
1995	Bachelor of Business (Marketing)	Monash University, Melbourne.
1990	Bachelor of Arts	Monash University, Melbourne.
1986	Higher School Certificate	Xavier College, Melbourne.

CORE COMPETENCIES

- Highly developed acumen for development and implementation of strategic planning and reform
- Excellent presentation skills and a natural ability to build strong relationships through working with diverse stakeholders ranging from Ministerial delegations to industry and club committees
- Resilience and ability to work under pressure, both with regard to the most senior dealings of the business and in relation to general operations and project delivery
- Highly innovative and effective approach to problem solving and analysis
- Strongly committed and accountable mindset with a passion for making a difference
- Advanced conceptual understanding across a range of areas including sports marketing, facility management, business process re-engineering, and continuous improvement philosophies

INDUSTRY EXPERTISE

Demonstrated expertise in:

- the development and implementation of planning frameworks underpinned by considered and evidence-based analysis;
- the improvement of commercial outcomes arising from the identification of new revenue streams and opportunities to mitigate cost; and
- the capacity to develop relationships and collaborate with partners and stakeholders from all sectors of industry to maximise organisational outcomes.

EMPLOYMENT HISTORY

November 2010 – ongoing
Greyhound Racing South Australia (GRSA)
Chief Executive Officer

Responsibilities and Skills

- Development and implementation of the company's five year strategic plan and budgetary framework
- To monitor and report on company performance to a predominantly independent Board with diligence and transparency in support of effective decision-making
- To elaborate and manage the company's risk profile and ensure that risk is managed accountably
- To identify and implement a robust governance framework supporting company practices and policies
- To lead and manage in a manner that appropriately reflects the highly visible nature of the product
- To balance returns to industry participants with an appropriate level of investment in racing infrastructure and facilities
- To communicate effectively with external stakeholders, consult closely with participants and represent the industry with the utmost professionalism
- To nurture the growth of the management team and establish the aspirational standard for the organisation
- Primary responsibility for the oversight of company activity comprising \$18m in annual turnover, 27 permanent staff, more than 100 casual and volunteer staff and six racetrack facilities

Achievements

- *Growth of wagering market share to the highest levels recorded in South Australia – that measure being the primary determinant of industry revenue*
 - *Elevation of annual stake money returns from \$4.36m in 2009-10 to \$7.23m in 2015-16*
 - *Implementation of comprehensive frameworks for addressing fundamental governance requirements in relation to WH&S and organisational policy*
 - *Mitigation of the significant political risks associated with the closure of two regional tracks premised upon effective communication of the significant challenges facing the local industry and projected benefits of that strategy*
 - *The development and implementation of a five year strategic plan for the industry supported by a comprehensive (\$10m) infrastructure budget*
 - *Development of a comprehensive risk management framework to support the Board's strategic decision-making process*
 - *Announcement of the imminent commencement of the two biggest infrastructure projects that the industry has undertaken since the 1970's (for completion by the end of 2017)*
 - *Positive acceptance of significant cultural, strategic and operational reform by an industry with a recent history of under-performance and division*
 - *Successful repositioning of the Adelaide Cup to a prime October timeslot in support of wagering growth and to remove the seasonal risks associated with a summer scheduling of that event*
 - *Growth of the weekly schedule of racing broadcast via Sky Channel in support of participation opportunities and wagering growth*
-

EMPLOYMENT HISTORY continued...

December 2004 – October 2010
Sandown Greyhound Racing Club (SGRC)
Chief Executive Officer

Responsibilities and Skills

- Development and implementation of the company's Strategic Plan
- Establishment of the company's profitability, business growth and development goals
- Monitoring and evaluation of all company results and activities
- Management and reporting of the financial and accounting operations of SGRC to a Committee of industry-elected Directors
- Implementation and management of all strategic and policy decisions of the Sandown Committee
- Planning and development of the structure and operations of SGRC to ensure that they reflect Sandown's premier standing within the national framework

Achievements

- *Reversal of the Club's trading position from a loss of \$244k in 2004-5 to a profit of \$200k in 2008-9 (within the context of a \$2m business) underpinned by consistent year-to-year growth*
 - *Delivery of a \$3.8m refurbishment of the grandstand and patron facilities to upgrade the venue to a standard commensurate with modern community expectations*
 - *Conception and negotiation of a metropolitan equalisation strategy which facilitated a comprehensive restructuring of Victoria's stakemoney framework and formalised an additional \$350k in ongoing annual capital works support for SGRC*
 - *Professional delivery of the (combined) 2007 National Championships and World Greyhound Racing Federation Conference at Sandown to the highest standards*
 - *Instigation and oversight of a comprehensive review of the national Group racing calendar as the SGRC representative to the Australian Greyhound Racing Association (AGRA)*
 - *Promotion and representation of the Club as a national leader to stakeholders at all levels of media and industry including the management of key relationships*
 - *Galvanisation of Sandown staff culture, empowering them to pursue their roles in an enthusiastic, professional and committed manner*
-

EMPLOYMENT HISTORY continued..

January 2002 – December 2004
Sandown Greyhound Racing Club, Victoria
Marketing Manager

Responsibilities and Skills

- Responsible for the development of the organisation's Marketing Plan
- Direct support to the Chief Executive across the full breadth of operational, financial, strategic and marketing issues
- Identification and analysis of commercial venue development opportunities
- Primary liaison role with media, sponsors, members, patrons and industry stakeholders
- Coordination and management of race night entertainment, presentations and promotion
- Responsible for managing the Club's marketing and advertising budgets
- Management of sponsor relationships, identification of new sponsorship opportunities and negotiation of sponsor renewals
- Preparation and dissemination of reporting to industry stakeholders including the controlling body (GRV)

Achievements

- *Arrested and reversed long-term declining trends in racenight attendance (increasing by 16.8% between 2001-2 and 2003-4) and catering turnover (increasing by 33% between 2001-2 and 2003-4)*
- *Developed and implemented the five year strategic marketing plan for the business (2004/5-2008/9)*
- *Delivered consistently successful feature racing as the officer with primary responsibility for operational oversight of racing carnivals and events*
- *Contributed conspicuously to the development and ongoing refinement of the Venue Master Plan, a strategic document outlining the broad scope of long-term capital works opportunities at the venue*
- *Conceived the "Club Night" concept which continues to represent the focus of the Club's marketing strategy*

May 2001 – January 2002
Microhelp, Melbourne
Sales & Marketing Coordinator

September 1996 – May 2001
Tabcorp Holdings Limited
Head Office, Victoria
Book Manager (TAB Sportsbet)

September 1995 - August 1996
Tabcorp Holdings Limited
Racing Industry Centre, Victoria
Network Services Officer

PERSONAL INTERESTS

- * Golf
- * Football (AFL)
- * Racing
- * Reading
- * Fitness/Running
- * Young family (soccer, golf, tennis)
- * MCC Member

RECENT ACHIEVEMENTS

- 2016 Played a leadership role as the spokesperson for GRSA within the context of the crisis which confronted the national industry in light of the public revelation of unethical participant practices
- 2015 Delivered a \$2.5 million re-development of facilities at the Gawler Greyhound Racing Club on budget and to a standard that has been embraced by key stakeholders
- 2011 Managed the closure of two regional Clubs, and the risks associated with that strategy, having presented the compelling strategic case for industry reform via a series of industry and public forums
- 2010 Re-established GRSA's Management team following on from a moment of internal crisis wherein that group was reduced to just two Managers and myself, as the incoming CEO – the Management team numbers seven when fully constituted
- 2010 Conceived and project-managed a \$3.8 million redevelopment of the Sandown Park grandstand and surrounds
- 2007 Delivered the 2007 National Championships and World Conference, incorporating 250 local delegates and 80 international delegates from 12 different countries to an aspirational standard
- 1998 Designed the first relationship-pricing models for TAB Sportsbet which reduced the level of manual input and increased marginal win rates

REFEREES

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Constitution

of

Greyhound Racing SA Limited

ACN 094 569 525

55 Cardigan Street

Angle Park

South Australia

(As Amended 1 February 2016)

Original draft prepared by

▪ **PHILLIPS FOX** ▪

Lawyers

19-29 Young Street

Adelaide SA 5000

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Definitions **28**

Execution **Error! Bookmark not defined.**

Name

- 1 The name of the Company is Greyhound Racing SA Limited.

Objects

- 2 The primary object for which the company is established is for the encouragement of animal racing and the secondary objects of the company are:
 - 2.1 to replace the body known as the SA Greyhound Racing Authority ("SAGRA") established under the Racing Act 1976 (SA) as the controlling body for greyhound racing ;
 - 2.2 to acquire all of the assets and assume all of the liabilities of SAGRA and, subject to this Constitution, to take over all of the functions, roles, duties and obligations of SAGRA;
 - 2.3 to encourage, promote and conduct the sport of greyhound racing;
 - 2.4 to enhance, encourage and promote all other aspects of greyhound racing by providing an efficient and effective gaming environment;
 - 2.5 to make greyhound racing more attractive;
 - 2.6 to provide industry control and direction for the greyhound industry;
 - 2.7 to effectively market greyhound racing;
 - 2.8 to increase the returns of owners, breeders and trainers from participation in greyhound racing;
 - 2.9 to encourage and enhance the welfare of greyhounds; and
 - 2.10 to encourage and promote the protection and preservation of the history of the greyhound industry;
- in South Australia.

The company's powers and how they may be exercised

- 3 In furtherance of the Company's objects, the Company has the power:
 - 3.1 to establish, adopt and/or enforce, both South Australian and Australian, rules, codes and regulations for the conduct of greyhound racing in South Australia;

- 3.2 to actively inform all participants and provide details of all the rules, codes and regulations relating to the sport of greyhound racing;
- 3.3 to impose and collect sanctions, levies, fines or charges for the breach of any rules, codes or regulations by participants;
- 3.4 to prepare budgets and make grants to Members;
- 3.5 to issue licences to relevant persons in the industry and to administer the registration of relevant persons including trainers and others but excluding bookmakers and associated persons;
- 3.6 to arrange and publish greyhound racing dates and locations and the greyhound racing calendar and approved special greyhound race meetings;
- 3.7 to represent South Australia at National Greyhound Racing Forums;
- 3.8 to engage officials including greyhound graders, racing stewards and racing managers;
- 3.9 to assist greyhound racing clubs in marketing and sponsorship matters;
- 3.10 to assist greyhound racing clubs in the areas of television, radio and internet broadcasting;
- 3.11 to regulate and control the greyhound racing code and the conduct of greyhound race meetings and greyhound races within South Australia;
- 3.12 to prepare and implement plans and strategies for the management of the financial affairs of the greyhound racing code and for the development, promotion and marketing of the code;
- 3.13 to promote venues for the conduct of greyhound racing in South Australia;
- 3.14 to enter into negotiations or arrangements with any government or authority, municipal, local or otherwise that may seem conducive to the Company's objects;
- 3.15 to enquire into and deal with any matter relating to greyhound racing and to refer any matter to stewards or others for investigation and report;

- 3.16 to do anything and to enter into and make any agreements that is or are incidental or conducive to the attainment of the objects of the Company; and
- 3.17 to otherwise exercise any powers of an individual and those powers contained in Part 2B.1 of the Corporations Law, provided that they must not be exercised in contravention of any provision of this Constitution.

Agent exercising Company's power to make contracts

- 4 The Company's power to make, vary, ratify or discharge a contract may be exercised by an individual acting with the Company's express or implied authority and on behalf of the Company. This power may be exercised without using the Common Seal.

Execution of documents by the Company itself

- 5 The Company may execute a document without using the Common Seal if the document is signed by:
- two Directors; or
 - a Director and the Secretary.

Affixing of Common Seal

- 6 The affixing of the Common Seal must be witnessed by:
- two Directors; or
 - a Director and the Secretary;

The Directors must provide for the safe custody of the Common Seal.

Company limited by guarantee

- 7 The Company is a company limited by Guarantee. Accordingly:
- the number of Members is unlimited; and
 - the liability of Members is limited.

Undertaking by members

- 8 Every Member undertakes to contribute to the assets of the Company in the event of it being wound up while he or she is a Member or within one year afterwards.

- 8.1 The contribution is towards payment of the debts and liabilities of the Company contracted before the time at which the Members cease to be a member and of the costs, charges and expenses of winding up the

Company and for the adjustment of the rights of the contributors amongst themselves.

8.2 The amount of the contribution will not exceed two dollars.

Income applied to objects

9 The income and property of the Company however derived must be applied solely to the promotion of the objects of the Company as set out in clause 2. No portion may be paid or transferred directly or indirectly by way of dividends, bonus or otherwise by way of profit to a Member.

9.1 This does not prevent the payment in good faith of remuneration to any officers or servants of the Company or to any Member in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual cause of business.

9.2 Nor does it prevent the payment of any interest at a rate not exceeding the rate for the time being fixed for the purpose of this clause by the Board for money borrowed from any Member, or the payment of reasonable and proper rent for premises demised or let by any Member to the Company.

Effect of constitution

10 This Constitution has effect as a contract:

10.1 between the Company and each Member;

10.2 between the Company and each Director and Secretary;

10.3 between a Member and each other Member.

Relationship to Corporations Law

11 This Constitution is subject to the Corporations Law. If there is an inconsistency between this Constitution and the Corporations Law, the Corporations Law prevails to the extent of the inconsistency.

Initial members

12 The initial Members of the Company are:

12.1 Port Pirie and District Greyhound Club Incorporated;

12.2 Southern Greyhound Raceway Incorporated;

- 12.3 Port Augusta and District Greyhound Club Incorporated;
- 12.4 Northern Yorke Peninsula Greyhound Racing Club Incorporated;
- 12.5 Riverland Greyhound Racing Club Incorporated;
- 12.6 Whyalla Greyhound Racing Club Incorporated;
- 12.7 Mount Gambier Greyhound Racing & Coursing Club Incorporated;
- 12.8 Greyhound Owners, Trainers & Breeders Association Coursing Club Incorporated;
- 12.9 Adelaide Greyhound Racing Club Incorporated; and
- 12.10 Gawler Greyhound Racing Club Incorporated.

There is an expectation that Members are compliant, have an active membership base and engage in a reasonable level of meaningful industry-oriented activity. The extent to which a Member is compliant with the above expectation may generally be constituted by the following:

- representation at 75% or more of Member of Company meetings annually
- compliance with legislative and general governance obligations
- the extent to which it engages with its own membership base
- the number of its membership base
- the extent to which it positively impacts or represents the industry

In the event that a Member is deemed not to be reasonably satisfying this framework, the Members may suspend or remove that Member from the Company by special resolution requiring a Special Majority (75%) of support for its termination.

The initial Members are to be treated as having agreed to be bound by this Constitution and the Rules in force from time to time.

Additional members and regulation of membership

- 13 The Members may, by resolution:
- 13.1 admit new Members and impose, revoke or vary any conditions relating to the admission of new Members;
 - 13.2 create categories of membership and specify the obligations, rights or privileges that are attached to the categories of membership; and
 - 13.3 impose, revoke or vary any rules relating to membership including without limitation, disciplinary matters and cessation of membership.

Members' obligations

- 14 A Member is bound to further, to the best of the Member's ability, the objects, interest, influence and standing of the Company and must deliver a copy of its audited accounts to the Company on or before 31 October in each year.

General meetings

- 15 All general meetings, except at annual general meetings, are called general meetings.
- 15.1 The Board may whenever it thinks fit, convene a general meeting. In addition, not less than 40% of Members may whenever they think fit, requisition a general meeting. A general meeting must be convened within 21 days of receipt by the Company of the requisition. In default, it may be convened in the way provided by the Corporations Law.
 - 15.2 A notice of a general meeting must be sent to all Members within 14 days of receipt by the Company of the requisition referred to in clause 15.1, specifying the place, date and the hour of the meeting and in the case of special business, the general nature of that business to be transacted at the meeting.
 - 15.3 For the purpose of clause 15.2, all business is special that is transacted at a general meeting and also all that which is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheet, the election of directors and the appointment of auditors, if necessary.
 - 15.4 No business may be transacted at any general meeting unless more than 50% of the Members, are present at the time when the meeting is conducting business.

- 15.5 Save where otherwise set out in this Constitution, the convening and holding of and procedure with respect to general meetings must be conducted in accordance with the Corporations Law.

Annual general meeting

- 16 An annual general meeting of the Company will be held each year at a time decided on by the Board and otherwise in accordance with the provisions of the Corporation Law. The Board must give not less than 21 days' notice to the Members of the meeting.

- 16.1 The committees of each of the Members are entitled to receive notice of and attend the annual general meeting. They are entitled to ask questions and raise issues at that meeting, but are not entitled to vote.

The Board

- 17 The Company is to have a Board of five Directors

- 17.1 The first Directors are:
- Robert Michael Kennedy
 - John Marshall Levy
 - David Charles Hoban
 - Elizabeth Anne Dawson
 - Peter Frederick Meyer

All Directors thereafter, including in the case of a casual vacancy, will be appointed as set out in clauses 17.2 to 17.9.

- 17.2 At all times the Board must be comprised of four directors nominated by the Directors' Selection Panel and one director elected by Licensed Persons.

- 17.3 Those Directors to be nominated by the Directors' Selection Panel must be appointed as follows:

- Subject to Clauses 19.2 and 36, the Directors' Selection Panel must appoint, from time to time, a human resource consultant to provide to that committee recommendations for each category of directors referred to in clause 18 (but not including clause 18.1).
- The Directors' Selection Panel must then nominate that number of persons, in accordance with this Constitution,

required to fill each vacancy. Each person nominated must have consented in writing to being appointed a Director.

- The Board must appoint from time to time, each person nominated, in accordance with this Constitution, by the Directors' Selection Panel.
- Provided however that the appointments under this sub clause will not take effect unless and until the Independent Gambling Authority has approved that person as suitable to hold such a position.

17.4 The members of the Directors' Selection Panel must be appointed as follows:

- three members must be appointed by the Members of the Company (at least one of whom must be the nominee of a Country Member and one the nominee of a Metropolitan Member); and
- one member must be appointed by the Board

provided that, for the purposes of this clause 17.4:

- (a) a Country Member is a member other than those Members specified in clauses 12.8 to 12.10 inclusive; and
- (b) a Metropolitan Member is any Member specified in Clauses 12.8 to 12.10 inclusive; and
- (c) the appointment of a member to the Directors' Selection Panel will be for a period of 12 months unless specified otherwise at the time of the relevant appointment; and
- (d) the process for appointing any new Directors' Selection Panel will be undertaken in a sufficiently timely manner to ensure continuity from the time that the former Panel lapses

17.5 The decisions of the Directors' Selection Panel must be a majority of the members of that committee.

17.6 If any of the bodies referred to in clause 17.4 fails to appoint a person to be a member of that Directors' Selection Panel, then the Members must appoint a person so that the Directors' Selection Panel is always comprised of four persons.

17.7 A body of Licensed Persons comprising trainers, breeders, attendants and 'active' owners must elect a person and nominate that person, in accordance with this Constitution, to fill a vacancy so that one Director will have been appointed as a result of a nomination by Licensed Persons provided that, for the purpose of this Clause 17.7, an active owner is defined as any full or part owner that is currently registered with GRSA in connection with any greyhound that has raced in the 12

month period prior to the commencement of the ballot process. In the case of a Syndicate, voting rights will be restricted to the Syndicate Manager only. The person so nominated must have consented in writing to being appointed a Director.

- 17.8 The election referred to in clause 17.7 must be by formal postal ballot utilising a preferential voting system. Licensed Persons must be afforded the choice to engage in the ballot process by postal means. Voting by electronic means may be offered as an additional vehicle. The ballot process is to be conducted by the South Australian Electoral Office or by such other body or by such other means as determined by the Board from time to time provided that the scrutineers must be persons independent of the Company.
- 17.9 The Board must appoint from time to time each person nominated in accordance with this Constitution, by Licensed Persons.

Qualification for membership of the Board

- 18 One Director must have qualifications and experience in financial management, one must have qualifications and/or experience in marketing, one must have qualifications and experience in carrying on a business and one must have experience as a legal practitioner. At least any three of these Directors must be Independent Directors (such that at all times a majority of the appointed Directors are Independent Directors).
- 18.1 One Director must have experience in the greyhound racing industry and may be a Licensed Person.
- 18.2 A Director must not hold any appointment as an Officer of any Industry Body at any time during his or her term of office as a Director.

Term

- 19 Subject to clause 19.2, a Director must not be appointed for a term of more than three years. On expiration of a Director's term of office, he or she is eligible for re-appointment.
- 19.1 The initial Directors must be appointed for the following terms:
- Three Directors for a term of two years; and
 - Two Directors for a term of three years.
- 19.2 The Directors' Selection Panel may, prior to the expiry of a term of office of a Director who was appointed in accordance with clause 17.3 (and with the Director's consent), extend that Director's term of office for a period of up to an additional full term. For any subsequent

renewal of that particular individual's Directorship, a ballot of the Members of Company must be called which demonstrates a Special Majority (75%) of support for a further renewal of a full term.

Chairman

20 The Board must appoint an Independent Director to be Chairman.

Casual vacancy

21 The office of a Director becomes vacant if the Director:

- 21.1 dies;
- 21.2 becomes bankrupt or makes any arrangement or composition with the Director's creditors;
- 21.3 resigns;
- 21.4 by reason of any provision of the Corporation Law, becomes prohibited from being a Director;
- 21.5 becomes of unsound mind or a person or estate is liable to be dealt with under the law relating to mental health;
- 21.6 fails to attend any four meetings of the Board within a 12 month period unless the Members resolve otherwise;
- 21.7 being a Licensed Person nominated as a Director under clause 17.7, is disqualified from being a Licensed Person under the rules of greyhound racing;
- 21.8 becomes an Officer of an Industry Body which has the potential to give rise to conflict;
- 21.9 being an Independent Director appointed as such, ceases to be an Independent Director; or
- 21.10 is removed by the Members by unanimous resolution.

Quorum for Board meeting

22 The quorum for all Board meetings is three Directors, at least two of whom must be Independent Directors.

Remuneration of directors

- 23 The Directors may be paid an honorarium of the amount determined by the Members.
- 23.1 The Directors may be paid out of pocket expenses incurred by them from time to time in carrying out their duties as Directors.
- 23.2 The Directors may be paid for services rendered to the Company in a professional or technical capacity, provided that:
- 23.2.1 the service has the prior approval of the Board; and
- 23.2.2 the amount payable is on reasonable commercial terms and approved by the Members.
- 23.3 The Directors may be paid for their services as employees of the Company where the terms of employment have been approved by resolution of the Board.
- 23.4 Nothing in this clause affects the operation of clause 9.

Resignation of director

- 24 A Director may resign as a Director by giving at least one week's notice in writing to the Company at its registered office.

Removal of director

- 25 The Members may, by unanimous resolution remove a Director before the end of the Director's period of office, notwithstanding anything in the Constitution or any agreement between the Company and the Director.

Management of company's business

- 26 Subject to the Corporations Law and to any other provision of this Constitution, the business of the Company will be managed by the Board, who may:
- 26.1 pay all expenses incurred in promoting the objects of the Company;
- 26.2 exercise all powers of the Company that are not, by the Corporations Law or by the Constitution, required to be exercised by the Company in general meeting.

Power to borrow money

- 27 The Board may exercise all the powers of the Company to:
- 27.1 borrow money;
 - 27.2 charge any property or business of the Company; or
 - 27.3 issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

Power of attorney

- 28 The Board may, by power of attorney, appoint any person or persons to be attorney or attorneys of the Company. An attorney is appointed:
- for the purposes;
 - with the powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the Board);
 - for the period; and
 - subject to the conditions,
- that the Board thinks fit.
- 28.1 A power of attorney may contain provisions for the protection and convenience of persons dealing with the attorney that the Board thinks fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

Cheques

- 29 All cheques, promissory notes, banker's drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed and otherwise executed, by the persons and in the manner that the Board may from time to time determine.

Rules

- 30 In addition to the powers given to the Board elsewhere in this Constitution, the Board may from time to time make, change and repeal any Rules that are necessary for the proper conduct and management of the Company and the regulation of its affairs. This includes Rules setting:
- 30.1 the terms and conditions of appointment of administrators, officers and paid staff of the Company and the conduct of those persons; and

- 30.2 the procedure or order of business of meetings of the Company and Board not elsewhere prescribed in this Constitution.

Duties of Board

- 31 In addition to any other duties required to be carried out by the Board, the Board must:
- 31.1 prepare and present a budget to a meeting of Members for joint consultation between April and June in each year for the following Financial Year;
 - 31.2 report quarterly to a joint meeting of Members for "Information Meetings" and at meetings and at other times as appropriate, report on such things as performance measures against budget, other key performance indicators and to receive submissions from Members;
 - 31.3 act generally in the best interests of greyhound racing and Members;
 - 31.4 keep proper records and make available records for inspection by Members;
 - 31.5 liaise with TAB (SA) for purposes of maximising wagering revenue; and
 - 31.6 perform other functions and carry out other duties as delegated to it by the Members.

Regulation of Board meetings

- 32 The Board will meet monthly or at other intervals it determines for the dispatch of business and may adjourn and otherwise regulate its meetings as it thinks fit.

Calling a meeting

- 33 A Director may at any time, and the secretary must on the request of a Director, convene a Board Meeting.
- 33.1 A Board Meeting may be called or held using any technology consented to by all Directors provided the means chosen allows each Director to reasonably participate in the meeting.

Passing of resolutions

- 34 Except where provided otherwise in this Constitution, a resolution of the Board must be passed by a majority of votes cast by Directors entitled to vote on the resolution.

Chairing of board meetings

- 35 When the Chairman is absent from a meeting of the Board or is not present within 15 minutes of the time appointed for the meeting, the Directors may choose an Independent Director to be chairman of the meeting.

35.1 The Chairman has a casting vote.

Vacancy

- 36 In the event of a vacancy or vacancies in the office of a Director or Directors, the DSP may act to make an appointment or appointments to fill casual vacancies in the interests of increasing the number of Directors to constitute a quorum and/or in the interests of Company stability. The DSP may ultimately choose to retain any or all of the appointees to those casual vacancies or to engage a new process of appointment(s) in accordance with Clauses 17.2 to 17.9 at its absolute discretion.

Circulating resolutions

- 37 The Board may pass a resolution without a Board meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the documentation.
- 37.1 Separate copies of a document may be used for signing by Directors if the wording of the resolution and the statement is identical in each copy.
- 37.2 A resolution circulated in this manner is passed when the last Director signs the statement that the Director is in favour of the resolution.

Delegation to committees

- 38 The Board may delegate any of its powers or functions (not being duties imposed on the Board as directors by the Corporations Law or the General Law) to one or more committees consisting of the persons the Board thinks fit.

Committee's powers

- 39 A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the Board. A power exercised in that way is to be treated as having been exercised by the Board.

Committee meetings and numbers

- 40 The Members of a committee may elect one of their number to act as chairman of their meetings.

40.1 Where a meeting is held and:

40.1.1 a chairman has not been elected as provided by clause 40; or

40.1.2 the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the members present may elect one of their number to be chairman of the meeting.

40.2 A committee may meet and adjourn as it thinks fit.

40.3 Questions arising at a meeting of the committee are determined by a majority of votes of the members present and voting.

40.4 The chairman has a deliberative vote only. In the case of an equality of votes, the motion is lost.

Acts valid

- 41 All acts done by any Board meeting or by a committee appointed by the Board or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was defect in the appointment of a person to be a Director or that a person so appointed was disqualified, valid as if the person had been duly appointed and was qualified to be a Director or member of the appointed committee.

Appointment of Chief Executive Officer

- 42 The Board may from time to time appoint a person as Chief Executive Officer of the Company for the period and on the terms as to remuneration and otherwise as the Board thinks fit and, subject to the terms of any agreement entered into on any particular case, may revoke an appointment. The Chief Executive Officer must be the Secretary and may attend, but not vote at, Board meetings.

Control and powers of Chief Executive Officer

- 43 The Chief Executive Officer is at all times subject to the control of the Board. The Board may, as it thinks fit:
- 43.1 confer on the Chief Executive Officer any powers exercisable under the Constitution by the Board;
 - 43.2 impose terms and conditions on which the powers may be exercised;
 - 43.3 confer the powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board; and
 - 43.4 withdraw or change any of the powers.

Industry Consultative Group

- 44 The Members of Company will establish an Industry Consultative Group which will meet with the Board at least twice annually on dates and at times that the Board determines. The Industry Consultative Group consists of six persons as follows:
- 44.1 one person nominated by the Members who is an interested person in greyhound racing;
 - 44.2 one person nominated by the Members who is an owner of greyhounds;
 - 44.3 one person nominated by the Members who is an owner trainer of greyhounds;
 - 44.4 one person nominated by the Members who is a public trainer of greyhounds;
 - 44.5 one person nominated by the Members who is a breeder of greyhounds; and
 - 44.6 one person nominated by the Members who is associated with the wagering industry.

The Members may substitute persons from time to time to fulfil the roles served by the listed bodies. If any of these bodies is deemed by the Members to lack an appropriate representative at a given point in time, the Industry Consultative Group is constituted by the remaining persons. At their absolute discretion the Members may, from time to time, appoint additional persons as deemed to be warranted.

Functions of Industry Consultative Group

- 45 The functions of the Industry Consultative Group are:
- 45.1 to provide advice to the Company on industry policy and strategic direction;
 - 45.2 to serve as a channel for communication between the industry stakeholders that it represents and the Company;
 - 45.3 to provide a forum for discussion of issues of concern and the making of recommendations to the Company; and
 - 45.4 at the request of the Company, to nominate members to serve on committees or working groups established by the Company.

Regulations concerning Industry Consultative Group

- 46 The Company has power to make regulations concerning the Industry Consultative Group and its members including:
- 46.1 the eligibility and remuneration of members;
 - 46.2 the nomination of members by representative bodies;
 - 46.3 the term of office of members;
 - 46.4 the removal of members; and
 - 46.5 the conduct of meetings of the Industry Consultative Group.

Minutes

- 47 The Company must keep a minute book in which it records:
- 47.1 resolutions of meetings of the Members;

47.2 resolutions of Board meetings (including meetings of a committee of Directors); and

47.3 resolutions passed by the Board without a meeting.

Minutes to be signed

48 The Company must ensure that minutes of a meeting are signed within a reasonable time after the meeting by the Chairman of the meeting.

Resolution passed without meeting

49 The Company must ensure that minutes of the passing of a resolution without a meeting are signed by each Director within a reasonable time after the resolution is passed.

Prima facie evidence

50 A minute that is recorded and signed is evidence of the matter stated in the minutes.

Secretary

51 A secretary will hold office on the terms and conditions, as to remuneration and otherwise, the Board determines.

Inspection of records

52 Unless otherwise determined by the Board or by reason of the Corporations Law, any accounting records and other financial documents (including the Financial Statements) may only be inspected by Directors and Members.

Financial year

53 The Financial Year of the Company is from the 1st day of July in each year to the 30th day of June in the following year.

Financial statements

54 The Board must keep accounting and other financial records that correctly record and explain its business and financial position in order that:

54.1 true and fair Financial Statements can be prepared from time to time; and

54.2 the Financial Statements can be conveniently and properly audited.

Notices

55 The Company may give notice (for the purposes of a meeting or otherwise) to a Member by:

- 55.1 delivering it personally;
- 55.2 by sending it by post to the address of the Member in the register of Members or an alternative address (if any) nominated by the Member; or
- 55.3 by sending it to the facsimile number or electronic address (if any) nominated by the Member.

When notice received

56 A notice is received:

- 56.1 if delivered personally, on delivery;
- 56.2 if sent by post, two business days after the date of posting; or
- 56.3 if sent by facsimile or electronic address, on the sender obtaining confirmation that successful transmission has occurred.

Indemnity

57 Every Officer, Auditor and Secretary for the time being of the Company must be indemnified out of the assets of the Company against any liability arising out of the execution of the duties of his or her office which is incurred by him or her in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour, or in proceedings in which the Court grants relief to him or her under the Corporations Law, or as otherwise permitted under the Corporations Law.

Winding up

58 If, on the winding up or dissolution of the Company, there remains, after satisfaction of all its debts and liabilities, any property, it must not be paid or distributed amongst the Members. Instead, it must be given or transferred to an institution (or combination of institutions) having objects similar to the objects of the Company and whose constitution prohibits the distribution of its income and property among its members to an extent at least as great as is imposed on the Company under clause 9.

- 58.1 The institution (or combination of institutions) is to be determined by the Members at or before the time of dissolution. If they fail to do so, it must be determined by a judge of the Supreme Court of South Australia who has jurisdiction in the matter.

Auditor

- 59 The Board must appoint a duly qualified auditor or auditors and take reasonable steps to ensure that the Financial Statements for the Financial Year are audited. The auditor's duties are to be regulated in accordance with the Corporations Law.

Auditor's report

- 60 The Board must ensure that the auditor's report is attached to, or endorsed on, the Financial Statements for each Financial Year.

Racing Appeals Tribunal

- 61 A Racing Appeals Tribunal must be established as soon as practical after incorporation of the Company. The Company may satisfy this requirement by resolving to adopt one of the following options:

61.1 Option 1 as set out in clauses 62 to 76 inclusive, or

61.2 Option 2 as set out in clauses 77 and 77.1.

If the Company initially adopts Option 1 pursuant to clause 61.1, it may at any future time resolve to adopt Option 2. If the Company initially adopts Option 2 pursuant to clause 61.2, it may at any future time resolve to adopt Option 1.

Option 1

Racing Appeals Tribunal

- 62 If the Company resolves to adopt Option 1, then the Company must establish a Racing Appeals Tribunal to consist of:

- a President and one or more Deputy Presidents appointed by the Board under clause 64; and
- any other persons appointed by the Board under clause 64.

- 62.1 The President or Deputy President sitting on an appeal to the Tribunal must decide all questions arising for decision on the appeal but, as contemplated in section 41K of the Racing Act 1976, may seek such

advice and assistance from the assessors also sitting on the appeal as the President or Deputy President thinks fit.

Constitution of tribunal for appeals

63 For the purpose of hearing any Appeal, the Tribunal is to be constituted by:

63.1 a President or a Deputy President of the Tribunal; and

63.2 where the President considers that the assistance of a further person or persons is required, not more than two other persons selected by the President from those other persons appointed to the Tribunal by the Board under clause 64.

If the President of the Tribunal is absent or unavailable or the office of the President is vacant, the Board may nominate a Deputy President to determine the membership of the Tribunal for the purpose of hearing an appeal.

Appointment of members of Tribunal

64 The Board must appoint a legal practitioner of not less than ten years standing to be the President or a Deputy President of the Tribunal and other persons having the qualifications the Board determines from time to time, as members of the Tribunal. A Board member is not eligible for appointment as a member of the Tribunal.

Term of office of tribunal member

65 A member of the Tribunal may be appointed for the term of office, not exceeding three years, the Board determines and specifies in the instrument of appointment and, on the expiration of that term of office, is eligible for reappointment.

Removal of tribunal member

66 The Board may remove a member of the Tribunal from office for:

66.1 mental or physical incapacity to carry out satisfactorily the duties of the office;

66.2 neglect of duty; or

66.3 dishonourable conduct.

Cessation of tribunal membership

- 67 A person ceases to be a member of the tribunal if:
- 67.1 the person dies;
 - 67.2 the person's term of office expires;
 - 67.3 the person resigns by written notice addressed to the Board;
 - 67.4 the person becomes a member of the Board; or
 - 67.5 the person is removed from office under clause 66.

Payment of allowances

- 68 A member of the Tribunal is entitled to the allowances and expenses as the Board determines from time to time.

Immunity from liability

- 69 No liability attaches to a member of the Tribunal for an act or omission by the member or the Tribunal in good faith in the exercise or performance, or purported exercise or performance, of powers or functions under this Constitution.

Appeals to tribunal

- 70 The Tribunal has jurisdiction to hear and determine an appeal against:
- 70.1 a decision made under the rules of greyhound racing made or adopted by the Company:
 - disqualifying or suspending a person from participating in greyhound racing in any particular capacity .
 - imposing a fine greater than \$499 or another amount prescribed by the Board from time to time; or
 - 70.2 a decision made under the rules of the Company disqualifying or suspending a greyhound (but only when this decision is made in conjunction with a decision referred to in clause 70.1).

Rules

- 71 The Board may make rules:
- 71.1 prescribing amounts required to be prescribed for the purposes of clauses 62 to 70.

- 71.2 fixing time limits within which appeals to the Tribunal must be instituted; or
- 71.3 prescribing any other matter relating to appeals or the procedures on appeals to the Tribunal, provided that the rules in place under the Greyhounds Australasia Rules (as amended from time to time) will, in the absence of any contrary rules made by the Board from time to time, apply.
- 71.4 For the avoidance of doubt, the Board may vary or repeal any rules in place at the date of adoption of this Constitution.
- 71.5 The Tribunal may, if satisfied that it is just and reasonable in the circumstances to do so, dispense with a requirement of the rules.

Proceedings on appeal

- 72 The Tribunal must give a party to an appeal reasonable notice of the time and place at which it intends to hear the appeal.
- 72.1 The appellant and any body or person determined by the Tribunal to be directly affected by or interested in the subject matter of an appeal are parties to the appeal.
- 72.2 If a person to whom notice has been given pursuant to clause 72 does not attend at the time and place fixed by the Tribunal, the Tribunal may hear the appeal in that person's absence.
- 72.3 A party to an appeal is entitled to appear:
- personally or by counsel;
 - by leave of the Tribunal – by some other representative.
- 72.4 The President or a Deputy President of the Tribunal may, if satisfied that an appeal has been instituted against any decision or order and that it is appropriate to do so, suspend the operation of the decision or order pending determination of the appeal.
- 72.5 An appeal may not be heard by the Tribunal unless the appellant has first lodged with the Tribunal, as a bond, the amount (if any) prescribed by the Board by rules under clause 71.
- 72.6 The amount lodged as a bond by an appellant is not to be refunded unless:
- the Tribunal allows the appeal in whole or in part; or

- the appellant satisfies the Tribunal that the appeal was generally instituted on reasonable grounds and not for the purpose of delaying the operation of the decision or order under appeal.

- 72.7 An appeal to the Tribunal must be heard in public unless the Tribunal, for good reason, determines otherwise.
- 72.8 Except as otherwise determined by the Tribunal, an appeal is to be conducted by way of rehearing on the evidence at the original hearing, but the Tribunal may receive fresh evidence given orally or, if the Tribunal so determines, by statutory declaration.
- 72.9 The Tribunal must afford each party to an appeal a reasonable opportunity to make submissions to the Tribunal and, subject to clause 72.8, to call or give evidence and examine or cross examine witnesses.
- 72.10 Subject to clause 72, the Tribunal may conduct an appeal in the manner it thinks fit.

Principles on which a decision is made

- 73 The Tribunal must act according to equity and good conscience and the substantial merits of the case without regard to technicalities and legal forms. The Tribunal is not bound by the rules of evidence and may inform itself on any matter in the manner it thinks fit.

Orders that may be made by the tribunal

- 74 The Tribunal may, on the hearing of an appeal, do one or more of the following, according to the nature of the case:
- 74.1 affirm, vary or quash the decision or order appealed against, or substitute, and make in addition, any decision or order that should have been made in the first instance.
- 74.2 remit the subject matter of the appeal to the person or body that heard the original proceedings for further hearing or consideration or for rehearing;
- 74.3 subject to clauses 62 to 76, make any further or other order as the case requires.

Costs

- 75 Each party to an appeal must bear the party's own costs, except where the Tribunal considers that would be unjust, in which case the Tribunal may make any order as to cost it thinks fit.

Decisions of tribunal final and binding

- 76 Any decision of the Tribunal on an appeal is final and binding on the persons and bodies affected.

Option 2

Racing Appeals Tribunal

- 77 If the Company resolves to adopt Option 2, then the Company must agree with other parties to jointly establish a Racing Appeals Tribunal on terms and conditions determined, subject to this Constitution, by the Company.

- 77.1 Any agreement concluded between the Company and other parties to establish a Racing Appeals Tribunal as contemplated under clause 77 , must be on terms and conditions that are consistent with the requirements of clauses 62 to 76 varied appropriately.

Angle Park Property

- 78 Any decision of the Company to sell, transfer, assign or otherwise dispose of the Company's interest in the property at Angle Park in South Australia must be unanimously approved by Members in a general meeting.

Definitions

<i>Board</i>	means the Board of Directors of the Company.
<i>Chairman</i>	means the Director elected as a Chairman of the Board pursuant to clause 20.
<i>Chief Executive Officer</i>	means the person (if any) appointed pursuant to clause 42.
<i>Common Seal</i>	means the common seal of the Company.
<i>Company</i>	means Greyhound SA Limited.
<i>Constitution</i>	means the Constitution of the Company as originally adopted or as altered.
<i>Director</i>	means any person holding office or appointed as a director under this Constitution.
<i>Financial Year</i>	means the period set out in clause 53.
<i>Financial Statements</i>	means the profit and loss statement and balance sheet of the Company for each Financial Year.
<i>General Meeting</i>	means a meeting of the Members of the Company.
<i>Independent Director</i>	means a Director of the Company who is not, and has not in the 5 years immediately prior to the relevant time been: (a) a Licensed Person; or (b) in any capacity, an Officer, representative or member of any Industry Body.
<i>Industry Body</i>	means a Member, a Licensed Person or any other person, club, association or body associated with the greyhound racing industry (other than the Company).
<i>Industry Consultative Group</i>	means the group of persons established under clause 44.
<i>Licensed Persons</i>	means those persons registered under the rules of

	greyhound racing.
<i>Member</i>	means a Member of the Company.
<i>Officer</i>	means: <ul style="list-style-type: none"> (a) in relation to a corporation - a director or secretary of that corporation; (b) in relation to any entity or body (including a corporation or an incorporated association) a person: <ul style="list-style-type: none"> (i) who actively participates in the management of the business of the entity or body; or (ii) who has the capacity to affect significantly the financial standing of the entity or body; (c) in relation to an incorporated association - a member of the committee of that incorporated association.
<i>Replaceable Rules</i>	means the rules contained in the Corporations Law.
<i>Rules</i>	means the rules of the Company made from time to time by the Board.
<i>Secretary</i>	means any person appointed (whether or not on a honorary basis) to perform the duties of Secretary of the Company within the meaning of the Corporations Law.
<i>TAB (SA)</i>	means the South Australian Totalisator Agency Board or any other body appointed in its place.
<i>Tribunal</i>	means the Racing Appeals Tribunal to be established as set out in clause 61.

*Economic, Social and
Community Benefits of the*

SOUTH AUSTRALIAN RACING INDUSTRY



Prepared by IER / June 2013



EXECUTIVE SUMMARY

The impact of the racing industry extends well beyond that seen on the racetrack. It is an integral part of the sporting life, cultural traditions and – importantly – the economy of South Australia.

Racing cannot simply or neatly be 'pigeon-holed' in descriptive terms. It is an industry that makes a significant contribution to the economy; while also constituting a key aspect of the state's social fabric, both on a metropolitan and regional basis.

The South Australian racing industry is:

- + An exciting and strongly supported sport;
- + A focus in many regional communities throughout the state;
- + A major employer in South Australia; and
- + A significant contributor to the state's economy.

As an economic contributor, the South Australian racing industry:

- + Generates \$401.7m per annum in economic benefits for South Australia;
- + Sustains the employment of 3,628 South Australians;
- + Provides \$224m per annum in household income;
- + Generates GST of \$19m per annum; and
- + Generates \$303m per annum in direct expenditure, with more than 40% of this expenditure occurring in regional areas.



Racing is an integral aspect of local communities throughout South Australia.

- Racing in South Australia is second only to the AFL in terms of attendance at events with 515,264 attending racing in 2011-12;
- There are 13,852 Members and Members' Guests of racing clubs throughout South Australia;
- The South Australian racing industry engages more than 1,240 volunteers;
- There are 42 racing clubs operating from 38 racetracks throughout South Australia, with 6,752 races run each year at 773 race meetings; and
- 161 charities and community organisations are assisted by racing clubs in South Australia every year.

The three codes of racing – thoroughbreds, greyhound and harness – connect directly with South Australians across:

- One in every 80 South Australian adult residents are employed in, or participate in, the South Australian racing industry;
- There are more than 9,500 owners connected with racing, and 5,315 horses and greyhounds being trained by 1,125 trainers;
- 737 breeders are involved in the production of 1,387 foals and pups each year.

Measurable facts and data are essential for sound decision making. The three racing codes in South Australia considered it important to commission an authoritative contemporary assessment of the industry's economic and social impact in this state.

IER, a leading and respected strategic consulting business specialising in the tourism, events and entertainment industries, was commissioned in 2012 and completed this report on the South Australian racing industry in May 2013: "Economic, Social and Community Benefits of the South Australian Racing Industry". IER has completed similar studies for the Western Australian, Queensland, Country Victoria and New Zealand racing industries.

This report provides a detailed analysis of the racing industry in South Australia and reinforces the industry's contention as to the justification of ongoing Government support. It provides a comprehensive overview of the wide range of sectors involved in the racing industry, and serves as a primary reference for those making decisions that will impact the future of the local industry.

The racing industry should be recognised by the state Government as the important industry and community asset it undoubtedly is.

For the South Australian racing industry to survive and ultimately flourish, we believe it is essential that Government provides a level of support commensurate with the commitment it demonstrates towards other similarly vital sectors of the economy.

In the face of growing competition from interstate, underpinned by assistance and recognition from respective Governments in those jurisdictions, the South Australian racing industry will inevitably become a less competitive and sustainable industry in the absence of meaningful State Government support.

*Thoroughbred Racing SA | Greyhound Racing SA |
Harness Racing SA*



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The South Australian Racing Industry is responsible for generating more than \$400 million in economic benefits to the state of South Australia per annum. The activities of the racing industry sustain the employment of more than 3,600 South Australians

Economic Value

TOTAL VALUE-ADDED BY RACING	\$401.7 MIL
FULL-TIME EQUIVALENT EMPLOYMENT	3,628
HOUSEHOLD INCOME GENERATED	\$224 MIL
GOODS AND SERVICES TAX GENERATED	\$19.0 MIL

KEY RESULTS AT A GLANCE

*Racing in South Australia is the second highest attended sport in the state (behind the AFL)**

Attendances

ATTENDANCES	515,264
ATTENDANCES (INDIVIDUALS)*	181,400
MEMBERS	7,363
MEMBERS GUESTS	6,489

*Source: ABS Catalogue 4174.0 2009-10

Across the State, one in every 80 South Australian adult residents participate or are employed in the South Australian Racing Industry. The Adelaide Region is responsible for almost half of this number (7,720 people), which equates to 1 in every 116 adult residents in the region

Participants 2011/12

PARTICIPANTS IN PRODUCING HORSES AND GREYHOUNDS	12,693
PARTICIPANTS IN PRODUCING THE RACEDAY PRODUCT	2,748

The South Australian Racing Industry generates more than \$303 million in direct expenditure per annum. Over 40% of this expenditure occurs in regional areas

Expenditure

PRODUCTION OF RACING ANIMALS	\$27.18 MIL
PREPARATION OF RACING ANIMALS	\$94.87 MIL
WAGERING REVENUES & PRODUCT FEES	\$116.40 MIL
RACEDAY CUSTOMER SPEND (ON-COURSE)	\$14.90 MIL
RACEDAY CUSTOMER SPEND (OFF-COURSE)	\$21.57 MIL
NON-RACEDAY CUSTOMER SPEND	\$28.09 MIL
TOTAL	\$303.01 MIL

The South Australian Racing Industry engages more than 1,240 volunteers and assists over 160 charitable organisations

Social Impacts

- CHARITIES ASSISTED BY RACING CLUBS 161
- COMMUNITY ORGANISATIONS SHARING FACILITIES WITH RACING CLUBS 62
- VOLUNTEERS WHO ARE ENGAGED IN THE RACING INDUSTRY 1,243
- RACING CLUBS THAT OFFER SERVICES FOR FAMILIES 96%

The production (\$27.2 mil) and preparation (\$94.9 mil) of horses and greyhounds is responsible for generating total expenditure of more than \$122 million in South Australia per annum

Horses and greyhounds

- NUMBER OF FOALS & PUPS BRED PER YEAR 1,387
- NUMBER OF HORSES AND GREYHOUNDS IN TRAINING 5,315

There is an average of two race meetings every day in South Australia, providing entertainment and employment for South Australian residents

Racing Clubs

- NUMBER OF RACING CLUBS 42
- NUMBER OF RACETRACKS 39
- NUMBER OF RACE MEETINGS 773
- NUMBER OF RACES 6,752

Total wagering turnover placed on the South Australian racing through the SA TAB exceeds \$117 million per annum

Wagering

- TOTAL WAGERING TURNOVER PLACED ON SA RACING \$117.2 MIL
- NET WAGERING REVENUE (SA TAB) \$106.8 MIL
- RACING INDUSTRY SHARE OF WAGERING REVENUE (SA TAB) \$37.9 MIL

RACING CLUBS IN SOUTH AUSTRALIA

THOROUGHBRED CLUBS

+ ADELAIDE

Gawler
Morphettville

+ EYRE

Ceduna
Kimba
Lock

Penong

Port Lincoln

Streaky Bay

+ MURRAYLANDS

Mindarie-Halidon
Murray Bridge

+ NORTHERN

Hawker

Jamestown

Quorn

Roxby Downs

Port Augusta

+ OUTER ADELAIDE

Kangaroo Island

Oakbank

Strathalbyn

+ SOUTH EAST

Bordertown

Millicent

Mount Gambier

Naracoorte

Penola

+ YORKE AND

LOWER NORTH

Balaklava

Clare Valley

GREYHOUND CLUBS

+ ADELAIDE

Angle Park
Gawler

+ NORTHERN

Virginia

+ PORT AUGUSTA

Port Augusta

+ OUTER ADELAIDE

Strathalbyn

+ SOUTH EAST

Mount Gambier

HARNESS CLUBS

+ ADELAIDE

Gawler
Globe Derby Park

+ EYRE

Franklin Harbor

+ NORTHERN

Port Pirie

Whyalla

+ OUTER ADELAIDE

Kapunda

Port Augusta

Strathalbyn

Victor Harbor

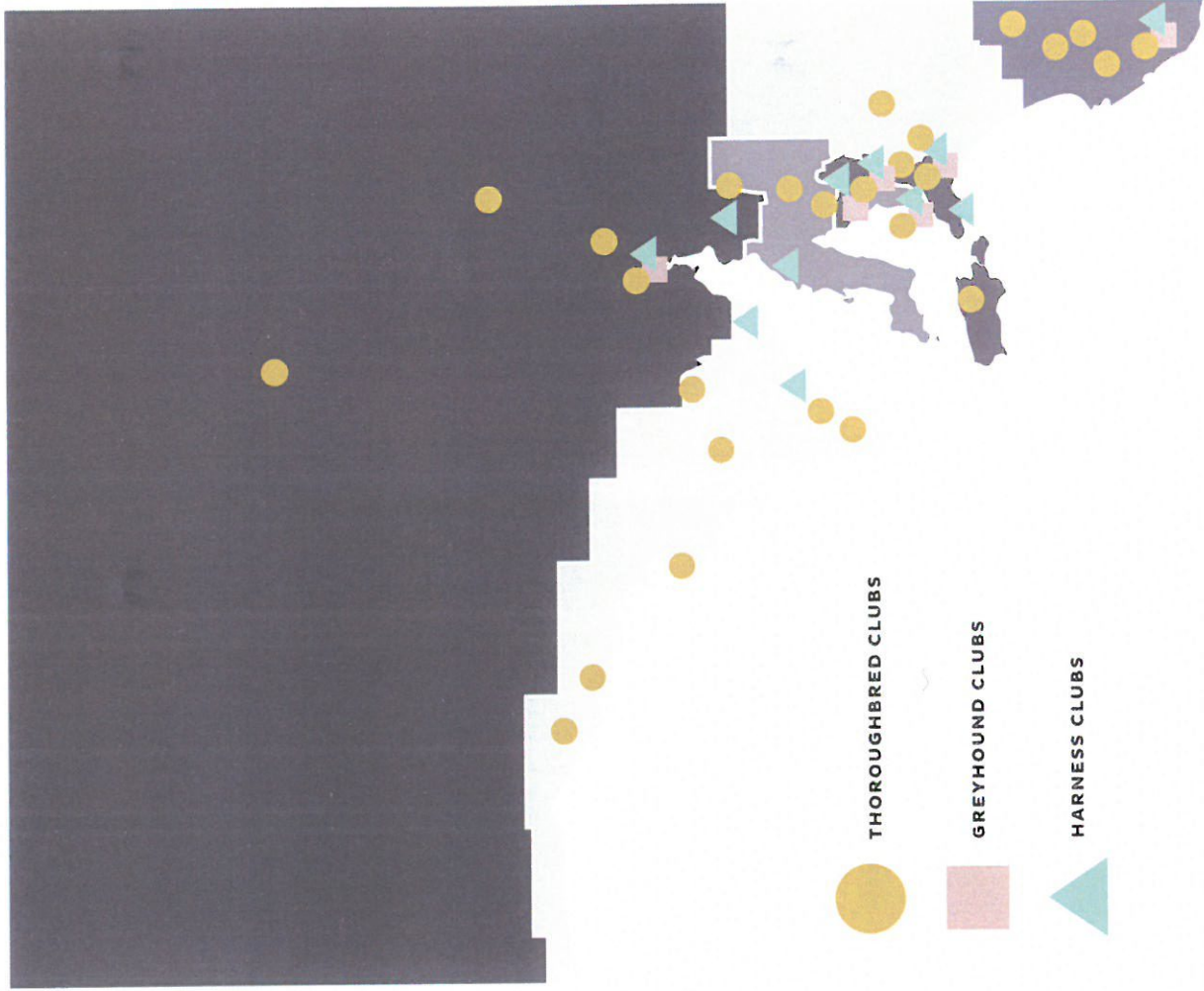
+ SOUTH EAST

Mount Gambier

+ YORKE AND

LOWER NORTH

Kadina



THOROUGHBRED CLUBS



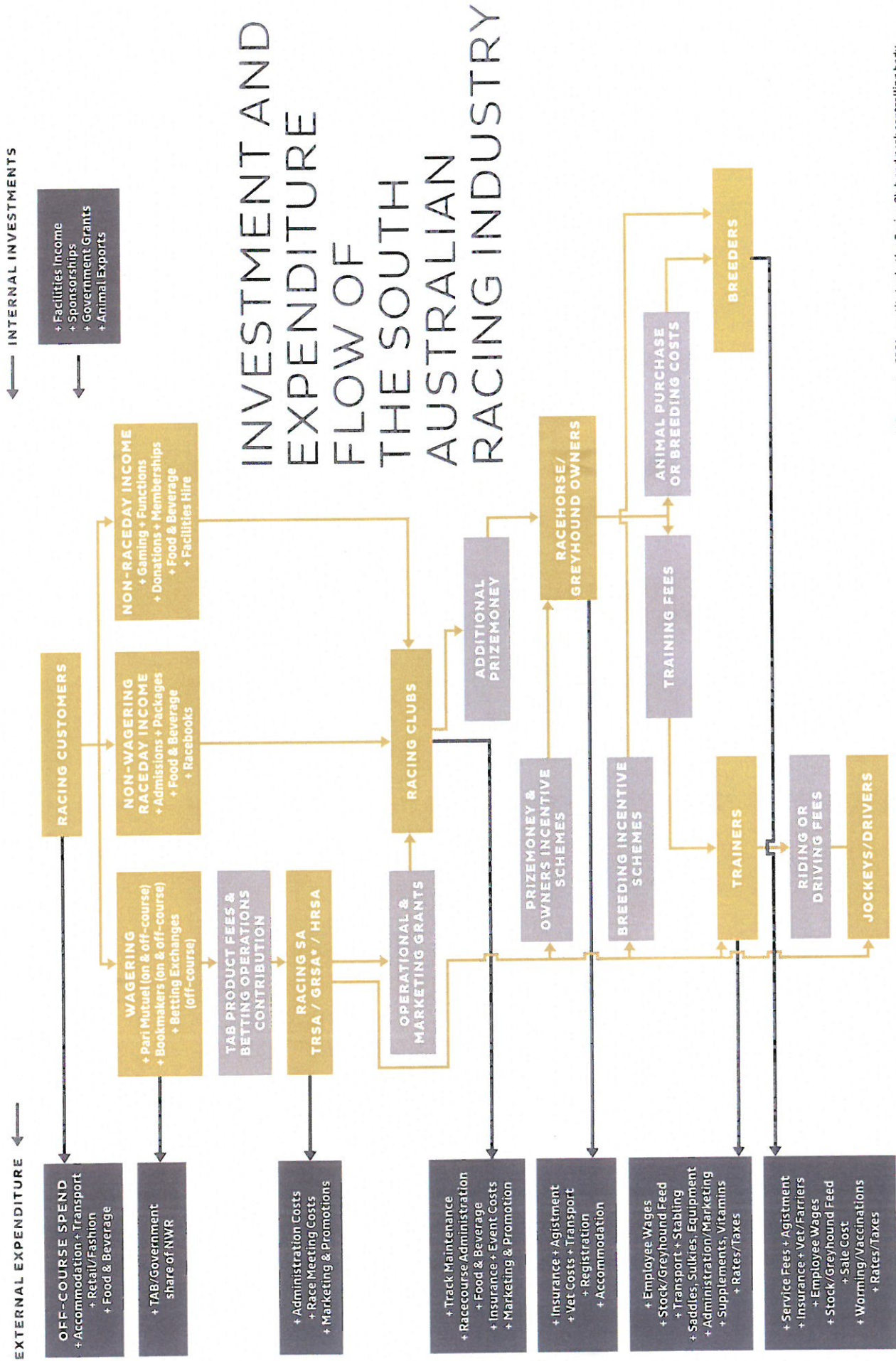
GREYHOUND CLUBS



HARNESS CLUBS







* Please note: GRSA constitutes both a Racing Club and peak controlling body

The South Australian Racing Industry is responsible for generating more than \$400 million in value-added contribution to Gross State Product.

OVERVIEW OF KEY RESULTS

DIRECT SPENDING IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Spent on producing foals & pups	\$21.76mil	\$2.40mil	\$3.01mil	\$27.17mil
Spent on preparing racehorses & greyhounds	\$56.71mil	\$0.22mil	\$46.93mil	\$103.86mil
Total Direct Expenditure ¹	\$78.67mil	\$2.62mil	\$50.94mil	\$132.23mil

In 2011/12, the South Australian Racing Industry generated direct expenditure of more than \$303 million. Revenue from wagering activities (wagering revenues and product fees) contributed the highest proportion (\$116.4mil) or 38.4% of total expenditure.

The racing industry in South Australia contributes more than \$143.3 million in direct value-added contribution to Gross State Product. When flow on impacts are added, this impact rises to just over \$400 million (gross value-added). This represents an increase of 46.6% when compared to the 2002/03 study on the South Australian Racing Industry.

The economic output generated by the racing industry in South Australia is responsible for sustaining 3,628 full-time equivalent jobs in the state.

The South Australian Racing Industry was responsible for generating \$224 million in Household Income. This represents the wages and salaries component of gross value-added.

The goods and services tax (GST) generated by the racing industry in South Australia represents 6.26% of direct expenditure - close to \$19 million.

ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Value Added ²	\$280.24 mil	\$45.41 mil	\$76.07 mil	\$401.7 mil
% of Industry Value Added	69.8%	11.3 %	18.9%	100%
FTE Employment	2,543 FTE	404 FTE	681 FTE	3,628 FTE

¹ Direct expenditure is defined as expenditure associated with producing foals & pups (breeding & rearing), preparing racehorses and greyhounds (training), wagering related revenues, racing customer expenditure and non-raceday revenues.

² Value-added is defined as the value of sales less the value of inputs used in production. That is, equal to the income (wages, salaries and profits) generated in production.

At a glance

737 Breeders
THOROUGHBRED 386
GREYHOUND 157
HARNESSES 194

**1,387 Foals and
Pups Produced**
THOROUGHBRED 635
GREYHOUND 593
HARNESSES 159

9,533 Owners
THOROUGHBRED 4,179
GREYHOUND 3,065
HARNESSES 2,289

1,125 Trainers
THOROUGHBRED 316
GREYHOUND 465
HARNESSES 344

**5,315 Horses
and Greyhounds
in Training**

THOROUGHBRED 2,554
GREYHOUND 1,417
HARNESSES 1,344

**122 Jockeys, Drivers
and Apprentices**
THOROUGHBRED 65
HARNESSES 57

*Close to 15,500
people participate
directly within
the racing industry
in South Australia
-- approximately
1 in every 80
adult residents.*

Close to 15,500 people are directly involved in the racing industry in one form or another. These include paid employees, racing participants and volunteers.

More than 49% of these participants are in the Adelaide region, with a further 17.7% in the Outer Adelaide region.

Of the 2,565 people filling roles at Racing Clubs (including raceday operations staff), more than 1,240 provide their time and skills in a voluntary capacity. These volunteers are often the backbone of Racing Clubs and the engine-room of race meetings in regional areas. They also form an important link between the Club and their communities.

Many of the participants involved in the production and preparation of racing animals have specialised skills. For many of these participants, employment in these roles are sustained by the critical mass of activity generated by the racing industry.

Across the whole of South Australia, the 15,520 people who have a participation involvement in the racing industry represent approximately 1 in 79 adult residents.



At a glance

42 Racing Clubs

THOROUGHBRED 25
GREYHOUND 6
HARNESS 11

773 Race Meetings

THOROUGHBRED 193
GREYHOUND 354
HARNESS 226

6,752 Races

THOROUGHBRED 1,514
GREYHOUND 3,552
HARNESS 1,686

7,363 Racing Club Members

THOROUGHBRED 5,834
GREYHOUND 514
HARNESS 1,015

515,264 Attendances

THOROUGHBRED 367,938
GREYHOUND 42,526
HARNESS 104,800

More than 515,000 attendances were recorded at thoroughbred, greyhound and harness race meetings in 2011/12. Furthermore, in excess of 7,300 individuals have memberships with South Australian Racing Clubs.

More than 55% of attendances are at race meetings across the three codes in the Adelaide region. A further 23% of attendances are in the Outer Adelaide region.

The 42 racing clubs not only provide an entertainment pursuit for racegoers, they also play an important role in providing owners and trainers with the opportunity to race their racehorses and greyhounds.

Racing customers are responsible for generating more than \$36 million in spending - more than 59% of which occurs outside the racecourse. From the spending data and surveys received, IER estimates that for every dollar spent on-course by racing customers, a further \$1.45 is spent off-course. Retail, fashion, food and accommodation are prominently represented within this expenditure.

\$14.9 mil Raceday Customer Spending On-Course

THOROUGHBRED \$12.88 MIL
GREYHOUND \$1.17 MIL
HARNESS \$0.85 MIL

\$21.6 mil Raceday Customer Spending Off-Course

THOROUGHBRED \$19.47 MIL
GREYHOUND \$0.44 MIL
HARNESS \$1.66 MIL



AT A GLANCE - SOCIAL & COMMUNITY IMPACTS

Racing in South Australia is not only a sport, leisure and entertainment pursuit, it also plays an important role in the social dimensions of the communities in which it is conducted.

In addition to the entertainment and participation opportunities provided, the industry also generates community and social benefits, particularly in the areas of Community Building, Education and Training, Health, Leisure and the Environment.

The survey results highlighted the following positive outcomes demonstrated at Clubs:

COMMUNITY BUILDING

- + Over 160 community organisations or charities are assisted financially by Racing Clubs, whilst over 60 community organisations share Racing Club facilities and resources
- + Just over 80% of Racing Clubs across South Australia have engaged with community organisations to provide financial assistance
- + Racing Clubs currently engage close to 1,250 volunteers
- + More than 7,360 Members belong to their Racing Clubs with a further 6,489 Member guests available to attend race meetings with Members

SUPPORTING FAMILY RELATIONSHIPS

- + Over 96% of Clubs offer attractions or services that support attendance by children
- + Over one-third of Clubs offer special discounts for family group attendance, with most Clubs offering free entry for children

HISTORY & HERITAGE

- + Close to 60% of Racing Clubs throughout South Australia actively promote the history and heritage elements of their Club

EDUCATION & TRAINING

- + On average, each Club has two members of staff participating in further education, career development and training programs each year
- + 18% of Clubs have partnerships with primary, secondary, trade and tertiary institutions
- + A quarter of clubs (26%) have placements available for work experience students at their Racing Clubs

PROMOTING HEALTH ON-TRACK

- + Over 92% of Racing Clubs provide healthy choice options for both racing participants and customers
- + Clubs have policies and practices in place to encourage responsible consumption of alcohol

ENVIRONMENTAL AWARENESS

- + Over 50% of Clubs have policies in place to save water and re-use or recycle water
- + Over 54% of Clubs have programs in place to reduce or re-use resources and recycle waste
- + One in four Clubs (25%) have policies and programs to develop native flora and fauna
- + A number of Clubs have developed wetlands areas and regeneration of natural vegetation to allow native flora and fauna to grow

ECONOMIC IMPACTS

This study aims to determine the extent to which the South Australian racing industry contributes to the state economy. To that end, the study is concerned mostly with calculating the expenditure within the state and its subsequent direct and indirect impact on the South Australian economy. The calculation of economic impacts as identified in this study, is predicated on determining the value of direct (or final) expenditure within the state.

Consider prizemoney by way of example. It is largely sourced from net wagering revenues, it flows to trainers, owners and jockeys/drivers and, depending on the origins of the winning connections, may or may not eventually settle in South Australia. We know however that trainers and owners spend money in South Australia in producing and preparing racehorses and greyhounds. As such, the cost of producing and preparing racehorses in South Australia represents a more appropriate final expenditure (rather than prizemoney) on which to base the economic impact calculation. Prizemoney has not been included in the calculation of final expenditure as it has been captured in other parts of the racing industry's financial model.

In 2011/12, the racing industry in South Australia generated more than \$303.0 million in direct expenditure. Some of this spending occurs on consumption items within the racing industry and as such does not directly enter the value-added calculation.

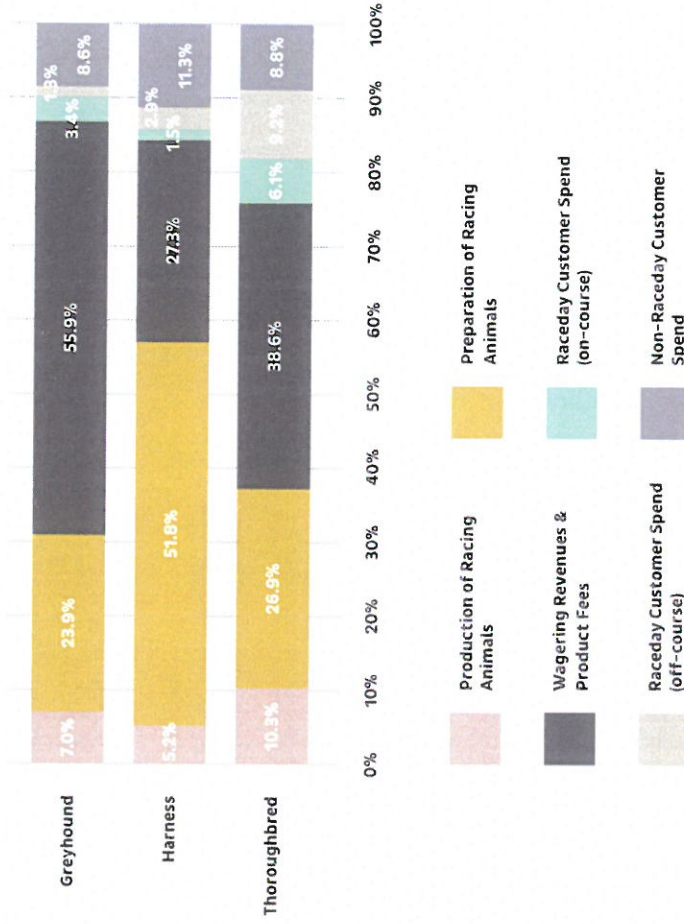
Revenues generated by wagering are the most significant driver of customer expenditure, comprising more than 38%. In particular, 55.9% of the expenditure generated by the greyhound racing industry is sourced from wagering activity. Additionally, the preparation (training) of racehorses in the thoroughbred and harness racing industries comprises 26.9% and 51.8% of the respective expenditure impacts.

Each of the main areas of expenditure (below) are defined as follows:

- Producing Animals** – includes all expenditure on the production of foals and pups, the maintenance of sires and broodmares/broodbitches and the preparation of yearlings/greyhounds for sale
- Preparing Animals** – includes all expenditure on the breaking-in and training of racehorses/greyhounds (including spelling)
- Wagering Revenues & Product Fees** – includes net wagering revenues from totalisator turnover and share of product fees
- Raceday Customer Spend (on-course)** – includes all expenditure generated from on-course activities (raceday only) such as sponsorship, catering, admission and raceday functions. It does not include wagering as this is covered in 'wagering revenues and product fees'
- Raceday Customer Spend (off-course)** – includes all expenditure generated outside the racecourse as part of attending the races. This includes transport, accommodation, retail etc.
- Non-Raceday Customer Spend** – includes spending on non-raceday functions, facility hire, membership and at other venues associated with the racing industry

The chart to the right illustrates the proportional breakdown of direct expenditure within South Australia.

PROPORTIONAL EXPENDITURE BY CODE



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The Thoroughbred Racing Industry is responsible for more than \$210 million (69.6%) of this recurrent expenditure. Revenue from wagering activities (38.6%) and the preparation of racehorses (26.9%) make up the largest component of its expenditure impact.

The Harness Racing Industry is responsible for more than \$57 million (19.1%) of this recurrent expenditure. The preparation of racehorses (51.8%) makes up the largest proportional component of expenditure. The relatively small amounts of expenditure generated by raceday customers and breeders in this industry are the main reasons for the large proportional representation of expenditure on the preparation of racehorses.

The Greyhound Racing Industry is responsible for more than \$34.5 million (11.4%) of this recurrent expenditure. Revenue from wagering activities (55.9%) makes up the largest component of its expenditure impact.

DISTRIBUTION TO REGIONS

The direct expenditure has been allocated to regions across South Australia. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas. That is, a proportion of the expenditure is on product imported from the metropolitan area. Within this study we have employed a 'top-down' distribution that recognises that where regional input-output tables exist, direct industry ratios of value-added, employment etc. are generally similar between the state and sub-regional table, but regionally induced impacts are on average in the order of 50% of the state-induced impacts. This will vary from industry sector to industry sector, and from region to region, but this observation has been used as a basis for distributing the state level impacts to regions. That is, the direct impacts have been distributed proportionally, while the induced impacts have been distributed with a 50% discount, and the balance is distributed to the metropolitan area. In summary, the impact at the regional level is about 40% of the state impact in terms of the expenditure and slightly less than that in terms of initial or direct impact. This is after allowing for the leakages from the regional area in terms of induced impacts, which have about 30% of the total level of activity.

ADJUSTMENT OF EXPENDITURE

The aggregated data is converted from purchaser prices to basic prices, as the raw data includes margins, taxes and subsidies. All monetary values in the national, South Australian input-output models are expressed as basic values. The prime differences between purchaser prices and basic values are that:

- Basic values exclude the cost of transport and wholesale and retail trade which are embedded in the purchase price (and allocate these to the transport and trade sectors)
- GST will be allocated to Gross Operating Surplus

The South Australian model adopted in this study is for 2006/07 and was prepared by Econsearch and is commonly known as the RISWE model.

The core assumptions in making the adjustments from purchaser price distributions to basic values are:

- The average value-added in each of the industry sectors is extracted and then the GST component (at 10% and only paid on the value-added) is deducted and separately identified
- The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input-output tables

GOOD AND SERVICES TAX

The GST generated by the racing industry in South Australia represents 6.26% of direct expenditure by the industry or close to \$19 million. It is assumed that GST revenue is directed back to the state and used to fund items such as government administration, health and education.

EXPENDITURE AREA

	Thoroughbred (\$mill)	Greyhound (\$mill)	Harness (\$mill)	Total (\$mill)
Production of Racing Animals	\$21.76	\$2.40	\$3.01	\$27.18
Preparation of Racing Animals	\$56.71	\$8.22	\$29.93	\$94.87
Wagering Revenues & Product Fees	\$81.40	\$19.25	\$15.75	\$116.40
Raceday Customer Spend (on-course)	\$12.88	\$1.17	\$0.85	\$14.90
Raceday Customer Spend (off-course)	\$19.47	\$0.44	\$1.66	\$21.57
Non-Raceday Customer Spend	\$18.61	\$2.05	\$6.54	\$28.09
Total	\$210.83	\$34.43	\$57.75	\$303.01
Proportion of the Industry	69.5%	11.4%	19.1%	

VALUE-ADDED CONTRIBUTION TO GROSS STATE PRODUCT

The racing industry in South Australia is responsible for generating \$401.7 million in real gross value-added contribution to Gross State Product. This is the extent to which the industry contributes to the South Australian economy.

Real gross value-added is the generally accepted measure of the value of production from economic activity. It is the sum of the value-added by all industries in a region (in this case, regions of South Australia). In any period of time, the value-added in an industry is essentially the value of sales, less the value of inputs used in production. This means value-added is equal to the income (wages, salaries and profits) generated in production.

The real gross value-added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also the calculation makes no allowance for capital used in production (depreciation).

As illustrated earlier, the level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas. That is, a large proportion of the expenditure is on product imported from the metropolitan area.

The South Australian Racing Industry was responsible for generating \$224 million in Household Income. This represents the wages and salaries component of gross value-added.

The goods and services tax (GST) generated by the racing industry in South Australia represents 6.26% of direct expenditure by the industry - close to \$19 million.

In summary, the conclusions are:

- The total direct expenditure linked to the South Australian Racing Industry is estimated at \$303 million
- This expenditure is responsible for creating a total of \$143.3 million value-added (or wages income plus gross operating surplus) directly, with wages and salaries being \$94.0 million, generating approximately 1,523 jobs (in full-time equivalent terms)
- However, the flow-on effects linked to this expenditure are over double the size of the contribution the sector makes. Including those flow-on effects, the total contribution of the South Australian racing industry is estimated as \$401.7 million value-added (or wages income plus gross operating surplus), with wages and salaries being \$224.2 million and approximately 3,628 jobs (in full-time equivalent terms)



TOTAL VALUE ADDED BY REGION (\$MIL)

Thoroughbred racing is responsible for generating 69.8% of the racing industry's total value-added with the Adelaide (70.1%) and Outer Adelaide (14.0%) regions generating the largest amounts.

Harness racing is responsible for generating 18.9% of the racing industry's total value-added with the Adelaide (74.0%) and Outer Adelaide (13.1%) regions generating the largest amounts.

Greyhound racing is responsible for generating 11.3% of the racing industry's total value-added with the Adelaide (83.6%) and the Outer Adelaide (7.7%) regions generating the largest amounts.

Since 2002/03, the racing industry has increased its gross value-added output by 27.9%.

The following table illustrates the value-added impact of the South Australian Racing Industry in each of the ANZSIC industry sectors:

ANZSIC Industry Classification	Racing Industry Direct Value-Added (\$ mil)	% of Racing Industry Direct Value-Added
Agriculture, Forestry & Fishing	\$14.21	9.9%
Mining	\$0.00	0.0%
Manufacturing	\$1.88	1.3%
Electricity, Gas, Water & Waste	\$5.49	3.8%
Construction	\$1.57	1.1%
Wholesale Trade	\$7.14	5.0%
Retail Trade	\$9.41	6.6%
Accommodation & Food Services	\$4.99	3.5%
Transport, Postal & Warehousing	\$9.02	6.3%
Information Media & Telecommunications	\$7.94	5.5%
Finance & Insurance Services	\$10.33	7.2%
Property and Business Services (I, M, N)	\$8.72	6.1%
Public administration and safety	\$4.83	3.4%
Education & Training	\$5.72	4.0%
Health care and social assistance	\$10.89	7.6%
Arts and recreation services	\$35.78	25.0%
Other Services	\$5.39	3.7%
Total	\$143.31	

* Gross Value-Added measures the contribution to the economy of each individual producer, industry or sector in South Australia.



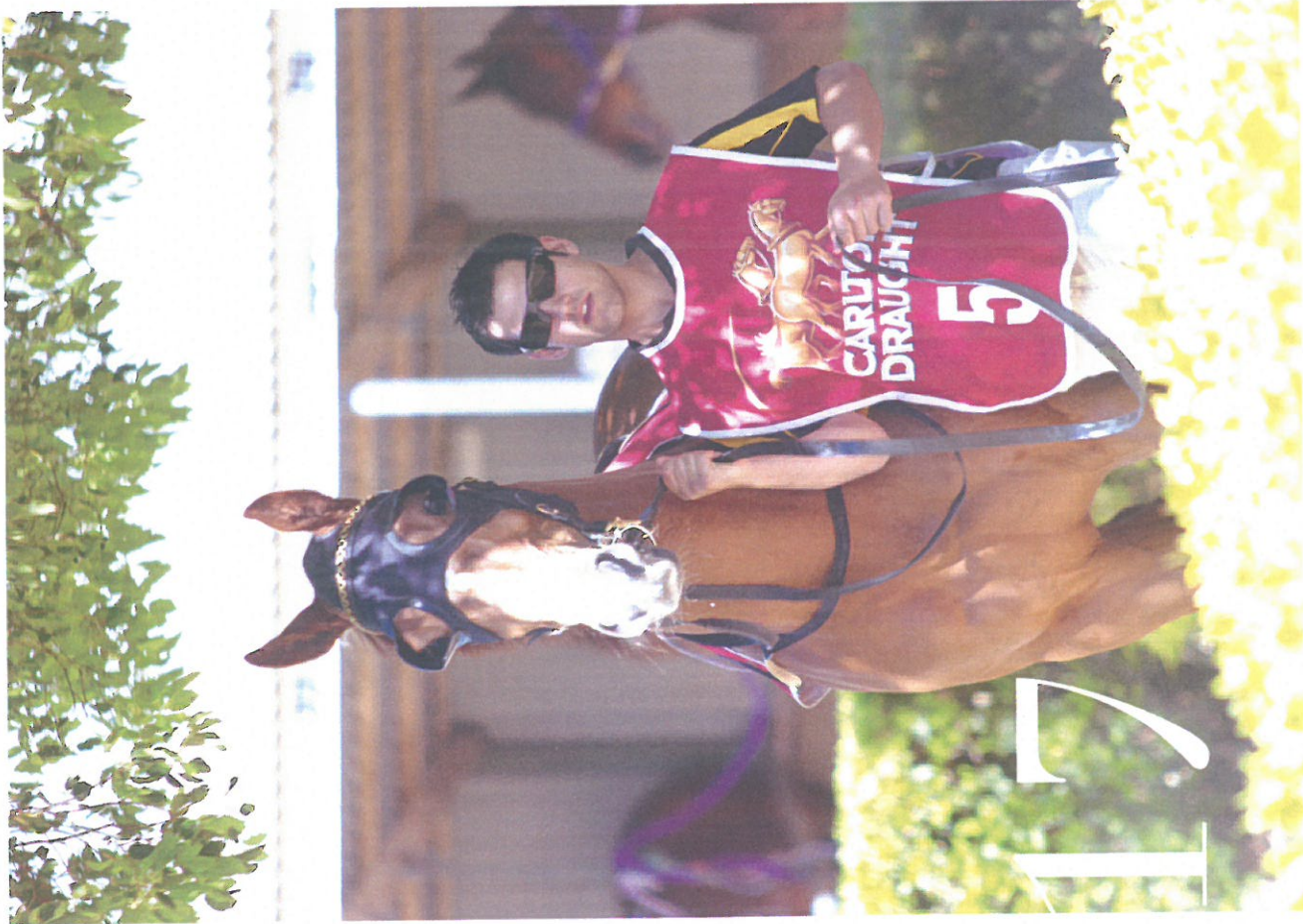
19

economic impacts

19 ECONOMIC, SOCIAL AND COMMUNITY BENEFITS OF THE SOUTH AUSTRALIAN RACING INDUSTRY

IER PTY.LTD.





EMPLOYMENT & PARTICIPATION

NUMBER OF PARTICIPANTS IN THE RACING INDUSTRY 2011/12

	Thoroughbred	Greyhound	Harness	Total
Breeders	386	157	194	737
Breeders' Staff	230	24	41	295
Owners & Syndicate Owners	4,179	3,065	2,289	9,533
Trainers	316	465	344	1,125
Trackriders/Stablehands	676	N/A	316	992
Participants in Producing & Racing Animals	5,787	3,711	3,184	12,682
Full-Time Club Staff	82	33	4	119
Part-Time Club Staff	23	24	5	52
Casual/Contractor Club Staff	942	75	78	1,095
Club Volunteer	918	212	116	1,246
Jockeys, Drivers & Apprentices	65	N/A	57	122
Barrier Attendants	50	N/A	23	73
Stewards	26	9	6	41
Participants in Producing the Raceday Product	2,106	353	289	2,748
Racing Industry Staff (FTE)	32	19	10	62
Total	7,925	4,083	3,483	15,492

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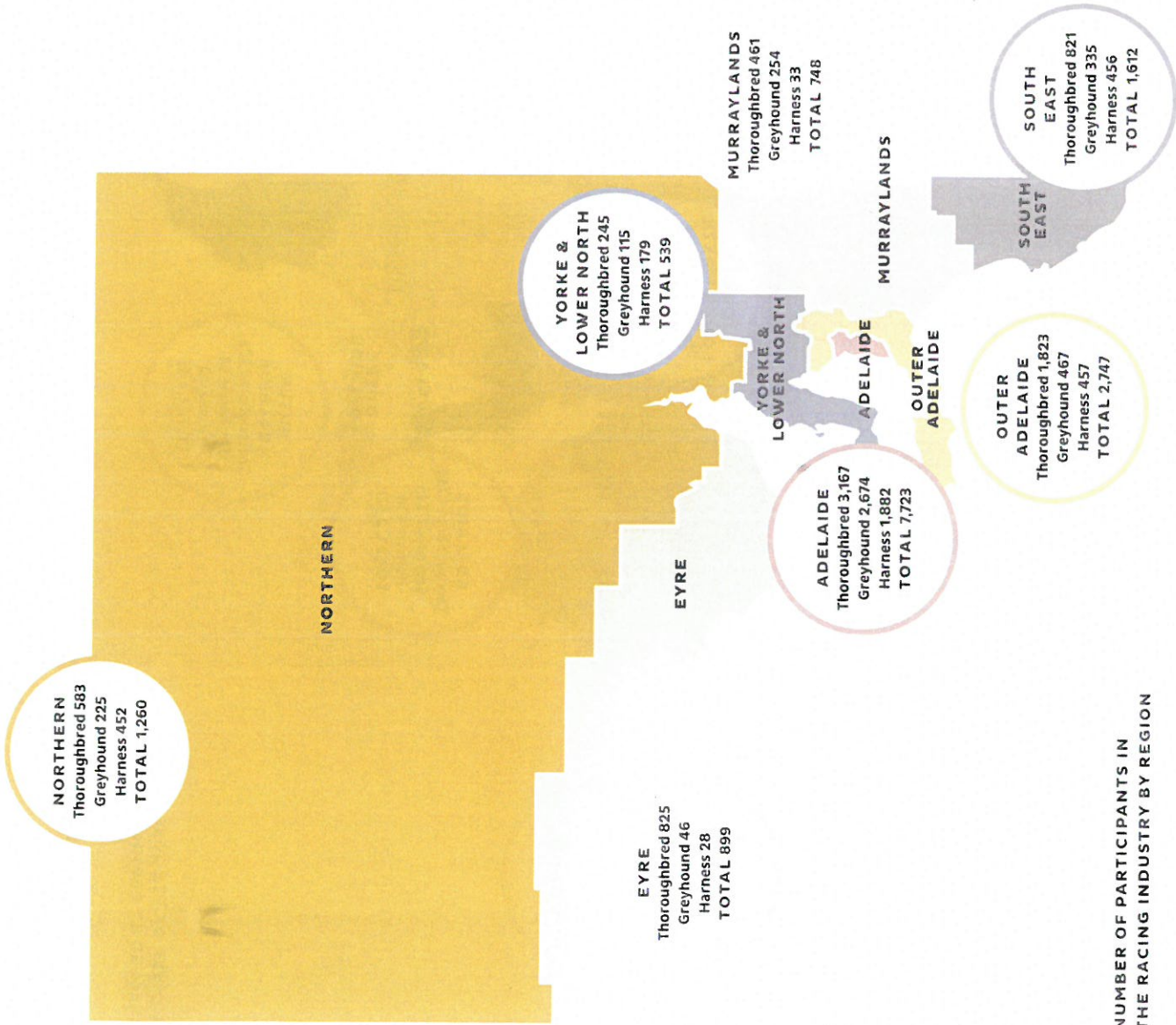
The racing industry relies on the strength of its participants. For many participants, the racing industry is their livelihood - their occupation. Breeders kickstart a chain of activity which leads to the production of a racing product that is consumed by audiences on most days of the year.

Just under 15,500 people are directly involved in the racing industry as a participant, volunteer or employee.

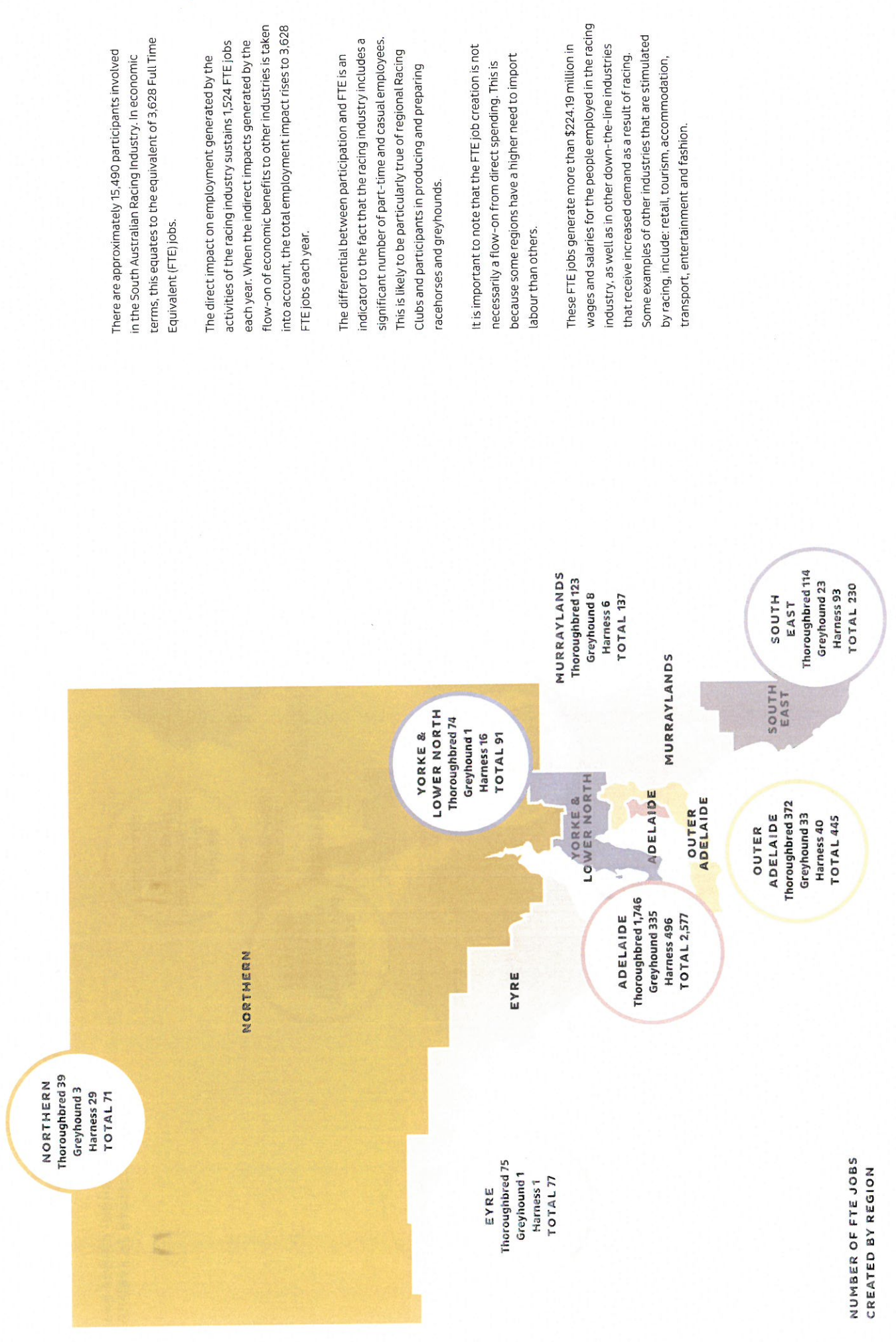
Of the 2,565 people filling roles at Racing Clubs, more than 1,240 provide their time and skills in a voluntary capacity. These volunteers are often the backbone of Racing Clubs and the engine-room of race meetings in regional areas. Additionally they form an important link between Racing Clubs and their communities.

Many participants hold more than one role within the industry. For instance, many breeders are also registered owners of racing animals. Every effort has been taken to avoid double-counting. The Full-Time Equivalent employment figures on the following pages provide a more accurate measure of the extent to which the racing industry sustains and stimulates employment in South Australia.

More than 49% of these participants are in the Adelaide region, with a further 17.7% in the Outer Adelaide region.



NUMBER OF PARTICIPANTS IN THE RACING INDUSTRY BY REGION



NUMBER OF FTE JOBS CREATED BY REGION

There are approximately 15,490 participants involved in the South Australian Racing Industry. In economic terms, this equates to the equivalent of 3,628 Full Time Equivalent (FTE) jobs.

The direct impact on employment generated by the activities of the racing industry sustains 1,524 FTE jobs each year. When the indirect impacts generated by the flow-on of economic benefits to other industries is taken into account, the total employment impact rises to 3,628 FTE jobs each year.

The differential between participation and FTE is an indicator to the fact that the racing industry includes a significant number of part-time and casual employees. This is likely to be particularly true of regional Racing Clubs and participants in producing and preparing racehorses and greyhounds.

It is important to note that the FTE job creation is not necessarily a flow-on from direct spending. This is because some regions have a higher need to import labour than others.

These FTE jobs generate more than \$224.19 million in wages and salaries for the people employed in the racing industry, as well as in other down-the-line industries that receive increased demand as a result of racing. Some examples of other industries that are stimulated by racing, include: retail, tourism, accommodation, transport, entertainment and fashion.





BREEDING

NUMBER OF BREEDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	130	54	107	291
Eyre	34	0	2	36
Murraylands	22	20	2	44
Northern	12	7	13	32
Outer Adelaide	127	59	34	220
South East	49	11	26	86
Yorke and Lower North	12	6	10	28
Total	386	157	194	737

NUMBER OF STAFF EMPLOYED BY BREEDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	52	8	23	83
Eyre	10	0	0	10
Murraylands	13	3	0	16
Northern	11	1	3	15
Outer Adelaide	114	9	7	130
South East	25	2	6	33
Yorke and Lower North	5	1	2	8
Total	230	24	41	295

NUMBER OF REGISTERED BREEDERS

The breeding sector of the racing industry in South Australia assists in replenishing horses and greyhounds for racing. There are more than 730 registered breeders in South Australia. Nearly 40% of the breeders reside in the Adelaide region with a further 29.9% in the Outer Adelaide region. Breeding activity is mostly identified as occurring in the regions in which the horse and greyhound populations are based.

At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals and pups each year. At the other end of the scale, there are a large number of amateur and hobby breeders also producing foals and pups.

Breeders derive the majority of their income from the public and private sale of their stock. This particular sector of the industry has great potential to generate economic impacts for the state, as breeders often sell their stock to interstate and overseas buyers at sales

events. This process leads to significant opportunities for foreign investment to flow back to the state as a result of non-South Australian buyers buying South Australian breeding stock. The opposite is also true as owners invest money outside the state purchasing non-South Australian bred racehorses and greyhounds. A proportion of South Australia's broodmare population travel across the border each year to be bred with stallions in other States.

There is no doubt however that a strong breeding industry has the potential to bring significant investment to South Australia from interstate and overseas buyers and owners.

BREEDING ANIMALS

In 2011/12, breeders produced 1,387 foals and pups for the South Australian Racing Industry. In particular, the thoroughbred racing industry recorded 635 foals bred for the purpose of racing.



More than 730 people in South Australia breed thoroughbreds, standardbreds and greyhounds for racing.

NUMBER OF REGISTERED BREEDERS BY REGION

26

NUMBER OF REGISTERED STALLIONS & SIRES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2	5	2	9
Eyre	4	0	0	4
Murraylands	4	1	0	5
Northern	0	0	1	1
Outer Adelaide	23	2	4	29
South East	0	0	1	1
Yorke and Lower North	3	0	0	3
Total	36	8	8	52

NUMBER OF BROODMARES & BROODBITCHES COVERED

	Thoroughbred	Greyhound	Harness	Total
Adelaide	259	25	174	458
Eyre	39	0	3	42
Murraylands	43	6	2	51
Northern	16	2	16	34
Outer Adelaide	327	52	55	434
South East	82	4	62	148
Yorke and Lower North	62	2	14	78
Total	828	91	326	1,245

NUMBER OF LIVE FOALS & PUPS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	195	163	85	443
Eyre	27	0	1	28
Murraylands	29	39	1	69
Northern	13	13	8	34
Outer Adelaide	261	339	27	627
South East	61	26	30	117
Yorke and Lower North	49	13	7	69
Total	635	593	159	1,387

TOTAL EXPENDITURE ON PRODUCING RACEHORSES & GREYHOUNDS

	Thoroughbred (\$mil)	Greyhound (\$mil)	Harness (\$mil)	Total (\$mil)
Adelaide	\$7.05	\$0.66	\$1.60	\$9.32
Eyre	\$0.82	\$0.00	\$0.03	\$0.85
Murraylands	\$0.98	\$0.16	\$0.02	\$1.16
Northern	\$0.31	\$0.05	\$0.15	\$0.51
Outer Adelaide	\$9.59	\$1.37	\$0.51	\$11.47
South East	\$1.63	\$0.11	\$0.57	\$2.31
Yorke and Lower North	\$1.39	\$0.05	\$0.13	\$1.57
Total	\$21.76	\$2.40	\$3.01	\$27.18

In 2011/12, breeders in the South Australian racing industry spent more than \$271 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares, broodbitches and sires as well as in the breeding and care of foals and pups. In addition to this, breeders also incur costs for:

- The maintenance of stallions through service fees
- Sales commission on yearlings sold at auction
- Bloodstock insurance
- Business related expenditure
- Sales and marketing related expenditure

The expenditure figures outlined in this section have been derived through a combination of industry level consultation, and primary research amongst breeders in each code across South Australia.

More than 42% of all expenditure in the breeding sector occurs in the Outer Adelaide region. The Adelaide (34.3%) and South East (8.5%) regions make up the next most active breeding areas in the state.

THOROUGHBRED BREEDERS

In 2011/12, 828 mares were covered in South Australia, producing 635 foals. From an industry perspective, it is important to acknowledge that there are different costs associated with mares depending on their

breeding activity in a given year. Empty mares for instance, still incur expenditure despite not producing a foal, and as such need to be included in the assessment.

The thoroughbred breeding sector accounts for 80% of all breeding industry related expenditure in South Australia. This expenditure is quite centralised, with Outer Adelaide (44.1%) and Adelaide (32.4%) making up the bulk of this activity.

GREYHOUND BREEDERS

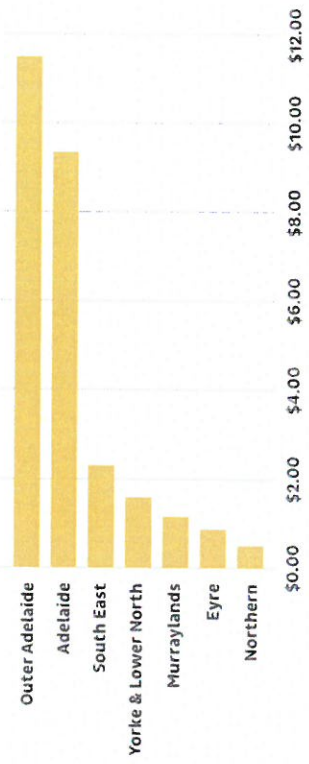
In 2011/12, 91 bitches were covered in South Australia, producing 593 live pups. The greyhound breeding sector accounts for 8.8% of all breeding industry related expenditure in South Australia. More than 57% of this breeding activity is in the Outer Adelaide area.

HARNES BREEDERS

In 2011/12, 326 mares were covered in South Australia, producing 159 foals. The harness breeding sector accounts for 11% of all breeding industry related expenditure in South Australia. Adelaide makes up 53% of this breeding activity with the South East (19.1%) and Outer Adelaide (16.9%) making up a significant portion of the remainder.

The following chart illustrates the total expenditure by region on thoroughbred, greyhound and harness breeding activities generated in South Australia.

EXPENDITURE ON PRODUCING FOALS & PUPS (\$MIL)



TOTAL EXPENDITURE ON PRODUCING RACEHORSES & GREYHOUNDS BY REGION (\$MIL)

28

TRAINING

TOTAL NUMBER OF TRAINERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	100	225	186	511
Eyre	26	2	3	31
Murraylands	34	55	2	91
Northern	21	30	49	100
Outer Adelaide	83	104	52	239
South East	49	36	37	122
Yorke and Lower North	3	13	15	31
Total	316	465	344	1,125

NUMBER OF REGISTERED JOCKEYS, (APPRENTICES) & DRIVERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	31 (8)	N/A	32	71
Eyre	1	N/A	0	1
Murraylands	3 (2)	N/A	0	5
Northern	0	N/A	4	4
Outer Adelaide	10 (5)	N/A	13	28
South East	5	N/A	7	12
Yorke and Lower North	0	N/A	1	1
Total	50 (15)	N/A	57	122

NUMBER OF STABLE EMPLOYEES & TRACK RIDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	245	N/A	165	410
Eyre	67	N/A	3	70
Murraylands	70	N/A	3	73
Northern	45	N/A	43	88
Outer Adelaide	163	N/A	45	208
South East	82	N/A	40	122
Yorke and Lower North	4	N/A	17	21
Total	676	N/A	316	992

NUMBER OF HORSES/GREYHOUNDS IN TRAINING

	Thoroughbred	Greyhound	Harness	Total
Adelaide	931	542	664	2,137
Eyre	159	18	0	177
Murraylands	363	146	32	541
Northern	80	62	81	223
Outer Adelaide	779	477	184	1,440
South East	223	151	302	676
Yorke and Lower North	19	21	81	121
Total	2,554	1,417	1,344	5,315

NUMBER OF LICENCED TRAINERS

More than 1,120 trainers prepare over 5,300 thoroughbreds, standardbreds and greyhounds for racing in South Australia.

Trainers play an important role in the racing 'service' industry. They employ the assistance of a variety of both skilled and unskilled labour, in delivering their services. In particular, stable staff, trackriders, drivers, farriers and vets are employed by trainers as part of the process of preparing racehorses and greyhounds.

Training services generally incorporate pre-training and race training, trialling and race day management of a racehorse or greyhound. Trainers' income is mostly generated through trainer's fees charged to owners and a percentage of prizemoney won.

During the 2011/12 racing season, there were more than 1,120 horse and greyhound trainers providing services to owners in the South Australian racing industry. This represents a decrease of 15.3% when compared to the last study completed for the 2002/03 racing season. More than 45.5% of the training activity is centred around the Adelaide region.

Thoroughbred and harness trainers also employ nearly 1,000 stablehands/trackriders to assist with the preparation of horses for racing. For many of these people, the employment opportunities offered by trainers utilise both skilled and unskilled labour. Nearly 40% of these jobs are sustained within regional areas of South Australia.



TOTAL NUMBER OF TRAINERS BY REGION



NUMBER OF RACEHORSES AND GREYHOUNDS IN TRAINING

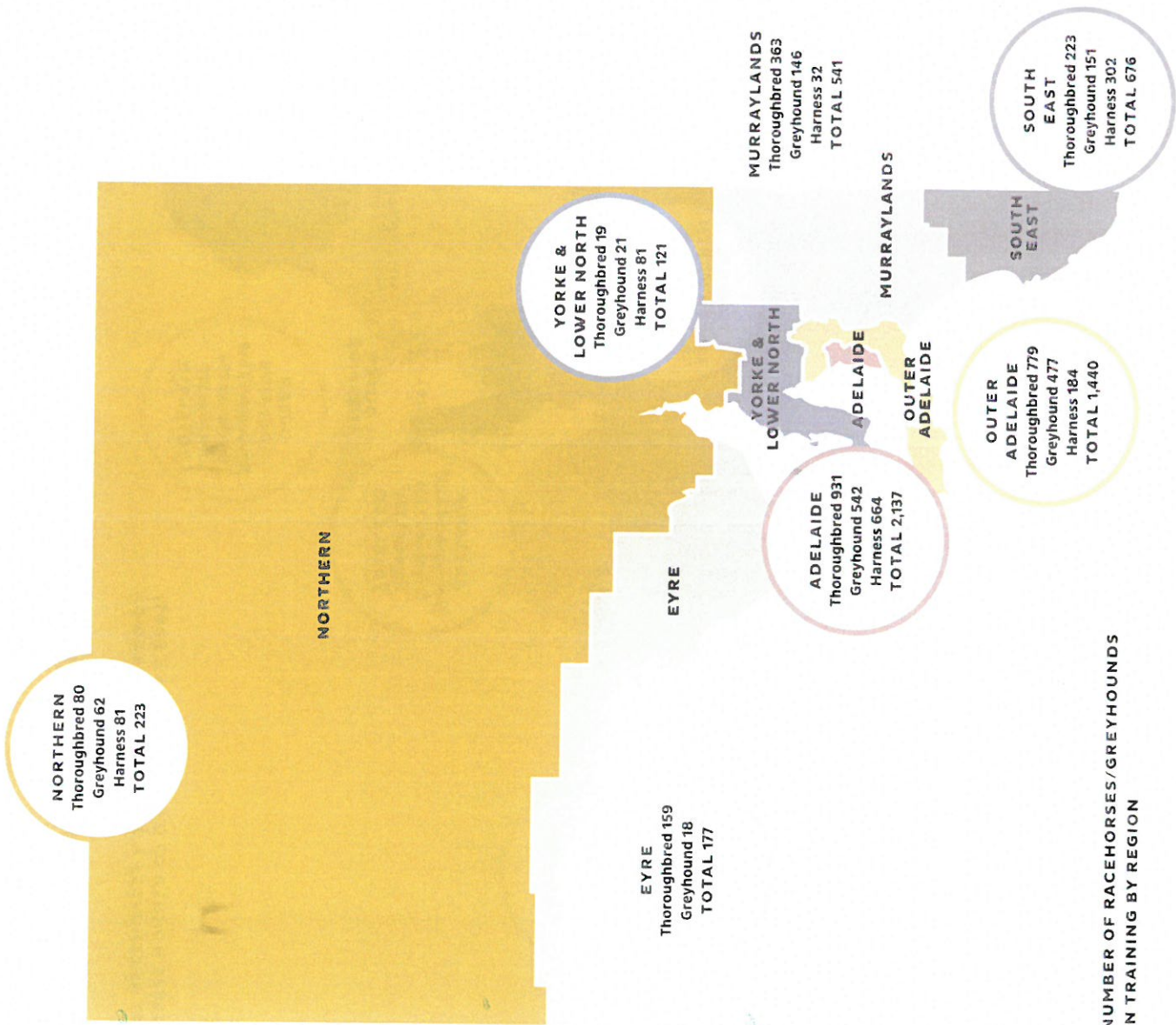
In 2011/12, there were 5,315 thoroughbreds, standardbreds and greyhounds in training in South Australia. More than 67% of these horses and greyhounds were in work in the Greater Adelaide* region.

The training of thoroughbreds occurs on a number of racetracks and private properties in South Australia. More than 36% of thoroughbred training occurs in Adelaide, with training at Morphettville prominent in this total.

Close to half (49.4%) of harness training occurs in the Adelaide region. The South East is also a significant region for harness training consisting of 22.5% of the state's activity.

More than two-thirds of greyhound training occurs within the Greater Adelaide region. Greyhound training predominantly takes place on private properties.

* Greater Adelaide consists of Adelaide and Outer Adelaide.



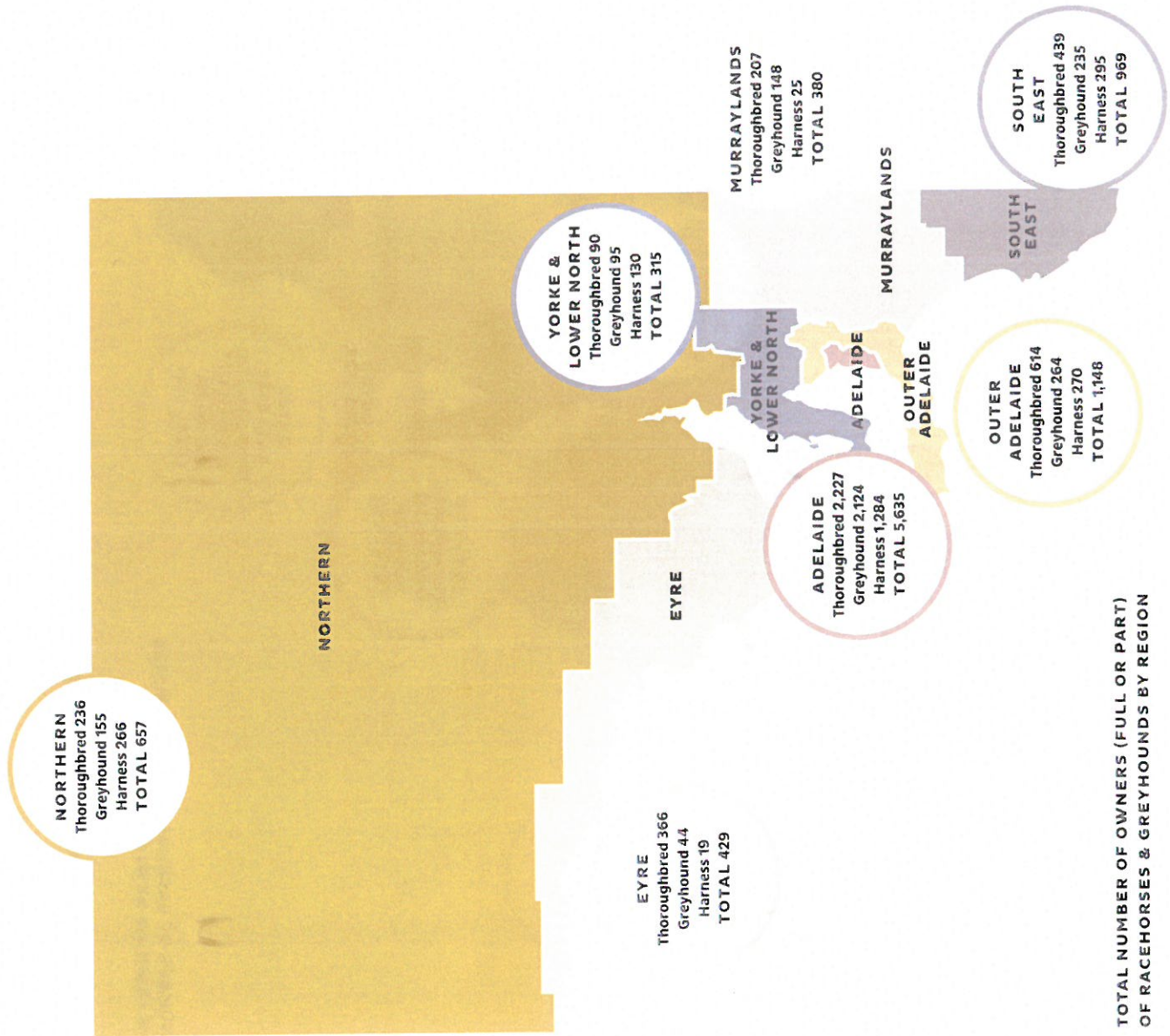
NUMBER OF RACEHORSES/GREYHOUNDS IN TRAINING BY REGION

OWNERSHIP

Owners play a significant role in the funding model of the racing industry. They provide much of the capital outlay and day-to-day funding for the preparation of racehorses and greyhounds. In 2011/12 there were more than 9,500 individuals in South Australia with an ownership interest in thoroughbred, harness and/or greyhound racing.

More than 71% of the owners in the racing industry, reside in the Greater Adelaide region. However, the South East has the highest representation of owners within the local population, with an estimated 1 in 48 adult residents indicating that they have an ownership interest in racing.

Research over a number of years has shown that many owners do not consider their involvement to be a financial investment from which they expect a net positive return. This is not to say however, that owners are prepared to continue to fund their involvement if there are diminished opportunities to realise a return. Thus it is important to note that financial returns are often not the key motivation for racing owners, however it is imperative that owners generate an acceptable level of return on their investment.



TOTAL NUMBER OF OWNERS (FULL OR PART) OF RACEHORSES & GREYHOUNDS BY REGION

In 2011/12, owners of racehorses and greyhounds trained in South Australia spent more than \$94.8 million on the preparation of racing animals.

The calculation of expenditure on the preparation of racehorses and greyhounds takes into account the various training and non-training related expenditure items incurred. The development of expenditure profiles within each region is based upon the number of racehorses and greyhounds in training. It also takes into consideration the differing training costs at various stages of the lifecycle of the animal. For instance, expenditure on a yearling is different to expenditure on an established 3 year old racehorse. It is also important that this assessment takes into consideration non-South Australian owned horses and greyhounds which are trained in the state. Developing expenditure profiles on a 'horse/greyhound in training' basis, ensures that they are also included in the assessment.

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and surveying of a sample of owners and trainers in South Australia.

The analysis of the expenditure on the preparation of racehorses and greyhounds, includes items such as training fees, insurance, vitamins and supplements, veterinarian fees, gear hire/purchase and racing/trailing fees, amongst others.

Training fees often cover a proportion of the expenditure incurred by the owner in the preparation of their animal, however there are a number of expenses that are either billed separately, or borne separately by owners (particularly in thoroughbred and harness racing). As such, only using the training fees as a measure of the cost of production, would understate the true impact.

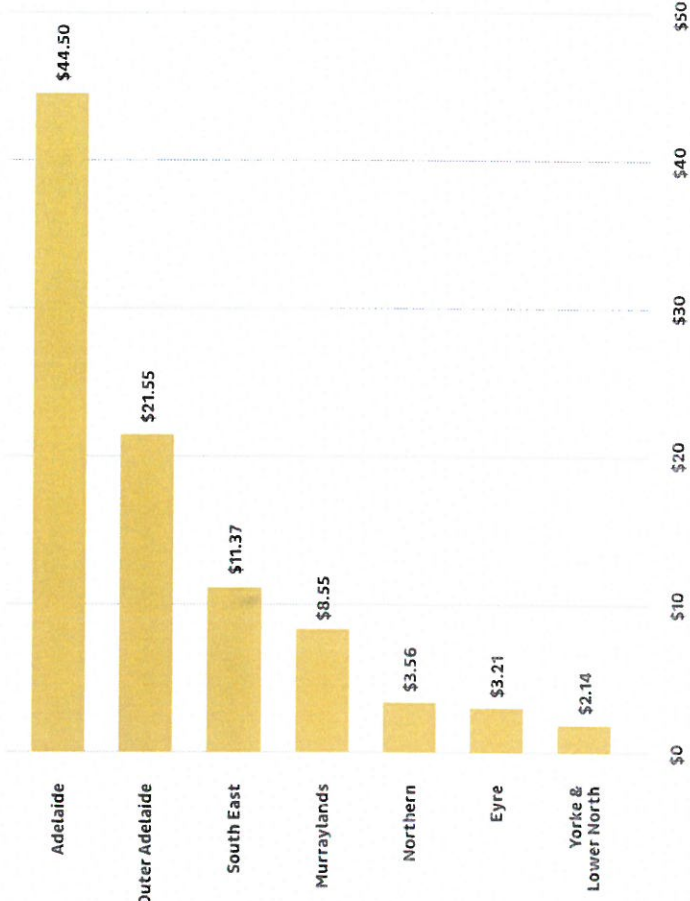
The arrangements between greyhound owners and trainers are different to their thoroughbred and harness counterparts. Greyhound owners and trainers employ a number of different payment structures, the most popular being where the trainer retains 50% of stake money and forgoes any training fee. In this case, it is important that all greyhound trainer expenditure is captured to determine direct expenditure.

Generally, the involvement of owners in the industry delivers economic impacts through expenditure on the following items:

CATEGORY: Included in the trainers fee and/or animal is in training)	EXPENDITURE ITEM:
	+ Training Fee
	+ Farriers
	+ Feed & Supplements
	+ Veterinary Bills
	+ Transport Costs
CATEGORY: Covered by owners directly (not generally included in trainer accounts)	EXPENDITURE ITEM:
	+ Insurance
	+ Agistment/Spelling
	+ Registration Fees
	+ Transport
	+ Entertainment
	+ Accommodation
	+ Trophies & Prints
	+ Breaking-in/Pre-training

More than 46% of the total expenditure on preparing racehorses and greyhounds occurs in the Adelaide region. Outer Adelaide (22.7%) and the South East (12.0%) make up the next largest proportions.

EXPENDITURE BY REGION ON PREPARING RACEHORSES AND GREYHOUNDS (\$ MIL)



RACING CLUBS

NUMBER OF RACING CLUBS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2	3	2	7
Eyre	6	0	1	7
Murraylands	2	0	0	2
Northern	5	1	2	8
Outer Adelaide	3	1	4	8
South East	5	1	1	7
Yorke and Lower North	2	0	1	3
Total	25	6	11	42

NUMBER OF RACETRACKS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2	1	2	5
Eyre	5	0	1	6
Murraylands	2	0	0	2
Northern	5	1	2	8
Outer Adelaide	3	1	4	8
South East	4	1	1	6
Yorke and Lower North	2	0	1	3
Total	23	4	11	38

TOTAL NUMBER OF RACE MEETINGS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	85	308	178	569
Eyre	20	0	0	20
Murraylands	16	0	0	16
Northern	13	8	26	47
Outer Adelaide	19	12	9	40
South East	27	26	12	65
Yorke and Lower North	15	0	1	16
Total	193	354	226	773

TOTAL NUMBER OF RACES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	671	3,172	1,328	5,171
Eyre	139	0	0	139
Murraylands	130	0	0	130
Northern	94	60	194	348
Outer Adelaide	147	60	67	274
South East	213	260	90	563
Yorke and Lower North	120	0	7	127
Total	1,514	3,552	1,686	6,752

racing clubs

From a business perspective, Racing Clubs operate essentially to provide an opportunity for owners to race their horses and greyhounds. From a social perspective, many of the Racing Clubs are vitally important (both historically and currently), to the fabric of their communities.

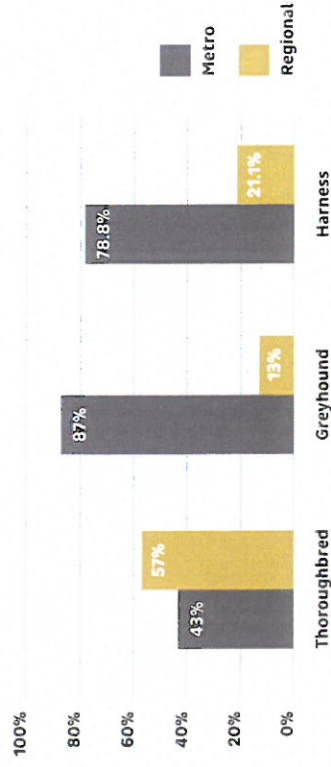
The controlling bodies within the three codes distribute prizemoney to owners, trainers and jockeys/drivers. Therefore, the majority of Racing Club expenditure is distributed into the local economy. The Clubs purchase products and

services for the purpose of delivering a quality race/day/razenight experience for their customers.

There are 42 racing clubs racing at 38 racetracks across the three codes in South Australia. In 2011/12, these racing clubs were responsible for hosting 773 race meetings.

The following chart illustrates the proportion of race meetings held by each code within the metropolitan and regional areas of South Australia:

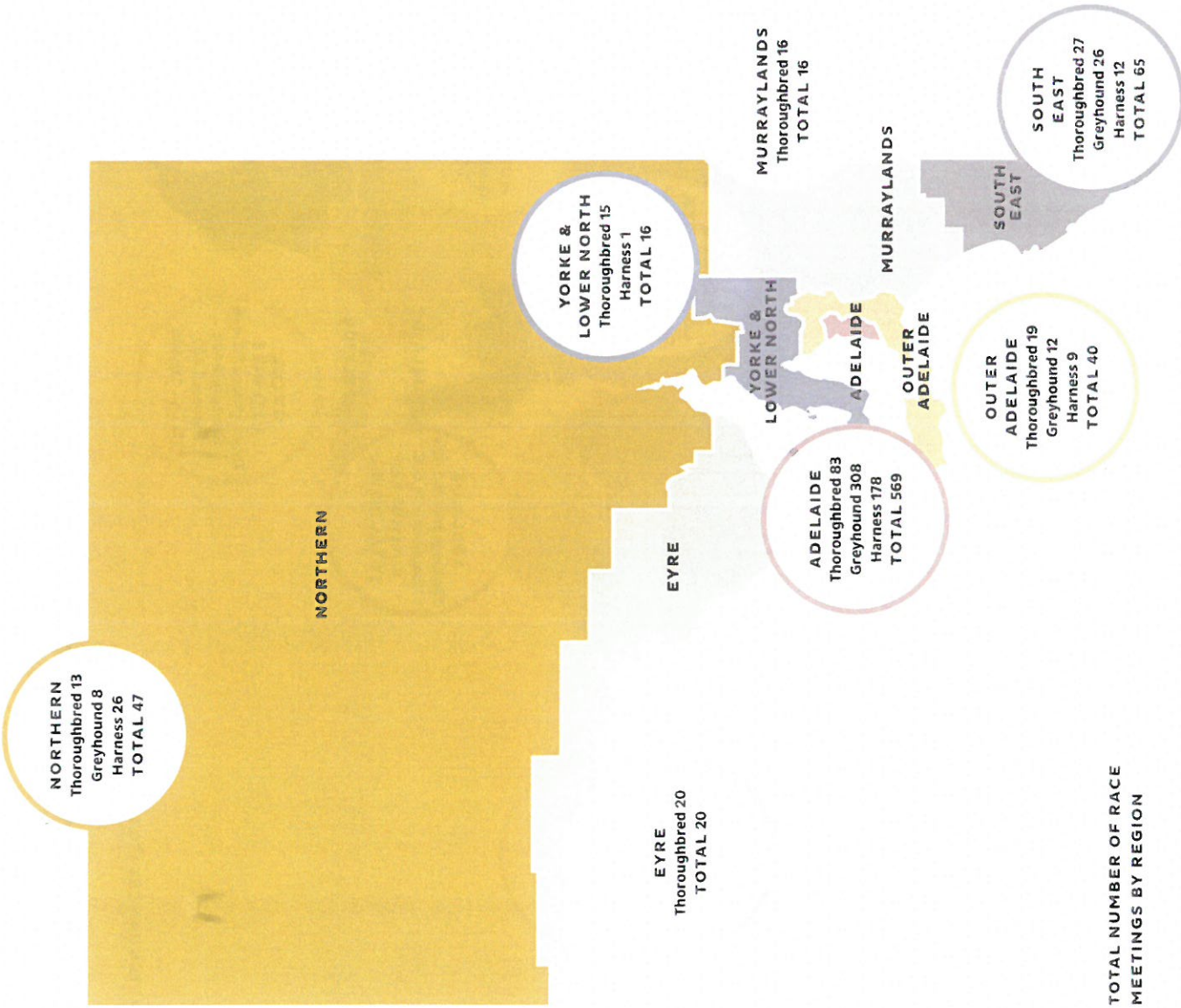
PROPORTION OF RACE MEETINGS IN SOUTH AUSTRALIA



In addition to hosting official race meetings, a number of Racing Clubs also hold trials for the purposes of providing opportunities for racehorses and greyhounds to prepare under race-like conditions.

Racing Clubs also provide an important social opportunity for their Members. The table below illustrates the number of people within each region who have a membership association with their Racing Club.

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2,127	283	403	2,813
Eyre	586	0	0	586
Murraylands	267	87	0	354
Northern	481	40	185	716
Outer Adelaide	1,271	39	87	1,407
South East	737	65	320	1,122
Yorke and Lower North	355	0	0	355
Total	5,834	514	1,015	7,363



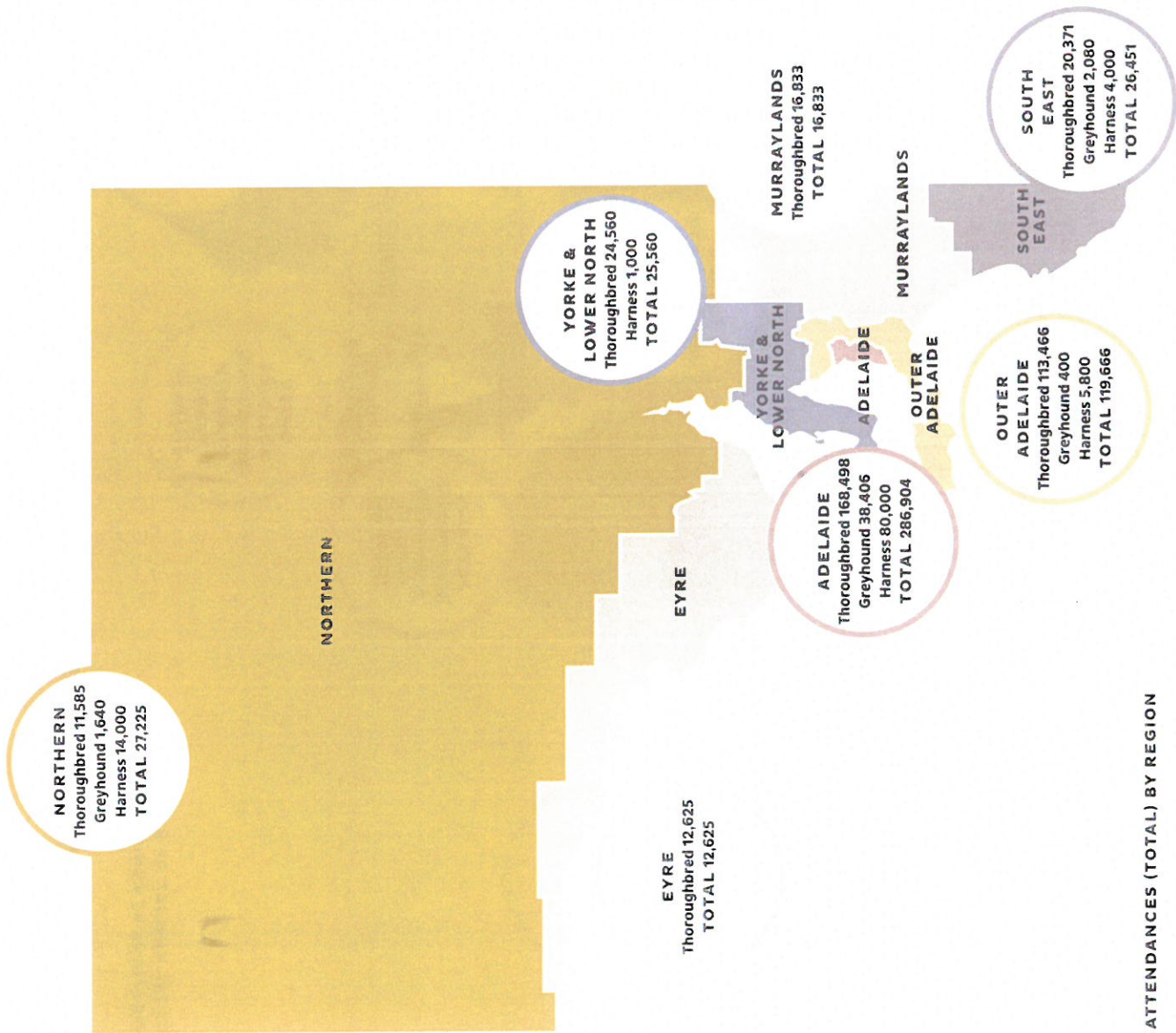
TOTAL NUMBER OF RACE MEETINGS BY REGION

ATTENDANCES AT RACE MEETINGS

During the 2011/12 racing season, thoroughbred, harness and greyhound race meetings across South Australia attracted attendances of just over 515,000. Thoroughbred racing reported attendances of 367,938, which represents a 15% increase on the attendance outlined in the last assessment conducted in 2002/03. Greyhound racing and harness racing have recorded declines in their attendances. The 104,800 attendances at harness racing meetings represent a 37% decline from the attendances outlined in 2002/03. Greyhound racing reported attendances of 42,526 which represents a decrease of 15.1%.

The following table illustrates the average attendance per thoroughbred, greyhound and harness race meeting in each of the South Australian regions:

	Thoroughbred	Greyhound	Harness
Adelaide	2,030	125	449
Eyre	631	N/A	N/A
Murraylands	1,052	N/A	N/A
Northern	891	205	538
Outer Adelaide	5,972	80	644
South East	754	80	333
Yorke and Lower North	1,637	N/A	1,000



ATTENDANCES (TOTAL) BY REGION

As outlined earlier, during the 2011/12 racing season, race meetings across South Australia attracted attendances of just over 515,000. These attendances were split relatively evenly between metropolitan race meetings (55.2%) and regional race meetings (44.8%), albeit metropolitan race meetings outnumber regional race meetings by close to 3 to 1. The attendances outlined above include multiple attendances throughout the course of the racing season by individuals.

Whilst there is no primary data from which to estimate the number of individuals who attend race meetings, the Australian Bureau of Statistics estimates that in 2009/10* (the last year in which this assessment was made), the South Australian Racing Industry attracted attendances of more than 181,500 individuals. Therefore, just over 11% of the South Australian population attended at least one race meeting in 2009/10. The two charts on the right illustrate the number of individuals who attended at least one race meeting in 2009/10.

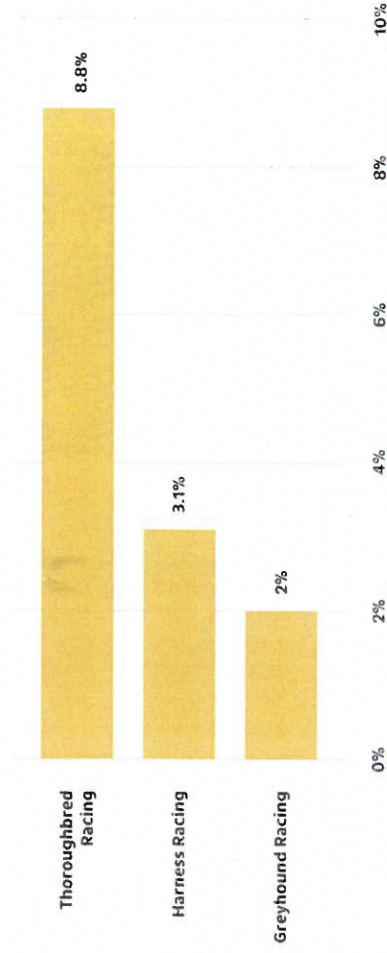
ATTENDANCE AT RACE MEETINGS IN SOUTH AUSTRALIA (INDIVIDUALS WHO ATTENDED AT LEAST ONCE)*



TOTAL ATTENDANCE AT RACE MEETINGS IN SOUTH AUSTRALIA (AGGREGATE) - 2011/12



ATTENDANCE AT RACE MEETINGS IN SOUTH AUSTRALIA (PER CAPITA ATTENDANCE)*

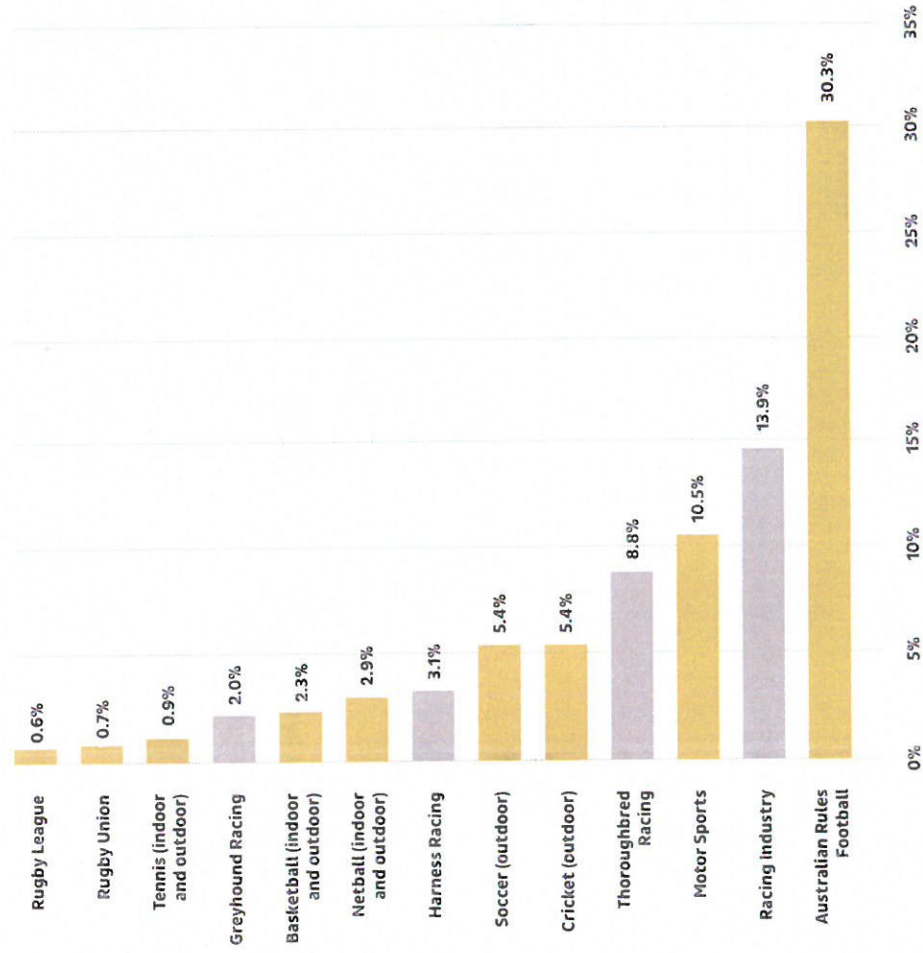


Source: ABS Catalogue 4174.0 2009-10



In 2009/10,
racing in South
Australia was
the second
highest attended
sport in the state
by individuals.*

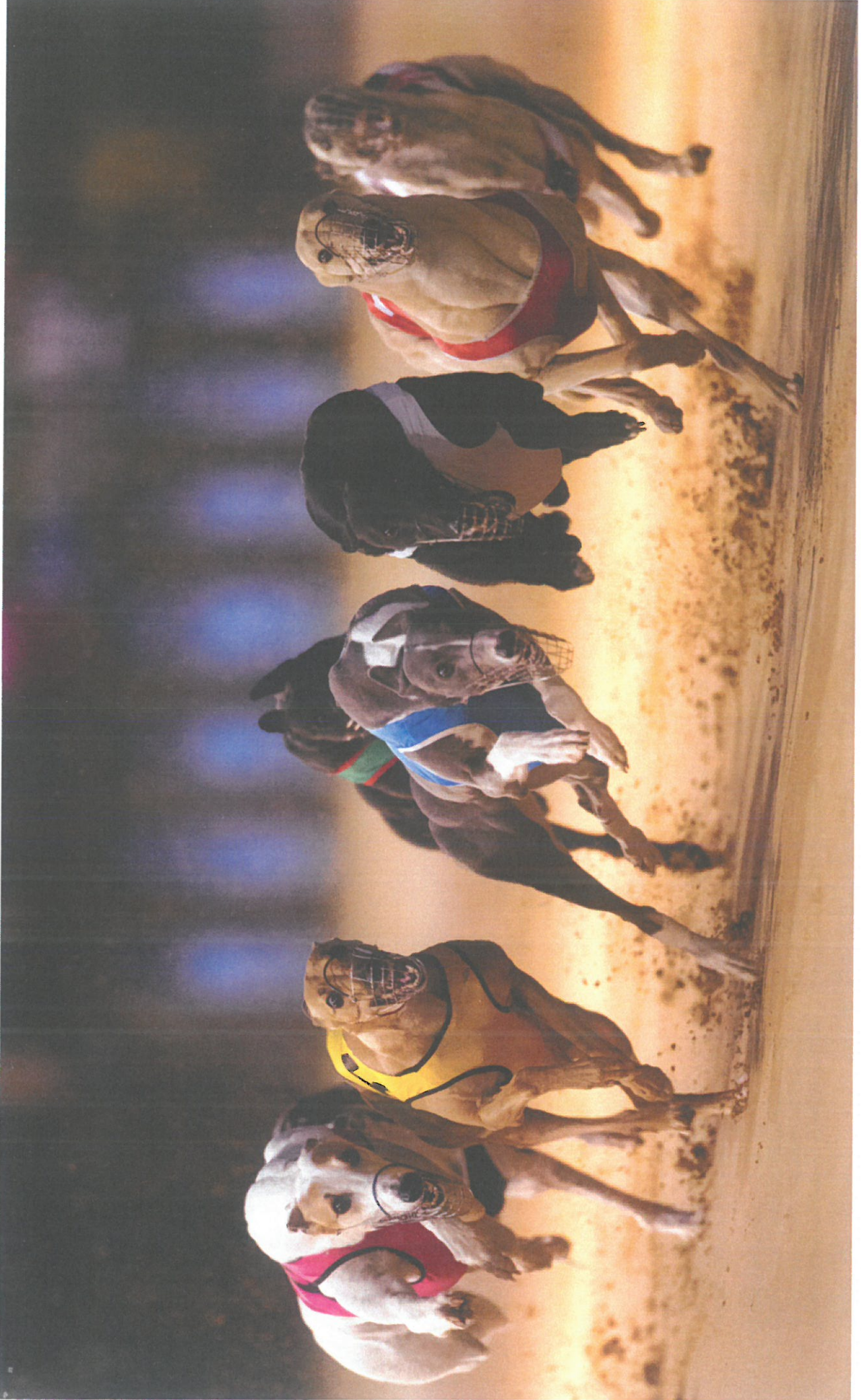
**SPECTATORS AT SELECTED SPORTING EVENTS
IN SOUTH AUSTRALIA 2009/10 - (%)**



Source: ABS Catalogue 4174.0 2009-10

The following graph illustrates the racing industry's attendance in the context of other key sports in South Australia. As there is no primary data from which to estimate the number of individuals who attend race meetings in South Australia, the Australian Bureau of Statistics estimates that in 2009/10*, the racing industry attracted attendances of more than 181,000 individuals.

Thoroughbred Racing in South Australia (114,400) was third overall, behind motor sport (136,300) and Australian Rules football (394,700).



The racing industry has long been regarded as having the power to generate significant expenditure impacts both within and outside the racecourse. This is driven by a number of key factors:

- Racing, unlike most other events, has a strong intrinsic link to fashion - particularly for Group 1 and feature race meetings
- Racing attracts both participant and attendee visitors from outside the state. Racing participants, in particular, represent a high yield market for the state
- The corporate entertainment element of the racing product has experienced considerable growth. It is a high yield segment and, like fashion, corporate entertainment has a natural synergy with the racing product

Whilst Racing Clubs rely heavily on their share of net wagering revenue, Racing Clubs are also encouraged to develop their own organic revenues through the creation of raceday/racenet experiences on-course and non-raceday utilisation of their facilities.

Customer expenditure can be broadly segmented into the following categories:

- On-course raceday expenditure by customers (for the purpose of this analysis, this includes membership and sponsorship)
- Off-course racing related expenditure by customers (i.e. transport, retail etc.)
- On-course non-raceday related expenditure (i.e. lease arrangements for facility use etc.)

Off-course expenditure is primarily related to feature/carnival race meetings wherein the impact of racing extends out into the community both prior to and after the racing event. It is important to note that on-course expenditure within this section does include proceeds from on-course wagering.

Annual customer expenditure generated by Racing Clubs is in excess of \$64.5 million. This includes expenditure generated on-course whilst attending a race meeting, as well as expenditure in the community, linked to attendance at a race meeting.

For every dollar spent on-course by attendees at the races, a further \$1.45 is spent in the community.

	Total On-course Expenditure (Raceday) (\$mil)	Total Non-Raceday Income (\$mil)	Overnight Accommodation (\$mil)	Fringe Event Spending (\$mil)	Additional Entertainment (\$mil)	Merchandise & Retail (\$mil)	Transport (\$mil)	Fashion Spending (\$mil)	Total Off-course Expenditure (\$mil)	Total Customer Expenditure (\$mil)
Eyre	\$0.93	\$0.37	\$0.09	\$0.02	\$0.05	\$0.05	\$0.10	\$0.05	\$0.37	\$1.67
Murraylands	\$0.61	\$0.38	\$0.14	\$0.05	\$0.09	\$0.09	\$0.14	\$0.14	\$0.66	\$1.65
Northern	\$0.64	\$0.14	\$0.13	\$0.03	\$0.12	\$0.07	\$0.18	\$0.10	\$0.63	\$1.42
Outer Adelaide	\$2.13	\$0.22	\$2.09	\$3.13	\$1.42	\$0.81	\$0.92	\$1.52	\$9.90	\$12.25
South East	\$1.53	\$3.48	\$0.19	\$0.06	\$0.13	\$0.11	\$0.21	\$0.19	\$0.90	\$5.90
Yorke and Lower North	\$1.30	\$0.10	\$0.21	\$0.07	\$0.14	\$0.13	\$0.22	\$0.22	\$0.99	\$2.40
Total Regional	\$7.13	\$4.70	\$2.86	\$3.36	\$1.96	\$1.27	\$1.77	\$2.23	\$13.45	\$25.28
Adelaide	\$7.77	\$23.39	\$1.75	\$0.97	\$1.24	\$0.86	\$1.98	\$1.24	\$6.12	\$39.28
Total	\$14.90	\$28.09	\$4.61	\$4.33	\$3.19	\$2.23	\$3.75	\$3.46	\$21.57	\$64.56

*Total numbers may not correspond with individual expenditure categories due to rounding.

EXPENDITURE BY THOROUGHBRED RACING'S CUSTOMERS

During the 2011/12 racing season, just over 193 thoroughbred race meetings attracted attendances in excess of 367,900. These racegoers were responsible for spending nearly \$51.0 million. Of this spending, more than 38% (\$19.5 million) occurred off-track providing a significant stimulus to local businesses. Nearly 59% of this expenditure occurs in the Adelaide region, followed by the Outer Adelaide region (23.8%).

	Raceday Income (\$mil)	Non-Raceday Income (\$mil)	Overnight Accommodation (\$mil)	Fringe Event Spending (\$mil)	Additional Entertainment (\$mil)	Merchandise & Retail (\$mil)	Transport (\$mil)	Fashion Spending (\$mil)	Total Off-course Expenditure (Raceday) (\$mil)	Total Customer Expenditure (\$mil)
Eyre	\$0.90	\$0.36	\$0.09	\$0.02	\$0.05	\$0.05	\$0.10	\$0.05	\$0.37	\$1.63
Murraylands	\$0.61	\$0.38	\$0.14	\$0.05	\$0.09	\$0.09	\$0.14	\$0.14	\$0.66	\$1.65
Northern	\$0.62	\$0.13	\$0.09	\$0.02	\$0.05	\$0.05	\$0.09	\$0.06	\$0.36	\$1.11
Outer Adelaide	\$2.11	\$0.22	\$2.08	\$3.13	\$1.40	\$0.80	\$0.89	\$1.51	\$9.81	\$12.13
South East	\$1.11	\$0.21	\$0.47	\$0.06	\$0.11	\$0.11	\$0.18	\$0.18	\$0.81	\$2.12
Yorkie and Lower North	\$1.30	\$0.08	\$0.21	\$0.07	\$0.14	\$0.13	\$0.21	\$0.21	\$0.97	\$2.35
Total Regional	\$6.64	\$1.39	\$2.78	\$3.35	\$1.64	\$1.23	\$1.61	\$2.15	\$12.96	\$20.99
Adelaide	\$6.24	\$17.22	\$1.50	\$0.94	\$0.89	\$0.81	\$1.34	\$1.02	\$6.50	\$29.97
Total	\$12.88	\$18.61	\$4.28	\$4.29	\$2.73	\$2.04	\$2.95	\$3.17	\$19.47	\$50.96

* Total numbers may not correspond with individual expenditure categories due to rounding.

EXPENDITURE BY GREYHOUND RACING'S CUSTOMERS

During the 2011/12 racing season, 354 greyhound race meetings attracted attendances in excess of 42,500. These racegoers were responsible for spending nearly \$4.6 million. The vast majority of this impact occurred in the Adelaide region.

	Race Day Income (\$mil)	Non-Race Day Income (\$mil)	Overnight Accommodation (\$mil)	Additional Entertainment (\$mil)	Merchandise & Retail (\$mil)	Transport (\$mil)	Total Off-course Expenditure (Race Day) (\$mil)	Total Customer Expenditure (\$mil)
Eyre	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Murraylands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northern	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.01	\$0.02	\$0.04
Outer Adelaide	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
South East	\$0.02	\$0.01	\$0.00	\$0.00	\$0.00	\$0.01	\$0.02	\$0.06
Yorke and Lower North	\$0.00	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.02
Total Regional	\$0.04	\$0.04	\$0.01	\$0.00	\$0.00	\$0.03	\$0.04	\$0.13
Adelaide	\$1.13	\$4.90	\$0.05	\$0.05	\$0.05	\$0.24	\$0.40	\$4.43
Total	\$1.17	\$2.95	\$0.06	\$0.05	\$0.06	\$0.27	\$0.44	\$4.56

* Total numbers may not correspond with individual expenditure categories due to rounding.

EXPENDITURE BY HARNESS RACING'S CUSTOMERS

During the 2011/12 racing season, just over 226 harness race meetings attracted attendances in excess of 104,800. These racegoers were responsible for spending \$9.05 million. The majority of this impact was related to non-raceday sources. More than 54% of this expenditure occurred in the Adelaide region, followed by the South East region (41.1%).

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	Raceday Income (\$mil)	Non-Raceday Income (\$mil)	Overnight Accommodation (\$mil)	Fringe Event Spending (\$mil)	Additional Entertainment (\$mil)	Merchandise & Retail (\$mil)	Transport (\$mil)	Fashion Spending (\$mil)	Total Off-course Expenditure (Raceday) (\$mil)	Total Customer Expenditure (\$mil)
Eyre	\$0.03	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03
Murraylands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northern	\$0.01	\$0.00	\$0.04	\$0.01	\$0.07	\$0.02	\$0.08	\$0.05	\$0.26	\$0.27
Outer Adelaide	\$0.01	\$0.00	\$0.02	\$0.00	\$0.02	\$0.01	\$0.03	\$0.02	\$0.09	\$0.11
South East	\$0.40	\$1.36	\$0.01	\$0.00	\$0.02	\$0.01	\$0.02	\$0.01	\$0.07	\$3.72
Yorke and Lower North	\$0.00	\$0.01	\$0.00	\$0.00	\$0.01	\$0.00	\$0.01	\$0.00	\$0.03	\$0.03
Total Regional	\$0.45	\$3.28	\$0.08	\$0.01	\$0.11	\$0.04	\$0.13	\$0.08	\$0.45	\$4.17
Adelaide	\$0.41	\$3.26	\$0.20	\$0.03	\$0.29	\$0.10	\$0.39	\$0.21	\$1.21	\$4.88
Total	\$0.85	\$6.54	\$0.27	\$0.04	\$0.41	\$0.13	\$0.52	\$0.28	\$1.66	\$9.05

* Total numbers may not correspond with individual expenditure categories due to rounding.



TOTAL PRIZEMONEY PAID OUT (\$MIL)

	Thoroughbred	Greyhound	Harness	Total
Adelaide	\$21.70	\$4.90	\$4.86	\$31.46
Eyre	\$1.30	\$0.00	\$0.00	\$1.30
Murraylands	\$1.44	\$0.00	\$0.00	\$1.44
Northern	\$0.75	\$0.04	\$0.54	\$1.33
Outer Adelaide	\$2.37	\$0.03	\$0.15	\$2.55
South East	\$2.04	\$0.19	\$0.20	\$2.43
Yorke and Lower North	\$1.27	\$0.00	\$0.03	\$1.30
Total	\$30.87	\$5.16	\$5.78	\$41.81

TOTAL VALUE OF OWNERS AND BREEDERS INCENTIVES PAID OUT (\$MIL)

	Thoroughbred	Greyhound	Harness	Total
Adelaide	\$1.49	\$0.42	\$0.00	\$1.91
Eyre	\$0.09	\$0.00	\$0.00	\$0.09
Murraylands	\$0.10	\$0.00	\$0.00	\$0.10
Northern	\$0.05	\$0.00	\$0.00	\$0.05
Outer Adelaide	\$0.16	\$0.00	\$0.00	\$0.16
South East	\$0.14	\$0.02	\$0.00	\$0.16
Yorke and Lower North	\$0.09	\$0.00	\$0.00	\$0.09
Total	\$2.12	\$0.44	\$0.00	\$2.56

TOTAL RETURNS TO OWNERS (\$MIL)

	Thoroughbred	Greyhound	Harness	Total
Adelaide	\$23.18	\$5.33	\$4.86	\$33.37
Eyre	\$1.39	\$0.00	\$0.00	\$1.39
Murraylands	\$1.54	\$0.00	\$0.00	\$1.54
Northern	\$0.80	\$0.04	\$0.54	\$1.39
Outer Adelaide	\$2.53	\$0.03	\$0.15	\$2.71
South East	\$2.18	\$0.21	\$0.20	\$2.58
Yorke and Lower North	\$1.35	\$0.00	\$0.03	\$1.38
Total	\$32.97	\$5.61	\$5.78	\$44.36

TOTAL NUMBER OF RUNNERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	6,567	24,894	11,049	42,510
Eyre	1,235	0	0	1,235
Murraylands	1,394	0	0	1,394
Northern	910	379	1,683	2,972
Outer Adelaide	1,375	748	430	2,553
South East	2,059	2,195	665	4,919
Yorke and Lower North	1,222	0	77	1,299
Total	14,762	28,216	13,904	56,882

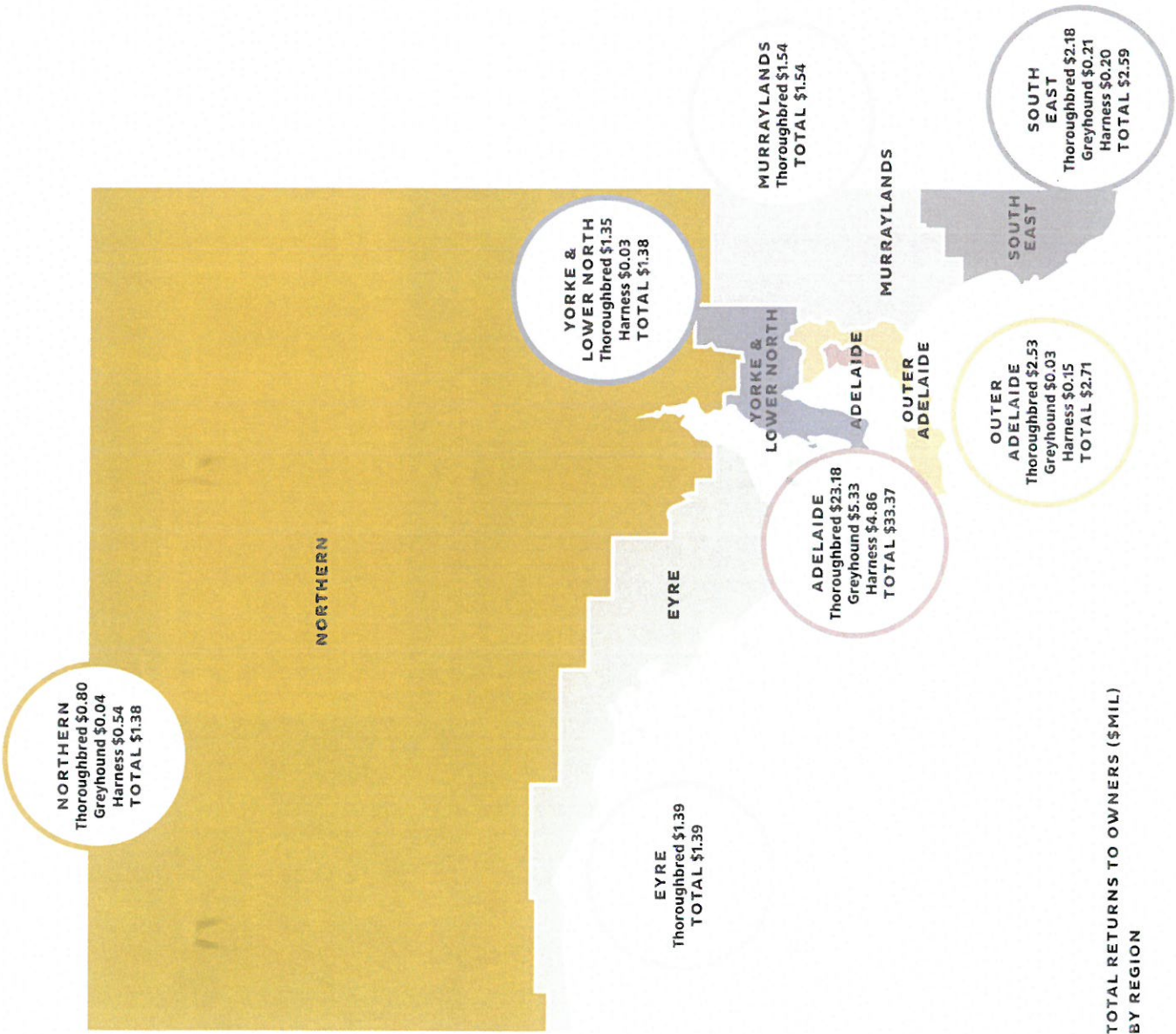
During the 2011/12 racing season, the South Australian Racing Industry provided owners with the opportunity to share in more than \$44 million available in prizemoney and bonuses. Whilst the majority of prizemoney is shared by owners, it is important to note that trainers, jockeys, breeders and drivers also receive financial benefits for various elements of their involvement in racing horses and greyhounds. The owners and breeders incentive schemes for South Australian bred thoroughbreds and greyhounds provide a prominent example of such an opportunity, generating an additional \$2.1 million for the Thoroughbred Industry and \$0.5 million for the Greyhound Racing Industry.

In total, thoroughbred owners race for more than \$32.9 million in prizemoney and bonuses, whilst harness racing owners race for \$5.7 million and greyhounds for \$5.6 million. In considering the prizemoney on offer, it is important to recognise that the cost base of participation in the greyhound racing industry is considerably lower than that of the thoroughbred and harness racing industries.

PRIZEMONEY VS TRAINING COSTS

Previous research in a number of jurisdictions has shown that owners of racing animals do not necessarily expect to achieve a return on their investment. In racing circles, this is often referred to as the 'acceptable loss'. The fact that an 'acceptable loss' concept exists within the industry, is mostly a recognition that ownership is often driven by a combination of business and leisure motivations.

It is important however that owners receive a reasonable level of return to ensure their continued investment in the industry.



TOTAL RETURNS TO OWNERS (\$MIL) BY REGION

WAGERING

Based on total wagering turnover on the SA TAB and product fees received in 2011/12, the wagering on racing product (both local and interstate) yielded Net Wagering Revenues of \$106.8 million.

Wagering activities are a critical source of funding for the South Australian racing industry. Wagering revenue for South Australia is delivered via the following sources:

- + Net Wagering Revenue from Totalisator Agency Board (TAB) Turnover – the TAB operates on a fixed percentage of revenue from all wagering activity on horse and greyhound racing. This amount is referred to as Net Wagering Revenue. In South Australia, this is shared by the racing industry and the TAB operator.
- + Product Fees received from interstate wagering operators, Betting Exchanges and Interstate TAB's – with changes to the landscape of cross-border betting and corporate bookmaker wagering, South Australia receives an amount of money often referred to as a product fee.

In 2011/12 more than \$117 million was wagered with the SA TAB on local racing product. In addition to this, the SA TAB also takes bets on racing from other states and countries which contribute to its Net Wagering Revenue.

Although not forming part of direct expenditure within the South Australian economy, it is important to note that the three codes of racing paid \$9.64 mil to TattsBet, reimbursing it for Race Field Fees paid to other states.

The following table illustrates the total TAB Turnover generated with the SA TAB on local racing product in 2011/12.

TOTAL TAB TURNOVER GENERATED WITH THE SA TAB ON LOCAL RACING PRODUCT (2011/12)

	Thoroughbred (\$ mil)	Greyhound (\$ mil)	Harness (\$ mil)	Total (\$ mil)
Adelaide	53.87	19.61	14.35	87.83
Eyre	3.02	N/A	N/A	3.02
Murraylands	4.49	N/A	N/A	4.49
Northern	1.51	N/A	1.43	2.94
Outer Adelaide	6.20	N/A	0.54	6.74
South East	4.94	2.13	0.72	7.79
Yorke and Lower North	4.30	N/A	0.06	4.36
Total	78.83	21.74	17.10	117.17





COMMUNITY AND SOCIAL BENEFITS

The South Australian Racing Industry plays an important role in the social and environmental dimensions of the sport of racing through its community activities on both raceday and non-racing periods throughout the year. This contribution to community social benefit enhances both individual and community well-being throughout South Australia.

The economic activity generated by the South Australian Racing Industry complements the social and environmental impacts, particularly in regional areas where racing events and racing's facilities foster social cohesion and provide benefits for a broad range of people and community organisations.

Racing and non-racing events attract community members, independent of socio-economic status, age or gender. This is highlighted within the racing industry throughout South Australia, where racing is a profession, a sport, a hobby, a volunteer and a leisure activity.

The development of social and environmental initiatives has had a positive impact within the communities where racing exists in terms of family socialisation, and with regard to supporting health, education, employment and environmental practices. However, maintaining and building the trust and respect of the communities in which Racing Clubs operate is also extremely valuable.

The implementation and communication of social and environmental initiatives play an important role in managing community perceptions, and in doing so, protect and enhance racing's image and reputation. This in turn provides the industry with a greater opportunity to foster the support of customers, corporates and Government, as well as building pride and increased satisfaction with internal stakeholders.

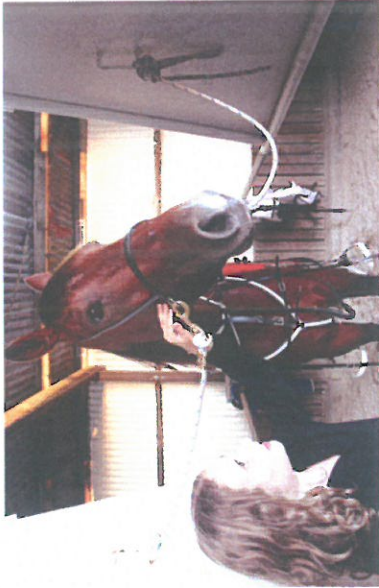
The sport also demonstrates a rich cultural significance and heritage throughout South Australia. The historical elements of the racetracks throughout the state are an important part of the fabric of many local communities. These racecourses and Clubs are the focal point for the achievements of some of South Australia's great sportsman and sportswoman, racing identities, horses and greyhounds.

This racing industry study incorporated a social impact survey which was completed by South Australia's Racing Clubs. The information gathered from this survey provided valuable insights in determining the extent of the social and environmental benefits generated by racing in South Australia.

The evaluation highlighted the racing industry's significant role in the critical areas of:

- + **COMMUNITY BUILDING** – Building inclusive and welcoming communities featuring powerful collaborative partnerships and relationships
- + **FAMILY** – Providing opportunities for family participation in racing and assisting in the development of stronger family relationships
- + **EDUCATION AND TRAINING** – Supporting the education, training and development of participants and Racing Club staff and volunteers
- + **HEALTH** – Commitment to policies that support priority community health objectives
- + **LEISURE** – Providing enjoyable leisure opportunities for hobby owners, trainers and breeders, raceday/night customers and other Racing Club event attendees
- + **EMPLOYMENT** – Creating a major source of employment and a variety of career opportunities for the South Australian community
- + **ENVIRONMENT** – Adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the South Australian environment

COMMUNITY BUILDING



The three codes of racing in South Australia have adopted practices that engage both individuals and organisations within their communities, particularly in terms of supporting charitable organisations, engaging volunteers and building community partnerships.

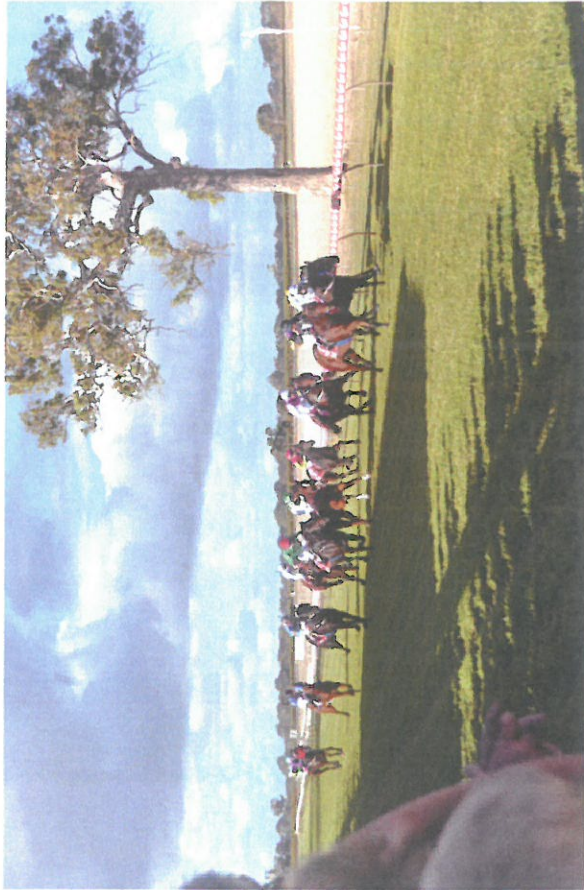
The survey results highlighted the following positive outcomes demonstrated at Clubs:

- Over 160 community organisations or charities are assisted financially by Racing Clubs
- 62 community organisations share Racing Club facilities and resources
- Racing Clubs currently engage more than 1,240 volunteers who assist in various Club and industry related roles
- 7,363 people hold Racing Club memberships who, in turn, invited 6,489 Guest Members to the races

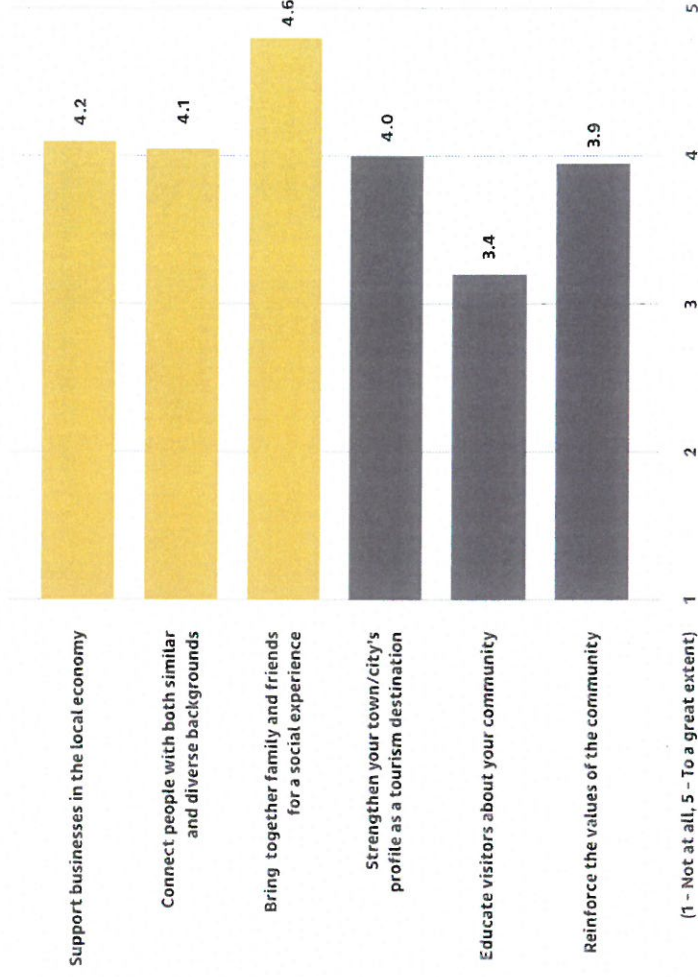
Racing plays an important role in fostering a sense of worth and belonging to a large number of racing volunteers in South Australia (totaling over 1,240 people). These volunteers assume roles in areas such as administration, hospitality, racing operations and general preparations for race meetings. Many of these individuals form part of the Racing Club's committees.

In addition to the previously mentioned community organisations, IER found that Racing Clubs financially assist over 160 community organisations and charities. Club organised functions raise significant funds for community organisations and charities through activities such as raffles and auctions. Furthermore, many regional Clubs engage local community organisations and charities to undertake such activities as supplying food and beverages, operational duties (e.g. gate attendants) and racecourse cleaning. Some of the charitable organisations identified by Clubs include:

- | | |
|---------------------------------|---|
| • St. Johns Cadets | • Advertiser Sunday |
| • Make A Wish | • Mail Foundation |
| • Riding For Disabled | • St. John Ambulance |
| • Equestrian Clubs | • Leukemia Foundation |
| • Boystown | • Riding for the Disabled |
| • Local Hospitals | • Cricket and Golf Clubs |
| • Relay for Life | • Cancer Society/Councils |
| • Shake the Boot | • Agricultural Societies |
| • Pony Associations | • Cubs and Scout Groups |
| • Greyhounds as Pets | • Ronald McDonald House |
| • Mary Potter Hospice | • Locals Schools |
| • Royal Adelaide Hospital | • McGrath Foundation |
| • Intensive Care Unit | • Breast Cancer Foundations |
| • Kinder Gyms and Parent Groups | • Sporting Clubs e.g. Colts Football Club, Tennis Clubs |
| • Rotary and Lions Clubs | • Tourism Associations |
| • Field Days | • Community Lifestyles |
| • Variety Clubs | • Blind Sporting Council |
| • Safe Swimming Committee | • Royal Society for the Blind |
| • Premier's Games Appeal Dinner | |



COMMUNITY ENGAGEMENT WITH SOUTH AUSTRALIAN RACING



The social impact survey asked Clubs how much they believed racing in their town or city has the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive, particularly significant in the areas of racing's ability to 'bring together family and friends for a social experience' (4.6), to 'support businesses in the local economy' (4.2) and to 'connect people with both similar and diverse backgrounds' (4.1).



SUPPORTING FAMILY RELATIONSHIPS

The three codes of racing in South Australia are very proactive in engaging with families. Thoroughbred Racing SA has recently established the 'Stable Stars Kids Club'. The Club is open to children aged between 3 and 11 years of age. Every child in the Club receives their own membership badge, welcome letter, events calendar and Stable Stars Newsletter. In addition to this, the members of the club are welcome to attend a range of family events throughout South Australia. Children are entertained by Camp Australia who treat Stable Stars Members, and their friends, to hours of supervised fun at the racetrack.

The South Australian Harness Racing Pony Association, which is located at the SA Harness Racing Club at Globe Derby Park, has been providing pony harness racing for children between the ages of 6 years to 16 years of age since 1985. The kids ride the ponies in their sulkies and are often invited to conduct exhibition races during the season at Kapunda, Port Pirie, Victor Harbor and the Royal Adelaide Show.

Racing Clubs themselves have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many Clubs actively promote services and amenities for families including the provision of parent rooms, baby change tables, jumping castles and rides, giveaways and live stage shows. These events have the ability to bring families and friends together to build stronger relationships. The survey revealed a number of positive initiatives which have been developed by Clubs.

Over 96% of Clubs offer attractions or services that support attendance by children. Examples of activities and attractions include:

- + Novelty races on the racetrack
- + Balloon clowns
- + Pony trials
- + Craft activities
- + Face painting
- + Crazy hair decorating
- + Horse racing themed craft
- + Competitions
- + Mask making
- + Easter egg hunt
- + Bead design
- + Brain noodles
- + Jumping castle
- + Horse/Jockey colouring in
- + Active games
- + Tug of war
- + Sand castles
- + Train rides
- + Parachute games
- + Soccer shootout
- + Cricket games
- + Relays and races
- + Footy skills and drills
- + Frisbee golf
- + Junior fashions on the field

Over 35% of Clubs offer special discounts for family group attendance and nearly all Clubs have free entry for children.

Over 26% of Clubs offer events for families and children on non-racedays (e.g. Christmas parties, awards nights, family BBQ events, camps for scouts and children with disabilities etc.)



SHARING FACILITIES WITHIN THE COMMUNITY

Within the context of the limited use of their facilities for racing, the majority of Racing Clubs have engaged with community organisations to share their facilities and resources. Some of the 62 organisations identified by Clubs include:

- + Neighbourhood Watch
- + GAP program
- + Square Trotters Association
- + SA Harness Racing Pony Clubs
- + Charities (Make a Wish)
- + Pony and Equestrian Clubs
- + Boystown
- + Agricultural Societies
- + Historic Vehicles Club
- + Riding for the Disabled
- + Rotary and Lions Clubs
- + Sports Clubs
- + Primary and Secondary Schools
- + Yoga Clubs
- + Dragon Boat Racing
- + TAFE
- + SA Bookmakers League
- + KESAB Environmental Solutions
- + Scouts
- + Community Caterers
- + St. John Ambulance
- + Athletics' Clubs
- + Variety Clubs
- + Apprenticeship organisations
- + Volunteer Fire Brigade (CFS)



EDUCATION AND TRAINING

Racing Clubs and participants directly employ staff on a full-time, part-time and casual basis. Club employees are involved in administration, the conduct of raceday and other non-raceday tasks. As part of their commitment to delivering an enjoyable experience for racing participants and customers, Racing Clubs have adopted a number of initiatives.

- On average, each Club has approximately two members of their staff participating in further education, career development and training programs each year
- Over 60% of Clubs have policies and practices in place to teach and encourage responsible gambling
- 18% of Clubs have partnerships with primary, secondary, trade and tertiary institutions
- Over a quarter of Clubs (26%) have placements available for work experience students

Members of the community looking for a career in the racing industry as a jockey, have access to the highly successful SA Apprentice Academy. The objectives of the academy are to educate apprentices in all facets of race riding and the broader racing industry. As well as teaching race riding, the academy also provides mentoring support and assistance in areas such as financial planning, taxation, public speaking and raceday operations.

The SA Apprentice academy is well recognised throughout Australia for producing quality race riders such as Kieran McEvoy, Dwayne Dunn, Steven Arnold, Clare Lindop and Matthew Neilson. Based at the Morphettville Horse Skills Centre, the course is fully funded by TRSA and is run in conjunction with TAFE and commenced operations more than 20 years ago. On average 20 – 25 apprentices complete the course each year with graduates progressing to become successful jockeys, track-riders and horse trainers.

The racing industry has the ability to offer modestly skilled and underprivileged members of the community the opportunity to involve themselves in meaningful pursuits. Many stables, kennels and breeding farms are supported by volunteers and employees on the minimum wage. Their input not only provides valuable support to the trainers and breeders in South Australia, but also fosters a sense of pride, confidence and achievement within those individuals.



PROMOTING HEALTHY RACING CLUB ENVIRONMENTS

Following trends observed at many other sporting events, customers are increasingly seeking healthier food and beverage options when enjoying a day or night at the races. South Australian Racing Clubs are committed to providing a healthy environment for their participants and customers.

Examples of practices identified at Racing Clubs include:

- + Over 92% of Clubs provide healthy choice options for both racing participants and customers
- + 89% of Clubs do not allow alcohol to be brought into the venue - to ensure responsible consumption of alcohol
- + Clubs have policies and practices in place to encourage responsible consumption of alcohol
- + Clubs have policies and practices in place to reduce the consumption of tobacco:
 - + Over 43% of Clubs have non-smoking areas
 - + Over 44% Clubs have policies and practices in place to reduce the risk of skin cancer - examples include access to shaded areas (100%), advertising messages (36%) and the sale of sunscreen (18%)
 - + Over 89% of Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required

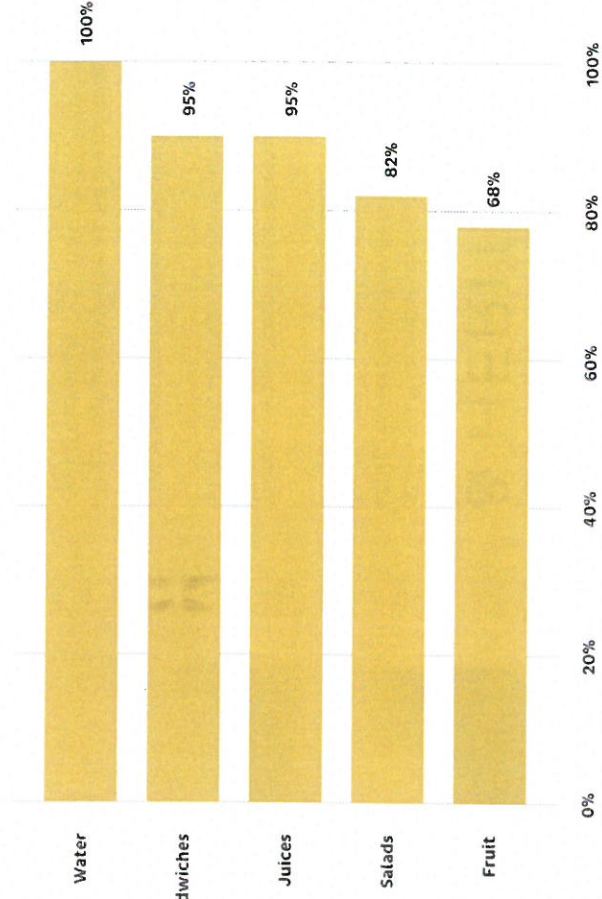
Racing Clubs manage major facilities and events involving large numbers of customers. Community and Government expectations of Racing Clubs relating to environmentally friendly practices and policies have led to the adoption of a number of important initiatives that have a positive impact on the South Australian environment.

Racing Clubs are actively implementing policies and practices in key areas that impact on the environment.

These include:

- + Over half of all Clubs have policies in place to save water and re-use or recycle water
 - Examples include:
 - + Recycled water irrigation systems
 - + Rain storage tanks
 - + Better use of fertilizers, management of grassed areas etc.
 - + Wetlands
 - + Greywater usage
- + One in four Clubs (25%) have policies and programs to develop native flora and fauna. Examples include:
 - + Regularly planting trees around the racecourse grounds
 - + Maintaining native flora in wetlands (which is used to propagate specimens for other wetlands around the state and native fauna in wetlands with various marine species)
- + Over 54% of Clubs have programs in place to reduce or re-use resources and recycling of waste such as glass bottles, paper and cardboard, horse waste (bio-bins), ink cartridges, cans and containers

TOP FIVE HEALTHY FOOD CHOICES PROVIDED BY CLUBS



CLUB HISTORY & HERITAGE

Close to 60% of Racing Clubs throughout South Australia actively promote the history and heritage elements of their Club. This is an important aspect of racing as many of the Clubs have a long and rich history.

The initiatives that Clubs have adopted record the history and convey the excitement of racing in their community to both visitors and locals. A number of examples include:

- Hall of Fames to acknowledge horses/greyhounds, participants and associates
- Promoting Club anniversaries e.g. 150 years of racing at Penola Racing Club
- Restoration and maintenance of racecourse buildings
- Restoration of memorabilia
- Club historians
- Permanent displays for visitors on both racedays and non-racedays (inc. bus tours)
- Special racedays - "Legends and Reunion Day"
- Promotion through local papers, radio and websites
- Record-keeping of events and race performances
- Black Caviar Exhibition at Adelaide Town Hall
- Compiling Club histories



CASE STUDY GREYHOUND ADOPTION PROGRAM

The Greyhound Adoption Program (GAP) is an initiative of GRSA dedicated to finding homes for greyhounds no longer suitable for racing. GAP commenced in South Australia in 1997, and in that time has adopted over 900 greyhounds to families within the community. In 2011/12 the greyhound industry in South Australia adopted close to 200 greyhounds.

The program itself aims to increase and improve the public's awareness and desire to care for these animals in a loving family environment once their racing careers have finished. The program encourages a positive image of the greyhound to stimulate potential owners and future engagement within the greyhound racing industry in South Australia.

After their racing career, the dogs are prepared by over 30 volunteers, who help the greyhounds to adjust to life as a 'pet'. These volunteers form the backbone of the GAP program. They help out with office roles, as well as events and fundraising responsibilities.

GAP also facilitates a variety of community initiatives. Paws 4 People is one of these programs, wherein volunteers from GAP visit retirement villages, aged-care facilities and hospitals with some of the greyhounds from GAP brightening up the day of some of the elderly and less fortunate.

GAP also has an established partnership with TAFE SA. TAFE SA fosters 20 former racing greyhounds a year, with students from the Veterinary and Applied Science Centre providing them with health checks, vaccinations and dental care. The program gives the students an opportunity to gain valuable practical experience, whilst ensuring the greyhounds are placed in some of the best care available.

GAP recently marked a significant milestone, adopting its first dog to an overseas home. Two year old Ty Takara Tsuzaki.



CASE STUDY

EDUCATING YOUNG PEOPLE ABOUT HARNESS RACING

Education and training is a vital ingredient in the preparation of Standardbred horses. Currently a number of participants in the Harness Racing Industry assist and support students who are undertaking equine and animal husbandry studies at schools, TAFE's and colleges. These harness racing participants mainly help students with the practical elements of their equine studies and provide them with a 'real life' understanding of the day-to-day operations of a racing stable.

The students are exposed to all aspects of training horses - in particular the 'hands on' elements. Students are involved in leading horses, feeding, harnessing, shoeing and confirmation, washing and brushing horses. Most students work for an eight week period - for five hours, five days per week.

After an eight week period the students have learnt much of the basic knowledge and skills that relate to a typical harness racing stable environment. The students gain an appreciation of the hard work that participants contribute to their stables, a love of the horse and the manner in which all horses can be different in many ways.

The South Australian Harness Racing Industry believes that educating younger generations who may not have the advantages of 'hands-on' involvement in the industry is vital, as it can increase pathways into the industry along with improved opportunities for employment.

Such education programs can also serve to enhance the image and raise the profile of harness racing. Many of these programs have been attractive to women, who have progressed to become successful reinswomen within the industry.



CASE STUDY

SOUTH AUSTRALIAN JOCKEY CLUB - RAISING MONEY FOR CHARITY

Thoroughbred racing provides the perfect environment for charities to raise much-needed funds from potential and existing donors. Many charities partner with racing in South Australia to increase their profile, increase the awareness of their partners and activate fundraising activities.

The South Australian Jockey Club (SAJC) has an extensive list of charities that they support. The charities range across several different categories, aiming to reach as much of the community as possible:

HEALTH ORGANISATIONS/ CHARITIES

- The McGrath Foundation
- The Cancer Council
- Autism SA
- National Breast Cancer Foundation
- Paraquad SA
- Womens & Childrens Hospital
- Flinders Medical Centre

CHILDREN/ YOUTH CHARITIES

- Our Lady of Grace Catholic School
- Divas Can Do For Kids
- Westfield Charity Golf Day for Can Do For Kids
- Youth Opportunities
- Immanuel Primary School

SPORTING CLUBS/ CHARITY EVENTS

- Premiers Games Appeal Dinner
- Adelaide United
- Blind Sporting Council
- Whyalla Police Golf Day
- Pembroke Old Scholars Cricket Club
- Meningie Football Club
- National Jockey's Trust

The SAJC has recently donated over \$20,000 in cash and in-kind support to various charities. These charity donations are made through various avenues such as donating items to charity dinners (often in the form of corporate hospitality tickets and race names), as well as holding race days for the charities, offering functions at charity rates and giving the charity a chance to raise their own funds at the event.

Racing's ability to partner with charities creates a win-win environment, whereby the charity can engage in fundraising opportunities and racing has the ability to build a stronger connection with the community and introduce new customers to the sport.



The economic value of the racing industry in the Eyre region is \$7.99 million.

REGIONAL SUMMARIES

EYRE REGION

- ✦ The Eyre region of South Australia takes in ten Local Government Areas, the largest of which is Port Lincoln. The population of the Eyre region is 34,448 (2011 Census) with the largest Local Government Areas (LGA) being:
 - + Port Lincoln - 14,519
 - + Lower Eyre Peninsula - 5,014
 - + Ceduna - 3,662
- ✦ There are a total of 7 Racing Clubs operating in the region, six of which are Thoroughbred Clubs and one harness Club.
- ✦ The racing industry in the Eyre region is responsible for generating more than \$7.99 million in value-added contribution to Gross State Product. This equates to 2.0% of the total impact generated by the South Australian Racing Industry.
- ✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 77 full-time equivalent (FTE) jobs.
- ✦ With nearly 900 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 28 adults has a direct employment or participant involvement with the racing industry in the region.
- ✦ The majority of activity in the region is generated by thoroughbred racing.

*Almost
900 people
participate
in the racing
industry in the
Eyre region -
approximately
1 in every
28 adults.*

At a glance

7 Racing Clubs

THOROUGHBRED 6
HARNESS 1

20 Race Meetings

THOROUGHBRED 20

139 Races

THOROUGHBRED 139

596 Racing Club Members

THOROUGHBRED 596

12,625 Attendances

THOROUGHBRED 12,625

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	34	0	2	36
Breeders Staff	10	0	0	10
Owners & Syndicate Owners	366	44	19	429
Trainers	26	2	3	31
Trackriders/Stablehands	67	N/A	3	70
Participants in Producing Racing Animals	503	46	27	576
Full-Time Club Staff	8	0	0	8
Part-Time Club Staff	3	0	0	3
Casual/Contractor Club Staff	175	0	0	175
Club Volunteer	125	0	0	125
Jockeys, Drivers & Apprentices	1	N/A	0	1
Barrier Attendants	6	N/A	0	6
Stewards	2	0	0	2
Participants in Producing the Racing Product	320	0	0	320
Industry Administration Staff	2	0	0	2
Total	825	46	27	898

ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness
Total			
\$0.85m Spent on producing foals & pups	\$0.82mil	-	\$0.03mil
\$3.21m Spent on preparing racehorses & greyhounds	\$3.11mil	\$0.09mil	-
\$8.86m Total Direct Expenditure	\$8.71mil	\$0.09mil	\$0.03mil
\$7.99m Value Added	\$7.85mil	\$0.08mil	\$0.06mil
77 FTE Full-Time Equivalent Employment	75	1	1

Race Meetings in the Eyre region attract attendances of 12,625 or 2.5% of total attendances at race meetings in SA.

MURRAYLANDS

✦ The Murraylands region of South Australia takes in eight Local Government Areas, the largest of which is Murray Bridge. The population of the Murraylands region is 68,878 (2011 Census) with the largest Local Government Areas (LGA) being:

- ✦ Murray Bridge – 20,210
- ✦ Loxton Walkerie – 11,457
- ✦ Berri and Barmera – 10,790

✦ There are a total of 2 Racing Clubs operating in the region, both of which are thoroughbred Clubs.

✦ The racing industry in the Murraylands region is responsible for generating more than \$14.43 million in value-added contribution to Gross State Product. This equates to 3.6% of the total impact generated by the South Australian Racing Industry.

✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 137 full-time equivalent (FTE) jobs.

✦ With nearly 750 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 69 adults has a direct employment or participant involvement with the racing industry in the region.

✦ The majority of activity in the region is generated by thoroughbred racing.

The economic value of the racing industry in the Murraylands region is \$14.43 million.

*Almost
750 people
participate
in the racing
industry in the
Murraylands
region –
approximately
1 in every
69 adults.*

At a glance

2 Racing Clubs

THOROUGHBRED 2

16 Race Meetings

THOROUGHBRED 16

130 Races

THOROUGHBRED 130

267 Racing Club Members

THOROUGHBRED 267

16,833 Attendances

THOROUGHBRED 16,833

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	22	20	2	44
Breeders Staff	13	3	0	16
Owners & Syndicate Owners	207	148	25	380
Trainers	34	55	2	91
Trackriders/Stablehands	70	N/A	3	73
Participants in Producing Racing Animals	346	226	32	604
Full-Time Club Staff	5	0	0	5
Part-Time Club Staff	3	0	0	3
Casual/Contractor Club Staff	63	0	0	63
Club Volunteer	34	27	0	61
Jockeys, Drivers & Apprentices	5	N/A	0	5
Barrier Attendants	4	N/A	0	4
Stewards	0	1	0	1
Participants in Producing the Racing Product	114	28	0	142
Industry Administration Staff	1	0	0	1
Total	461	254	32	747

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$1.16 mil	Spent on producing foals & pups \$0.98mil	\$0.16mil	\$0.02mil
\$8.55m	Spent on preparing racehorses & greyhounds \$7.11mil	\$0.77mil	\$0.66mil
\$16.02m	Total Direct Expenditure \$14.47mil	\$0.94mil	\$0.68mil
\$14.43	Value Added \$12.99mil	\$0.83mil	\$0.61mil
137	Full-Time Equivalent Employment 123	8	6

NORTHERN

- ★ The Northern region of South Australia takes in twelve Local Government Areas, the largest of which is Whyalla. The population of the Northern region is 76,060 (2011 Census) with the largest Local Government Areas (LGA) being:
 - ★ Whyalla - 22,580
 - ★ Port Pirie and Districts - 17,593
 - ★ Port Augusta - 14,527

★ There are a total of 8 Racing Clubs operating in the region, five of which are thoroughbred Clubs with a further 2 harness Clubs and one greyhound Club.

★ The racing industry in the Northern region is responsible for generating more than \$7.52 million in value-added contribution to Gross State Product. This equates to 1.9% of the total impact generated by the South Australian Racing Industry.

★ The economic impact generated by the racing industry in this region is responsible for sustaining more than 71 full-time equivalent (FTE) jobs.

★ With nearly 1,260 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 44 adults has a direct employment or participant involvement with the racing industry in the region.

The economic value of the racing industry in the Northern region is \$7.52 million.

Almost 1,260 people participate in the racing industry in the Northern region – approximately 1 in every 44 adults.

At a glance

8 Racing Clubs

THOROUGHBRED 5
GREYHOUND 1
HARNESS 2

47 Race Meetings

THOROUGHBRED 13
GREYHOUND 3
HARNESS 26

348 Races

THOROUGHBRED 94
GREYHOUND 60
HARNESS 194

716 Racing Club Members

THOROUGHBRED 481
GREYHOUND 40
HARNESS 195

27,225 Attendances

THOROUGHBRED 11,585
GREYHOUND 1,640
HARNESS 14,000

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	12	7	13	32
Breeders Staff	11	1	3	15
Owners & Syndicate Owners	236	155	266	657
Trainers	21	30	49	100
Trackriders/Stablehands	45	N/A	43	88
Participants in Producing Racing Animals	325	193	374	892
Full-Time Club Staff	0	0	0	0
Part-Time Club Staff	1	0	2	3
Casual/Contractor Club Staff	94	8	8	110
Club Volunteer	157	11	60	228
Jockeys, Drivers & Apprentices	0	N/A	4	4
Barrier Attendants	5	N/A	4	9
Stewards	0	2	0	2
Participants in Producing the Racing Product	257	21	78	356
Industry Administration Staff	1	11	0	12
Total	583	225	452	1,260

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$0.51m	Spent on producing foals & pups	\$0.31mil	\$0.05mil
\$3.56m	Spent on preparing racehorses & greyhounds	\$1.57mil	\$0.33mil
\$8.40m	Total Direct Expenditure	\$4.55mil	\$0.42mil
\$7.52m	Value Added	\$4.10mil	\$0.37mil
71	Full-Time Equivalent Employment	39	3

The economic value of the racing industry in the Outer Adelaide region is \$47.01 million.

OUTER ADELAIDE

✦ The Outer Adelaide region of South Australia takes in nine Local Government Areas, the largest of which is Adelaide Hills. The population of the Outer Adelaide region is 162,185 (2011 Census) with the largest Local Government Areas (LGA) being:

- ✦ Adelaide Hills – 39,606
- ✦ Mount Barker – 30,433
- ✦ Alexandrina – 24,055

✦ There are a total of 8 Racing Clubs operating in the region, three of which are thoroughbred Clubs with a further four harness Clubs and one greyhound Club.

✦ The racing industry in the Outer Adelaide region is responsible for generating more than \$47.01 million in value-added contribution to Gross State Product. This equates to 11.7% of the total impact generated by the South Australian Racing Industry.

✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 445 full-time equivalent (FTE) jobs.

✦ More than 2,740 individuals participate in the racing industry as an employee, volunteer or participant. It is estimated that nearly 1 in every 44 adults has a direct employment or participant involvement with the racing industry in the region.

*More than
2,740 people
participate
in the racing
industry in
the Outer
Adelaide
region –
approximately
1 in every
44 adults.*

At a glance

8 Racing Clubs

THOROUGHBRED 3
GREYHOUND 1
HARNESS 4

40 Race Meetings

THOROUGHBRED 19
GREYHOUND 12
HARNESS 9

274 Races

THOROUGHBRED 147
GREYHOUND 60
HARNESS 67

1,407 Racing Club Members

THOROUGHBRED 1,271
GREYHOUND 39
HARNESS 97

119,666 Attendances

THOROUGHBRED 113,466
GREYHOUND 400
HARNESS 5,800

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	127	59	34	220
Breeders Staff	114	9	7	130
Owners & Syndicate Owners	614	264	270	1,148
Trainers	83	104	52	239
Trackriders/Stablehands	163	N/A	45	208
Participants in Producing Racing Animals	1,101	436	408	1,945
Full-Time Club Staff	6	0	0	6
Part-Time Club Staff	3	0	1	4
Casual/Contractor Club Staff	314	1	0	315
Club Volunteer	368	27	26	421
Jockeys, Drivers & Apprentices	15	N/A	13	28
Barrier Attendants	10	N/A	8	18
Stewards	4	0	0	4
Participants in Producing the Racing Product	720	28	48	796
Industry Administration Staff	2	3	0	5
Total	1,823	467	456	2,746

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$11.47m	Spent on producing foals & pups	\$9.59mil	\$1.37mil
\$21.58m	Spent on preparing racehorses & greyhounds	\$15.26mil	\$2.53mil
\$52.21m	Total Direct Expenditure	\$43.42mil	\$3.97mil
\$47.01m	Value Added	\$39.16mil	\$3.48mil
445	Full-Time Equivalent Employment	372	33

The economic value of the racing industry in the South East region is \$24.48m million.

SOUTH EAST

- ✦ The South East region of South Australia takes in seven Local Government Areas, the largest of which is Mount Gambier. The population of the South East region is 64,105 (2011 Census), with the largest Local Government Areas (LGA) being:
 - ✦ Mount Gambier – 25,804
 - ✦ Wattle Range – 11,727
 - ✦ Naracoorte and Lucindale – 8,310
- ✦ There are a total of seven Racing Clubs operating in the region, five of which are thoroughbred Clubs with one harness and one greyhound Club.
- ✦ The racing industry in the South East region is responsible for generating more than \$24.48 million in value-added contribution to Gross State Product. This equates to 6.1% of the total impact generated by the South Australian Racing Industry.
- ✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 230 full-time equivalent (FTE) jobs.
- ✦ With more than 11610 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 29 adults has a direct employment or participant involvement with the racing industry in the region.

*More than
1,610 people
participate
in the racing
industry in
the South
East region –
approximately
1 in every
29 adults.*

At a glance

7 Racing Clubs

THOROUGHBRED 5
GREYHOUND 1
HARNESS 1

65 Race Meetings

THOROUGHBRED 27
GREYHOUND 26
HARNESS 12

563 Races

THOROUGHBRED 213
GREYHOUND 260
HARNESS 90

1,122 Racing Club Members

THOROUGHBRED 737
GREYHOUND 65
HARNESS 320

26,451 Attendances

THOROUGHBRED 20,371
GREYHOUND 2,080
HARNESS 4,000

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	49	11	26	86
Breeders Staff	25	2	6	33
Owners & Syndicate Owners	439	235	295	969
Trainers	49	36	37	122
Trackriders/Stablehands	82	N/A	40	122
Participants in Producing Racing Animals	644	284	404	1,332
Full-Time Club Staff	3	0	0	3
Part-Time Club Staff	4	0	2	6
Casual/Contractor Club Staff	46	5	20	71
Club Volunteer	110	40	20	170
Jockeys, Drivers & Apprentices	5	N/A	7	12
Barrier Attendants	7	N/A	3	10
Stewards	1	3	0	4
Participants in Producing the Racing Product	176	48	52	276
Industry Administration Staff	2	3	0	5
Total	822	335	456	1,613

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$2.31m	Spent on producing foals & pups	\$1.63mil	\$0.11mil
\$11.37m	Spent on preparing racehorses & greyhounds	\$4.37mil	\$6.20mil
\$27.25m	Total Direct Expenditure	\$13.25mil	\$2.85mil
\$24.48m	Value Added	\$11.95mil	\$9.99mil
230	Full-Time Equivalent Employment	114	23

YORKE & LOWER NORTH

✦ The Yorke & Lower North region of South Australia takes in six Local Government Areas, the largest of which is Copper Coast. The population of the Yorke & Lower North region is 46,522 (2011 Census) with the largest Local Government Areas (LGA) being:
✦ Copper Coast – 13,041
✦ Wattle Range – 11,789

✦ There are a total of 3 Racing Clubs operating in the region, two of which are thoroughbred and one harness Club.

✦ The racing industry in the Yorke & Lower North region is responsible for generating more than \$9.58 million in value-added contribution to Gross State Product. This equates to 2.4% of the total impact generated by the South Australian Racing Industry.

✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 91 full-time equivalent (FTE) jobs.

✦ With nearly 540 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 66 adults has a direct employment or participant involvement with the racing in the region.

The economic value of the racing industry in the Yorke & Lower North region is \$9.58 million.

Almost 540 people participate in the racing industry in the Yorke & Lower North region – approximately 1 in every 66 adults.

At a glance

3 Racing Clubs

THOROUGHBRED 2
HARNESS 1

16 Race Meetings

THOROUGHBRED 15
HARNESS 1

127 Races

THOROUGHBRED 120
HARNESS 7

355 Racing Club Members

THOROUGHBRED 355

25,560 Attendances

THOROUGHBRED 24,560
HARNESS 1,000

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	12	6	10	28
Breeders Staff	5	1	2	8
Owners & Syndicate Owners	90	95	130	315
Trainers	3	13	15	31
Trackriders/Stablehands	4	N/A	17	21
Participants in Producing Racing Animals	114	115	174	403
Full-Time Club Staff	3	0	0	3
Part-Time Club Staff	2	0	0	2
Casual/Contractor Club Staff	14	0	0	14
Club Volunteer	106	0	0	106
Jockeys, Drivers & Apprentices	0	N/A	1	1
Barrier Attendants	5	N/A	3	8
Stewards	0	0	0	0
Participants in Producing the Racing Product	130	0	4	134
Industry Administration Staff	1	0	0	1
Total	245	115	178	538

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$1.57m	Spent on producing foals & pups	\$1.39mil	\$0.13mil
\$2.14m	Spent on preparing racehorses & greyhounds	\$0.37mil	\$0.11mil
\$10.63m	Total Direct Expenditure	\$8.58mil	\$0.18mil
\$9.58m	Value Added	\$7.74mil	\$0.16mil
91	Full-Time Equivalent Employment	74	16

The economic value of the racing industry in the Adelaide region is \$290.71 million.

ADELAIDE

- ✦ The Adelaide region of South Australia takes in eighteen Local Government Areas, the largest of which is Onkaparinga. The population of the Adelaide region is 1,181,427 (2011 Census).
- ✦ There are a total of seven Racing Clubs operating in the region, two of which are thoroughbred with two harness Racing and three greyhound Racing Clubs.
- ✦ The racing industry in the Adelaide region is responsible for generating more than \$290.71 million in value-added contribution to Gross State Product. This equates to 72.4% of the total impact generated by the South Australian Racing Industry.
- ✦ The economic impact generated by the racing industry in this region is responsible for sustaining more than 2,577 full-time equivalent (FTE) jobs.
- ✦ With nearly 7720 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 116 adults has a direct employment or participant involvement with the racing industry in the region.

*Close to
7,720 people
participate
in the racing
industry in
the Adelaide
region –
approximately
1 in every
116 adults.*

At a glance

7 Racing Clubs

THOROUGHBRED 2
GREYHOUND 3
HARNESS 2

569 Race Meetings

THOROUGHBRED 83
GREYHOUND 308
HARNESS 178

5,171 Races

THOROUGHBRED 674
GREYHOUND 3,172
HARNESS 1,328

2,813 Racing Club Members

THOROUGHBRED 2,127
GREYHOUND 283
HARNESS 403

286,904 Attendances

THOROUGHBRED 168,498
GREYHOUND 38,406
HARNESS 80,000

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Greyhound	Harness	Total
Breeders	130	54	107	291
Breeders Staff	52	8	23	83
Owners & Syndicate Owners	2,227	2,124	1,284	5,635
Trainers	100	225	186	511
Trackriders/Stablehands	245	N/A	165	410
Participants in Producing Racing Animals	2,754	2,411	1,765	6,930
Full-Time Club Staff	57	33	4	94
Part-Time Club Staff	7	24	0	31
Casual/Contractor Club Staff	237	61	50	348
Club Volunteer	18	107	10	135
Jockeys, Drivers & Apprentices	39	N/A	32	71
Barrier Attendants	13	N/A	5	18
Stewards	19	3	6	28
Participants in Producing the Racing	390	228	107	725
Industry Administration Staff	23	35	10	68
Total	3,167	2,674	1,882	7,723

ECONOMIC IMPACTS

Total	Thoroughbred	Greyhound	Harness
\$9.31m	Spent on producing foals & pups	\$7.05mil	\$0.66mil
\$44.49m	Spent on preparing racehorses & greyhounds	\$3.58mil	\$15.99mil
\$178.65m	Total Direct Expenditure	\$117.02mil	\$28.04mil
\$290.71m	Value Added	\$196.45mil	\$37.95mil
2,577	Full-Time Equivalent Employment	1,746	335
			496

ABOUT IER

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries. For over twenty years, IER has undertaken a considerable amount of economic impact evaluation for both private and Government level clients. In particular, IER has specialised in the horse and greyhound racing industries in Australia and New Zealand over this time.

This study constitutes an economic and social impact evaluation of the entire Thoroughbred, Greyhound and Harness Racing Industry in South Australia for the 2011/12 racing season. An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment. IER has recently prepared similar studies for:

- Standardbred and Thoroughbred Racing in British Columbia
- Harness Racing Australia
- Queensland Racing Industry (3 Codes)
- Thoroughbred Racing Industry in Country Victoria
- Northern Territory Thoroughbred Racing Industry
- New Zealand Racing Industry (3 Codes)
- Racing and Wagering Western Australia (3 Codes - WA Government)

ASSOCIATE PROFESSOR BARRY BURGAN

Barry Burgan B Ec (Hons), FINSIA (Fellow) is a Director of Economic Research Consultants Pty Ltd and has extensive experience in the areas of economic and financial assessment and policy advice. He has a background in both the public and private sectors, in academia, and projects in the areas of application of economic policy, economic modelling, regional development and cost/ benefit analysis. He has undertaken a number of similar studies and projects with the Sustainable Tourism Cooperative Research Centre.

Barry has assessed a significant range of special events, with some specific examples including analysis of:

- The economic impact of the 2010 Melbourne Fringe Festival (with Econsearch)
- Analysis of economic impact (CGE modelling exercise) of the 2006 Commonwealth Games on the Victorian economy (with KPMG, 2005)
- Pre-event evaluation of the impacts of the Sydney Olympic Games on the NSW economy (with KPMG)
- Adelaide Festival (1992 and 1996, 2004) for the South Australian Government
- Annual assessment of the Adelaide Fringe, WomAdelaide and Clipsal 500 (over the last 10 years)

Recently, Barry has worked with IER on similar studies for Racing & Wagering Western Australia, Thoroughbred Racing NT, Harness Racing Australia and Country Racing Victoria.

BACKGROUND

BACKGROUND

The three codes of racing, through their peak controlling bodies (Thoroughbred Racing SA (TRSA), Greyhound Racing SA (GRSA) and Harness Racing SA (HRSAA)) have commissioned a study into the size and scope of the racing industry in South Australia. This study represents an update to the previous report completed in 2004.

The 2004 study found that the three codes of racing in South Australia generated \$185 million in value-added contribution to Gross State Product (GSP).

In assessing the size and scope of the industry, this study takes into account a number of the traditional measures adopted by the racing industry, such as foal and pup production, attendances, horse and greyhound training activities and wagering activities. Specifically, the study will deliver a number of key outputs, including:

- **The value of economic output** generated by the racing industry in South Australia
- **The level of employment generated** by the racing industry activities in South Australia
- **The level of participation** in racing industry related pursuits, both professional and non-professional
- **The impacts generated** by the racing industry within a number of regions throughout the state

The study also demonstrates the social and community benefits of the South Australian Racing Industry in terms of education and training, health, leisure, community building and the environment.

DEFINITION OF THE RACING INDUSTRY IN SOUTH AUSTRALIA

For the purpose of this study, thoroughbred, greyhound and harness racing in South Australia is defined as covering the full spectrum of activities associated with the conduct of the racing industry within these codes.

Specifically, it covers the following elements:

- **The production** (breeding related activities) of racehorses and greyhounds
- **The preparation** (training related activities) of racehorses and greyhounds for racing
- **Net revenues generated** by wagering related activities
- **On-course customer expenditure** (including both race-day and non-race-day revenue streams)
- **Off-course customer expenditure** where related to attendance at the races (i.e. accommodation, retail etc.)

This study does not include 'horse and greyhound related industries' outside of the racing industry. As such, any prior studies that included these external industries (equestrian, hobby horses etc.) do not fall within the definition of the 'racing industry' for the purposes of this report.

Throughout the report, data has been presented at the state and regional level. The regional level analysis is based on seven key areas taken from the statistical division framework of the Australian Bureau of Statistics' geographical classification structure.

background

STUDY METHODOLOGY

This study measures the economic activity generated by the three codes of racing in South Australia. In considering the expenditure impact of the racing industry, it is important to consider the complex internal flows of money that exist between different sectors.

Duplicate expenditures have been identified within this framework and excluded from the total expenditure calculations. With this in mind, the key is to identify the final expenditures – ensuring that the same expenditures as they flow between internal racing industry transactions are not counted.

Expenditure impacts generated by the racing industry, typically originate from the following sectors:

- **Participants** – This comprises of those who are responsible for the production and maintenance of the racing animals, particularly trainers, breeders and owners. As mentioned earlier, care must be taken to extricate duplicate flows from these sectors to ensure that impacts are not double-counted.
- **Consumers** – Through the consumption of the racing product as either an entertainment experience or as a betting industry, consumers generate significant levels of expenditure.

The study also excludes major capital expenditure items that have been incurred during the assessment period. As this study is designed to illustrate the annual impact of the industry, major capital investment cannot be included.

The data used within this report has been gathered

- from the following sources:*
- Racegoer surveys conducted at selected metropolitan and country racetracks over the last five years
 - Data supplied by key racing industry stakeholders and entities including: TRSA, GRS, IIRSA, Racing Clubs and participants.

ECONOMIC METHODOLOGY

The economic methodology used within this study follows three key steps:

1 Gathering Industry Expenditure – This has been explained in more detail previously, however, this is the most important step. A failure to accurately generate the expenditure profile of the industry only leads to a multiplication of this error throughout the latter parts of the economic calculation.

2 Categorisation of industry expenditure into ANZSIC

classifications – The 'racing industry' does not exist within the Australian and New Zealand Standard Industry Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry group. The majority of expenditures are classified within their relevant ANZSIC codes. However the remainder are classified within ANZSIC code 91 – Sports and Recreation Services.

3 Economic modelling – IER has utilised an input-output methodology for the calculation of economic impacts associated with the racing industry in South Australia.

LIMITATIONS OF THIS STUDY

The assessment of industry-wide impacts brings with it inherent challenges. These are outlined below:

➤ The breeding industry is extremely complex and contains a number of different businesses and finance models. IER has consulted industry experts and completed its own primary level research in order to best represent this vital sector. Despite this, the analysis within this report is still largely at an aggregate level. This is because of the inherently difficult nature of extracting financial data from:

- a. A representative of the wide cross-section of businesses and individuals involved in breeding and,
- b. Private individuals and organisations who are under no obligation to provide information.

➤ Whilst sales provide one option for the collection of data relating to breeding activities, the amount of available information about private sales transactions is limited. Therefore, rather than focusing on the financial impacts of sales transactions, this report relies on the expenditure of breeders in producing this animal inventory. If the majority of breeders operate at a profitable/break-even level, this may actually understate the economic impacts contained within this report.

IER believes that the in-depth surveying of a range of breeders, in order to understand the 'per horse/ greyhound' cost of production, is a more robust way of gathering this data.

➤ Any comparisons of the South Australian Racing Industry with ANZSIC sectors is made for indicative purposes only, as racing does not constitute a mutually exclusive sector within the ANZSIC framework.

Disclaimer:

IER has prepared this report for TRSA, GRS and IIRSA, for its sole use and within the scope of work set out in the project terms of reference. Much of the data provided by the industry, in particular the Racing Clubs, has been accepted without audit and in good faith.

We do not assume or accept or owe any responsibility or duty of care to any person other than these three peak racing bodies. We did not, and do not by consenting to publication of this report, assume or accept or owe any responsibility or duty of care to any other person.

BASIS OF EVALUATION

The purpose of this study is to measure the contribution made by the racing industry towards the South Australian economy. In this way, it is a generalised measure of the industry's contribution to the State's economy.

The economic contribution of an industry refers to the contribution that the industry makes in terms of:

- gross state or regional product,
- household income, and
- the employment that these income measures support.

Industries do this in two ways – by the employment and activity it supports directly (and in the industries that depend on it as a customer), and the flow on effects that filter through the economy. The importance of the expenditures generated by an industry in the production process is that they will sustain turnover in local industry, and specifically this will support local jobs and incomes. It is the jobs and incomes that are taken to be the measure of economic impact or benefit (after netting out leaked expenditure on items such as imports).

It is also generally acknowledged that, in addition to the jobs in direct suppliers of services to the production processes of the industry, the production expenditure also has a multiplier effect within the community. In this way, the direct expenditure impact of the racing industry generates a 'flow on impact' on other sectors through the expenditure of wages and purchases of the direct suppliers to the industry.

The use of multipliers, derived from input-output tables, has been a prominent process³ for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes. In this way, it is able to establish the extent of the flow-on impact generated in the economy, as a result of the racing industry expenditure. There has been some level of academic argument about appropriate models for

converting increases in external expenditure (final demand) into regional economic impacts. The critics of using input-output tables often argue that multipliers are used to overstate the value of an industry – with the term multiplier taken as ratcheting up the value (or overstating the impact). This criticism used to be valid when analysts applied turnover multipliers, but is not the case with the more appropriate use of value added multipliers - which translate the expenditure estimates to a national accounting framework measure with a whole of economy context. Indexed value added multipliers (the value added impact (direct and induced) relative to a dollar of created expenditure) are often less than one. Used correctly multipliers provide a more appropriate measure.

In short, use of these input-output based multipliers allow reporting of the estimated outcomes of the industry in terms of the effect of expenditure or turnover on value added across a regional economy, and in terms of job creation – which is consistent with national accounting frameworks.

It should be emphasised that this methodology – of identifying the local expenditure associated with production by the industry and tracing the expenditure through the rest of the economy – cannot be interpreted as saying that Gross State Product or employment would fall by this amount if the industry somehow did not exist. In the first instance local people would spend their money on other activities and the contribution of those other sectors would rise and replace most or all of that which was previously generated by the racing industry. What this study calculates is the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar on racing (after allowing for imports which are used in the production process). This could be considered as being the gross economic impact of the sector, and is therefore a measure of its significance generally if a similar gross impact was

calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total.

An alternative methodology would be to measure the net economic impact – which is the extent to which this industry expenditure is supported by revenues that can be considered new to the state. This would include the supply of services by the local industry to racing activities interstate (i.e. serving a visiting mare from another state); it would also focus only on spending by tourists or visitors to the state who attend the races rather than the stimulus created by spending by all attendees where it is associated with engagement with the racing industry. Under this scenario, it would reasonably be expected that some race attendees would attend events interstate if they were not available in South Australia, and that some operators would base their operations interstate if this was the case. Whilst a valid approach, this particular approach (net economic impact) does not fit the purpose of this study.

ACKNOWLEDGEMENTS

IER would like to acknowledge the contribution of the following organisations and individuals:

- Thoroughbred Racing SA
- Harness Racing SA
- Greyhound Racing SA
- South Australian Thoroughbred, Harness and Greyhound Clubs
- South Australian Thoroughbred, Harness and Greyhound Racing Participants
- RISA
- Australian Stud Book
- Magic Millions Sales Pty. Ltd.
- South Australian Thoroughbred Breeders' Association

³ The analysis has been undertaken in a consistent format and with consistent assumptions to evaluations of other projects and studies of the horse and greyhound racing industry. An input-output model, as used herein, is an economy wide model which shows the linkages between

industry sectors in the economy. Therefore the change in economic circumstances (specifically a change in final demand) for one sector of the economy (e.g. through a major project) can be traced through to its effect on other sectors, allowing a more comprehensive look at the effects of the project. It is based on assumptions that all changes in final demand can be met by the economy without constraint. A computable general equilibrium (CGE) model is also an economy wide model and has a similar outcome, but differs from input-output models in that it includes supply side and macro-economic constraints, thereby limiting the extent that the change in final demand will be fully captured in other sectors (because of market limitations).

The labour market is, in effect, the most significant constraining factor. At the national level such constraints will be critical, and as such national impacts are best assessed against this framework. However at a state level, where supply constraints in the labour market are demonstrably small (responded to by immigration) and there are also limited capital market constraints – the estimates of jobs and GSP outcomes are of a similar order of magnitude at the state level. Both models would generally show a project in one region causing a positive effect in that region. A CGE model would show that project causing negative impacts in other regions to heavily offset the gains. In this analysis we are clearly concerned with the impacts at the 'state economy' level.



Greyhound
RACING SA

**ANNUAL
REPORT**
2015-2016



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

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

2015-2016 Industry Snapshot



THE SOUTH AUSTRALIAN GREYHOUND RACING INDUSTRY CRUNCHING THE NUMBERS

1,787

individually registered participants including 180 breeders, 386 registered trainers and 1,401 registered owners and handlers

342

TAB meetings with coverage via Sky 1 [179], Sky 2 [163] and TAB Radio [342]

3,855

races conducted in SA [3,744 TAB and 111 Non-TAB]

26

Non-TAB meetings including 11 Coursing events

THE NATIONAL GREYHOUND RACING INDUSTRY

The national greyhound racing industry contributes over \$1 billion to the Australian economy and employs more than 10,000 people. It is a professional industry run predominantly by statutory authorities reporting to a Racing Minister.



11

Feature events
including 6 Group races
and 5 Country Cups



Chairman's Report

Michael Fabbro

It is with great pleasure I present to you the annual report of Greyhound Racing South Australia Ltd for the 2016 financial year.

The financial year ending 30 June 2016 was another successful one for the South Australian greyhound industry. The consistent efforts of staff and management, and especially participants, saw the greyhound racing code enjoy growth and expansion at all levels.

Against a difficult background, the industry remained focussed on the things it could control and ensured that it operated in a cohesive and professional manner.

With an ever-increasing need to ensure that our animal welfare practices and outcomes constitute national best practice, our investment into the Greyhound Adoption Program (GAP) and animal welfare oversight doubled in the 2016 financial year and now exceeds one million dollars annually. This represents the highest percentage investment into animal welfare for any racing code in Australia and underscores the importance we place on the welfare of the greyhound whilst still maintaining a successful, vibrant and viable industry.

This investment is a recurrent annual commitment which will underpin our declared goal of achieving full rehoming by June 2018. This investment, coupled with the commendable efforts of our GAP staff and volunteers, saw our GAP program set a new record high for adoptions for the year with 307 greyhounds being rehomed directly through the GAP program. In addition to the efforts of our GAP staff and volunteers, industry participants themselves accounted for a further 332 rehomed greyhounds.

The development of the "You.Me.Six Weeks." marketing campaign by our marketing team ensured the profile and effectiveness of our GAP program were elevated. This campaign, designed at building our foster care

capacity, produced significant results in support of the GAP program and has helped to build a platform for success in the ensuing years.

Fortunately the greyhound code experienced strong wagering support to underpin the investments necessary to achieve the welfare outcomes targeted, with Race Field income lifting 11.2% year on year (YOY) and gross UBET product fee income lifting 4.7%. The market share for greyhound racing also lifted significantly to 17.7%, up 1.1% YOY.

Again, our focus on animal welfare led to the introduction of Pathway Racing, supported by a grading methodology which challenges the established paradigm in that it grades from the lowest class greyhound up. This strategy results in the slowest dogs obtaining starts to ensure every greyhound has a racing opportunity, and has subsequently been adopted in other jurisdictions in Australia.

The Group 1 Adelaide Cup was run and won by Fernando Bale, the Victoria wonder dog, who in doing so became the first greyhound in the world to break the million dollar mark in prizemoney. Elsewhere, South Australian greyhounds performed well on the national stage with Fabregal a stand out performer, placing in Group races in Queensland and Western Australia.

Capital works were undertaken on a more moderate basis in the wake of the significant industry investment that was required for the Gawler patron facility in 2014-15. A sand slipping track was installed at Angle Park and the kennelhouse received a complete refurbishment. To accommodate the strengthened GAP team, their offices were renovated and expanded during the financial year.

GRSA contracted to purchase 11 hectares of Murray Bridge land for the proposed construction of facilities in

the southern region. A straight track as well as a one-turn track are planned for the land. Additionally, GAP facilities to support our Prison Pet Partnership program, whereby greyhounds undergo the foster care process in the Mobilong Prison, will form part of the development.

Despite the significant investments outlined above, returns to participants were not neglected and a 7% increase in participant returns was allocated across FY16. Without the efforts of participants to support our initiatives in the animal welfare area, achievement of the outcomes expected of us would not be attainable. Increased returns were specifically directed toward the Trainer's Fee and unplaced stake money, is directed at encouraging participation in the sport and going against the racing culture of driving prizemoney to the winners and placegetters only.

GRSA continues to lead the way with ground-breaking initiatives designed to create longevity for a sport and an industry that has a desire to respond to the changing social environment in which it operates. This could not occur without a fully committed and professional staff and management team, one which GRSA is fortunate to enjoy.

Under the stewardship of our CEO Matt Corby, our senior management team has worked extremely hard to respond to the needs of the industry and the business. I would personally like to thank Matt and all of the staff at GRSA for diligently applying themselves to 'future-proofing' greyhound racing in South Australia.

Similarly, our resilient participants are to be congratulated for conducting themselves in a professional manner at a time when we have been under the spotlight. The cohesion and support of industry participants underpins the stability that has been evident in this state. I thank participants for continuing to pursue their passion in a responsible and ethical manner; the future of this industry rests in your hands and encouragement of each other is important. However, even more important is that participants keep each other accountable for their important role in the sport. The actions of each participant will impact upon the industry both positively and negatively. Accordingly, keeping each other accountable to the high standards expected will see the sport grow and flourish.

Finally, I would again reiterate my thanks to Matt Corby for his support of my role as Chair throughout

the year and his professionalism in carrying out his role. I would also like to thank my fellow Board members who have also been a great support to me throughout the year and have conducted themselves with diligence and applied their professional skills for the betterment of this industry. The role of Board member in this industry at this time is a unique challenge and the commitment and loyalty of David Spear, Paul Priess, Dr Chris Doyle and Grantley Stevens to their roles is deeply appreciated by myself.

I look forward to the future of this industry with confidence and believe that the future will necessarily be different to the past, but is no less bright. I encourage all industry members to positively embrace the future and commend this annual report to you as a reflection of the hard work of so many during the previous financial year.

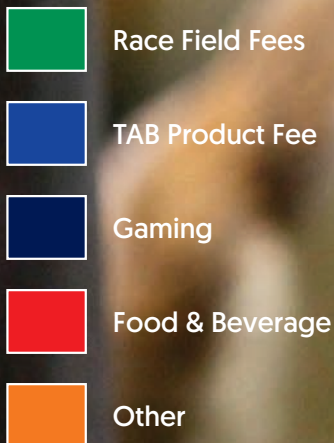
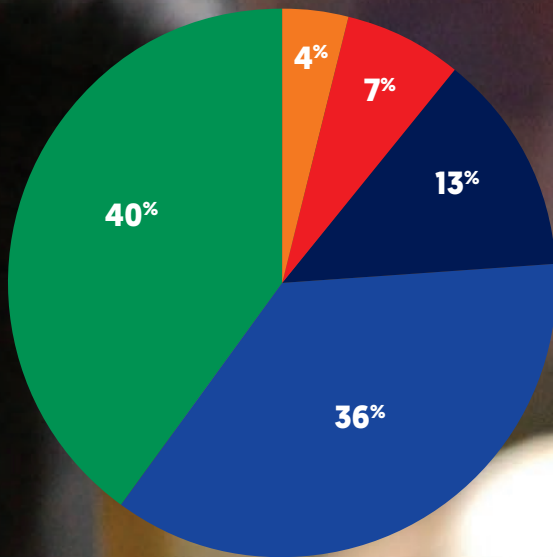


Michael Fabbro



Year In Brief

Sources of revenue



Financial Snapshot

	2015-2016 [\$'000]	2014-2015 [\$'000]	Change [\$'000]	Change [%]
UBET Product Fee	\$8,280	\$7,905	\$375	4.7%
Race Field Fee Income	\$9,373	\$8,432	\$941	11%
Participant Returns	\$7,234	\$6,743	\$491	7%
Local TAB Turnover	\$16,386	\$15,233	\$1,153	8%
National TAB Turnover	\$122,158	\$112,052	\$10,106	9%

UBET Market Share and Race Field Revenue



The end-of-year market share figure for the greyhound code was 17.7%, an increase of 1.1% on the previous year's result of 16.6%. National market share continued to exceed local, although wagering on both elements grew during the year.

Across the other codes, thoroughbred market share was maintained at 70.7%

and harness market share decreased by 1.1 percentage points to 11.6%.

Industry commissions from SA-based UBET wagering for the greyhound code grew to \$8.3m from \$7.9m in the prior year.

Race field revenue, derived from interstate betting on SA greyhound racing, constitutes the other primary source of income for GRSA. Income from this source increased to \$9.37m, equating to year-on-year growth of 11.2%. During the same period race field fees payable to other states, based on local [SA] wagering activity on interstate racing, increased to \$1.83m or by the equivalent of 28.5%.

Stakemoney and rebates returned to industry grew by \$0.49m to \$7.23m constituting an increase over the previous period of 7.3%.

Gaming

- Growth in gaming turnover of 15.4% underpinned by a more proactive gaming machine mix strategy
- Contribution from gaming for the year of \$1.6m representing an increase of 10%.

Infrastructure

- GRSA has contracted to purchase an 11 hectare parcel of land in Murray Bridge East for the construction of a new greyhound racing and training facility
- Completion of the 240 metre sand slipping track at Angle Park
- Full refurbishment of the Angle Park kennelhouse, including new stainless steel kennel cages
- Upgrade of the bar facilities at Chasers Restaurant
- Installation of an automated track irrigation system at the Mount Gambier track
- Expansion of the Greyhound Adoption Program administration building to accommodate additional resources
- Beautification and landscaping works at the front of McQueen's Tavern



Racing



- Pathway Racing introduced to provide regular racing opportunities for lower class and out of form greyhounds incorporating a new flattened prizemoney framework
- Independent box draw audit of the Ozchase Racing System completed on behalf of all interstate partners
- Trainers Fee increased to a flat \$60 with \$15 unplaced stakemoney introduced for all races
- Introduction of online bookings trial sessions
- Group 1 Adelaide Cup won by Fernando Bale for trainer Andrea Dailly, making him the first greyhound in the world to break the \$1 million mark for stakemoney earnings
- SA Owned and Bred Lachlan Brown managed a second placing in the Group 1 Adelaide Cup
- SA Owned and Bred victory to Fabregal in the Group 2 Bogie Leigh Futurity at Albion Park to complement her second placing in the Group 2 WA Oaks at Cannington
- Gun McBain named 2015 Greyhound of the Year

Marketing

- Development and implementation of the You. Me. 6 Weeks. campaign to increase volunteer foster care numbers for GAP SA and generate greater brand awareness
- Management of public relations and related media initiatives to convey the strength of GRSA's performance within the broader context of national industry issues
- 50% growth in followers of the GAP SA Facebook page
- 37.5% increase in followers of GRSA's twitter profile (@TheDogsSA)
- New sponsorship arrangements with Bargain Steel Centre, Triple M and UBET
- Continued success of the Golden Bone Tipping Competition attracting a record 578 registered tipsters
- Ongoing development of GAP SA's marketing assets including the development of a new GAP website



- Total program expenditure of \$832,000 funded by GRSA
- 307 unique greyhound adoptions to private homes through the GAP SA program
- An additional 332 greyhounds rehomed by participants, adopted out through other rehoming programs or taken up by owners

Integrity

- 29,464 runners with an injury rate of 2.37%
- 1,464 swabs taken with 1.02% testing positive for prohibited substances
- Sampling of greyhounds for prohibited substances increased by 35% up to 5% of total runners
- 479 inspections of licensed trainers' premises and 215 inspections of licensed breeders' premises equating to an increased frequency of 46% on the previous year
- Welfare staff covered 90,000 kilometres to perform kennel inspections and out-of-competition testing
- 50 premise inspections undertaken with the support of drone technology
- Development of the operational relationship with SAPOL supporting investigations and intelligence collection

	2015-16	2014-15
Pre-race urine / blood samples	134	31
Post-race urine / blood samples	1,256	1,027
Out-of-competition samples	67	25
Elective samples	7	1
Number of positive samples	15	6
Total samples	1,464	1,084

CEO's Report

Matthew Corby



Animal Welfare Statement

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

In accordance with the Animal Welfare Act 1985, GRSA is compelled to provide timely and faithful notifications to the RSPCA of SA, SAPOL or both of known or suspected animal welfare breaches.

National Industry Reform

In response to the significant challenges that have recently beset the national industry, the 2015-16 year was one of profound change and sweeping reform. Upon reflection, there has never been a higher level of cooperation evident between the states as they strive to shape the future vision for our industry.

The issues that the states are dealing with are often complex and, for the most part, are not isolated to the greyhound racing code. They include considerations of the following:

- The eradication of live-baiting or any other practices detrimental to animal welfare, supported by a zero tolerance approach to breaches of this nature
- Breeding regulation and the strategies for striking an optimal balance between national breeding outputs and the collective obligation that the various Controlling Bodies have to move towards full greyhound rehoming (which also contemplates the movement of greyhounds across state borders)
- The need for IT systems and processes to produce timely, accurate and comprehensive data which tracks the greyhound life-cycle from birth to death
- A shift in industry culture which embraces an industry norm of highly accountable and responsible greyhound ownership which, in turn, underpins a broader objective of eradicating the unnecessary euthanasia of unraced or retired greyhounds
- The need for reform of national grading frameworks with the aim of providing genuine racing opportunities for greyhounds of all standards and removing the notion of a greyhound being 'too slow' to race
- The need for ratification of the proposed federal passport system and the prohibition of greyhound exports to high-risk international destinations, particularly within the Asian region
- The extent to which the national Rules framework supports effective industry regulation and embodies the spirit of current reform

Significant progress has been made in each of these areas during the past 12 months, and a new guard of Boards and Management have been given a clear mandate to continue to deliver outcomes which reflect their absolute priority.

The South Australian Industry

Greyhound racing in South Australia is overseen by a predominantly independent Board of Directors recruited through a public process on the basis of professional skills-based selection criteria. The local industry generates approximately \$50 million of state economic impact and directly employs or engages more than 4,000 workers, participants and volunteers. It is a public company which does not routinely receive funding from Government in support of its operation.

The code plays a key role in driving the social fabric of the regional communities that it supports and constitutes a legitimate recreational activity for the tens of thousands of South Australians who attend or wager upon the more than 340 race meetings conducted annually in this state.

During the 2015-16 year, no registered South Australian participant faced charges on any allegation of live-baiting or the unauthorised export of a greyhound in their care. Through the vehicle of its own Greyhound Adoption Program, GRSA rehomed more than 300 greyhounds, making South Australia the leading rehoming state in relative terms and the second-highest (behind Victoria only) in nominal terms.

GRSA has continued to expand its integrity and welfare resources to ensure that the local industry is appropriately protected from risk. Other key initiatives have included the introduction of the Pathways grading framework for lower standard greyhounds, the development of our surveillance methodology (and introduction of technological advancement in relation to same), the introduction of an industry panel to review breeding applications, and a commitment to introducing Certificate II training for all registered participants as a mandatory component of future licensing to ensure that their practices are current, ethical and effective.

Appearance fees and unplaced stakemoney allocations were increased substantially in an effort to reduce the emphasis on performance, increase the reward for participation and drive a more equitable distribution of industry returns generally. In further support of its primary objective of increasing the number of greyhounds which graduate to racing, The Maiden victory bonus, split between the owner and the breeder, was also doubled during the year.

GRSA has remained in close contact with Government since national issues arose in 2015, and has continued to apprise the Racing Minister and other relevant stakeholders of our response to those matters, our strategies for managing industry risk, and our performance in relation to welfare and integrity outcomes.

Greyhound Rehoming

GRSA will continue to commit whatever level of funding and resourcing may be necessary in support of realising a full rehoming strategy for all greyhounds in South Australia by the middle of 2018. By doing so, it will become the first code in any Australian state to have achieved that goal.

In line with the approach of welfare organisations generally, the definition of 'full rehoming' excludes euthanasia undertaken for medical, behavioural or legal reasons only. The strategy provides for all greyhounds registered with GRSA, whether they were locally bred or have been transferred from interstate. GRSA has absolute control over the movement of interstate participants and greyhounds into South Australia through its licensing framework and is, therefore, able at all times to restrict total greyhound numbers to a level that remains manageable from a rehoming perspective.

GRSA is a clear national leader on this front and has been a strong advocate for a national strategy of full greyhound rehoming well prior to any national issues arising. No racing code in any state spends a higher percentage of its revenue than, or delivers superior outcomes to, GRSA in this regard.

GRSA is aiming to increase the capacity of its own Greyhound Adoption Program (GAP SA) from the 307 greyhounds rehomed in 2015-16, up to 450 in the following year, and then to 600 by mid-2018. A further 332 greyhounds were rehomed or kept for breeding in 2015-16 including placements through non-affiliated rehoming programs, and those undertaken by trainers and by owners. GRSA estimates that the South Australian industry, through the collective vehicles of GAP, other rehoming programs and participant placements, will have the collective capacity to rehome more than the 850 greyhounds that it estimates will be required annually to achieve its full rehoming target within the coming two years.

	2015-16	2016-17	2017-18
	Actual	Projected	Projected
Racing and Breeding			
Number of race starts	28,414	27,500	25,000
Greyhounds Raced	2,460	2,400	2,000
SA Breeding	418	400	400
Rehoming and Euthanasia			
Rehomed - GAP SA	307	450	600
Rehomed - Other*	332	375	250
TOTAL Rehomed - GAP SA and other	639	775	850
Euthanasia (excludes racing injury)	482	310	140
Euthanasia - Racing Injury	31	15	10
Deaths - Natural Cause/Unassisted	22	25	25

* Other includes retired for breeding purposes, rehomed through non-affiliated programs, rehomed by participants or taken in by their owners.

^ Projected number of unavoidable deaths due to natural causes, medical issues or temperament issues that would prevent responsible rehoming

Due to medical, behavioural or legal reasons ONLY^

The realisation of this critical goal will be supported by the following framework:

- GRSA will commit more than \$1 million annually towards its rehoming strategy from 2016-17
- GRSA has expanded GAP resourcing to include eight permanent staff, foster care partnerships with Adelaide Women’s Prison and (imminently) Mobilong Prison, and a small army of volunteer foster carers
- The introduction of subsidised boarding kennels to support a more efficient transition of greyhounds into the GAP program
- Stimulation of new foster care recruitment and adoption demand via mainstream advertising strategies across TV, print, radio, transit and digital vehicles
- Constant reinforcement of the principles of responsible ownership, and the elements that underpin that concept, will permeate through all industry communication to ensure that participant and industry culture is aligned with the stated rehoming objective
- GRSA will continue to report annually on its performance against the targets that have been set so that ongoing efforts are underpinned by transparency and accountability





GRSA's response to the challenges of the past year has been unprecedented. Noting that the three racing codes in this state operate independently of Government, having been corporatised in 2000, our current performance and future targets constitute best practice in racing and will set the standard for others to follow.



Murray Bridge

The proposed new track at Murray Bridge will provide for shorter-course racing which, in turn, equates to additional racing opportunities for a larger number of greyhounds with lower endurance levels. The construction of a bigger track with just the one [sweeping] turn and a straight track at that venue will not only reduce injury rates but could be expected to contribute to a higher average of career starts for greyhounds in this state. The new track will replace the existing one at Strathalbyn without any addition to the overall weekly racing schedule.

This \$7 million project will be entirely funded by industry and will drive positive economic, employment and social outcomes within the Murray Bridge community. The track design incorporates modern design and best practice standards in terms of racing safety. GRSA's strategic charter mandates that the company invests responsibly in the maintenance, upgrade and, less frequently, the construction of facilities in a manner which supports viable participation in key racing regions. The project is expected to be undertaken across a period of 12 to 18 months.

Racing Injury Reduction

In the 2015-16 racing year, GRSA stewards recorded 31 racing-related injuries requiring humane euthanasia. It is our aim through the following initiatives to support the reduction of that figure by two-thirds over the next two years.

- The plans for the track at Murray Bridge incorporate best-practice design principles, the opportunity for straight-track racing, a full circuit safety rail, and the safety advantages that accompany a larger modern racing circuit on which the vast majority of racing will be conducted with just the one sweeping turn to navigate.
- Subsidised support of veterinary care by GRSA for the treatment of serious racing injuries with the goal of reducing the current rate of euthanasia by 70%. Wherever necessary, those greyhounds will then be fast-tracked into the GAP system post-recovery.
- GRNSW and GRSA were foundation co-contributors to a \$300,000 national track research study being undertaken by the University of Technology, Sydney. The outcomes of that work will guide track design considerations and identify key risk indicators of racing injuries to inform mitigation strategies.
- An internal review of the correlation between track 'speed' and the rate and nature of racing injuries has already commenced. The outcomes from that process will continue to guide the manner in which track surfaces are prepared to ensure the safest standards of racing.

Racing and Wagering

South Australian greyhound racing has realised market share growth in four of the past five financial years, demonstrating the relative appeal of the product within the broader wagering market. GRSA's market share has gradually increased over the past decade from 14.35% to a record high of 17.70% in 2015-16.

Wagering growth during that period was initially generated by the scheduling of additional race meetings, however more recent growth has come from UBET's commitment to an offer of fixed odds betting on all race meetings and the increasing appeal of the greyhounds product with younger audiences, particularly in the 18-25 age group.

GRSA is genuinely grateful for the level of support that it has received from its corporate wagering partner, UBET, in 2015-16. The cooperative spirit of this relationship has never been stronger and it should be clear to our industry that UBET has embraced a far more proactive strategy in relation to wagering under the stewardship of the current Managing Director, Robbie Cooke. Racing SA is currently in negotiation with UBET regarding retail exclusivity rights beyond the end of 2016, and those discussions have been progressing in a positive manner.

Sky Racing has extended its domestic and international broadcast rights for South Australian greyhound racing for the next three years, with an option for an additional three years. The agreement introduces a number of key benefits for South Australian greyhound racing. In conjunction with those new arrangements, Sky will work with GRSA to install broadcasting facilities at Murray Bridge and, separately, support the digital streaming of South Australia greyhound racing on the Controlling Body and Club websites.

Sky Racing is broadcast to 2.9 million homes and 5,500 pubs and clubs around Australia. The new deal will also see Sky continue to take South Australian greyhound racing to a global audience, with revenue from international wagering being shared with the local industry.

Work Health and Safety

The company continued to progress the systems, policies, processes and procedures which constitute the pillars of its Work Health and Safety (WHS) framework.

A number of WHS projects and initiatives were completed during the year which addressed staff, participant and patron safety in relation to matters such as emergency evacuation, fire systems, money handling, premises security and dangerous substance storage and control. Works which had been commenced prior to the conclusion of the financial year include the designation of smoking areas across the Angle Park facility and the documentation and review of standard operating procedures for various departments within the organisation.

GRSA continues to build a culture of awareness and reporting of hazards and incidents. All new incidents reported are itemised and the minutes of WHS meetings are presented to the Board as a standing agenda item.

By the end of the 2015-16 year, planning had been significantly progressed in relation to the development of systems at the Club level, and all Clubs will be required during the 2016-2017 financial year to participate in a mandatory review of site issues and participate in training for WHS currency.

Matthew Corby



WHS In Action

Further to feedback from participants and discussions with Stewards and raceday staff regarding potential risks associated with allowing patrons to pat greyhounds, measures were put into place at Angle Park to mitigate the risk of injury to patrons and dogs.

- The thoroughfare from the greyhound ramp to the track remains closed before events; and
- Handlers/trainers are advised that if they are willing to allow patrons to pet their greyhound, they must ensure that the dog remains muzzled until away from the public.

Industry Events

Feature Race Winners

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

Group One:

Classic Triple M Adelaide Cup: Fernando Bale (Andrea Dailly)

Group Three:

Coffex Coffee Oaks: Elfen Bale (Andrea Dailly)
BGC Industrial Cleaning Supplies Derby: Fever Pitch (Rinaldo Divirgilio)
Gawler Gold Cup: It's Classified (Troy Murray)
The Brian Johnstone: Worm Burner (Cameron Butcher)
The Howard Ashton: Wilba Beast (Ben Rawlings)

Other major races during the year included:

Gawler Produce Stake: Mrs Bubbles (Matthew Payne)
SA Sprint Championship: Mrs Bubbles (Matthew Payne)
SA Distance Championship: Zipping Geoff (Kim Johnstone)
SA Anniversary Cup: Coorong Kid (Cameron Butcher)
AGRC/GRSA Auction Final: Team Roper (Alan McCulloch)
Champion Puppy: Aston Eclipse (Troy Murray)
SA St Leger: Worm Burner (Cameron Butcher)
State Final National Sprint: Alex's Entity (Ben Rawlings)
State Final National Distance: Psychotic Gold (Petar Jovanovic)
Adelaide Cup Consolation: Real Flash (Troy Murray)
Premier's Cup: Ulala Bale (Tony Rasmussen)

Country Cups:

Strathalbyn Cup: Wheel Spinner (Brendan Gottschutzke)
Mount Gambier Cup: Mojito Mayhem (Peter Franklin)
Port Augusta City Council Cup: He's Innocent (Don Turner)
SA Country Cup: My Excuse (Karen Wittholz – GAWLER)
Waterloo Cup: Heliski (Rolland Parry)

Track Records

Gawler

531m: It's Classified (Troy Murray) 30.23 18/08/2015
[Equal with Regional Image – 01/07/2003]

Mount Gambier

400m: Cryer's Ricky (Thomas Cryer) 22.78 19/02/2016

2015 Award Winners

The 2015 Greyhound of the Year Dinner was held in February. The award winners presented on the night were:

UBET SA Greyhound of the Year:	Gun McBain
SA Bred Greyhound of the Year:	Gun McBain
SA Distance Greyhound of the Year:	Grifter Bale
SA Sprinting Greyhound of the Year:	Gun McBain
SA Run of the Year:	Grifter Bale
Gawler Trackstar:	Aha McBain

SA Stud Dog of the Year:	Emerley Carlos
SA Broodbitch of the Year:	Flame McBain
SA Breeder of the Year:	Alan McCulloch

UBET TAB Trainer of the Year:	Wendy Matcott and Ben Rawlings
SA Country Trainer of the Year:	Ben Rawlings
SA Owner/Trainer of the Year:	Paula Hearnden
City Strike Rate Winner:	Ben Rawlings
SA Syndicate of the Year:	The Kelly Gang Syndicate (Manager – Raye Kelly)

Outstanding Service to Industry Award:	John and Kathy Hurley
Outstanding Service to GAP Award:	Janice Teague

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

Coursing Greyhound of the Year:	Vail
SA Coursing Trainer of the Year:	Ray Fewings





Directors' Report

Your directors present their report on the Company for the financial year ended 30 June 2016.

Directors

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

Michael Allan Fabbro
Paul James Preiss
Chris Leo Doyle
David Anthony Spear
Grantley William Stevens

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

Principal Activities

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

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

Operating Result

The consolidated profit of the Company for the financial year amounted to \$579,210.

Financial Position

The net assets of the Company have increased to \$10,019,598 in 2016, up from \$9,440,389 in 2015.

Dividends

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

After Balance Date Events

No significant events have occurred after 30 June 2016.

Future Developments

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

Indemnities and Insurance Premiums for Officers

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

Corporate Governance

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

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

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

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

Board Responsibilities

The responsibilities of the Board include:

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

Environmental and Animal Welfare Issues

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

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

Proceedings on Behalf of Company

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

Conflicts of Interest

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

Board Charter

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

Members of Company Communication

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



Board Composition

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

Information on Directors



Michael Allan Fabbro

LLB(Hons), BCom (Acct), GDLP, FTIA, IPAA

Non-Executive Director [experience as a legal practitioner] and Chairman

Michael joined the Board of GRSA in November 2009 as a Non-Executive Director. He is a practicing solicitor and principal of his own Firm, Ezra Legal, and also holds a Bachelor of Commerce majoring in Accounting. Michael is a Fellow of the Tax Institute of Australia, a member of the Leaders Institute of South Australia, the Law Society of South Australia and the Australian Restructuring Insolvency and Turnaround Association. Michael is a director of Racing SA Ltd, Greyhounds Australasia Ltd and sits on a number of client advisory Boards as well as being a Board member of the not-for-profit organisation the Aged Rights Advocacy Service Inc. Michael has previously had direct investments and experience in the Hotel and Gaming industry.

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



Paul James Preiss

B.Bus (Marketing), MAICD, FAIM, CPMgr, FAMI, CPM

Non-Executive Director [experience in marketing]

Paul joined the Board in November 2011 as a Non-Executive Director. Having begun his marketing career in manufacturing and international trade, Paul went on to take up senior executive roles with National Pharmacies, the Royal Automobile Association of SA and the University of Adelaide. He is the South Australian Director for the CEO Institute providing leadership development programs for CEO's and senior executives. He also consults to organisations on business and people strategies. Paul is also Non-Executive Director of Colombin Australia Pty Ltd and a member of the Media Advisory Board of the University of Adelaide.

Special responsibilities include being a member of the Remuneration Committee.



Dr Chris Leo Doyle

BVSc

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

Having come onto the Board in November 2011 as the South Australian greyhound racing industry's representative, Chris brings with him a wealth of experience including more than 40 years of professional involvement with the industry's trainers and owners. He currently acts as the raceday veterinarian for meetings at Angle Park, Gawler and Strathalbyn. He is an Executive Member of Australian Greyhound Veterinarians and also a member of the Greyhounds Australasia Veterinary and Analyst Committee.



David Anthony Spear

FAICD, FAIM

Non-Executive Director (experience in business)

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



Grantley William Stevens

B.Arts [Accounting], FCA, CTA

Non-Executive Director (experience in finance)

Grantley joined the Board in July 2013 bringing a strong background in financial management. Having joined Edwards Marshall in 1987, he was appointed to partner in 2002. He currently manages the Business Consulting and Taxation division of the firm. Grantley has a Bachelor of Arts [Accounting] and is a fellow of The Tax Institute and Chartered Accountants Australia and New Zealand. In addition to holding Board positions with AW Go Organics Pty Ltd, IEBM Pty Ltd and Nicomax Properties Pty Ltd, Grantley is the company secretary of the Alexander & Symonds Group.

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

Meetings of Directors

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

Attendance Details

	Eligible	Attended
Board Meetings		
Michael Fabbro	11	11
Paul Preiss	11	10
Chris Doyle	11	11
David Spear	11	8
Grantley Stevens	11	9
Audit Meetings		
Michael Fabbro	3	3
Grantley Stevens	3	3
Remuneration Committee		
Michael Fabbro	1	1
Grantley Stevens	1	1

Company Secretary

Matthew Corby

BA, B.Bus (Mktng), Grad Dip Sports Mgmt

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

Auditor's Independence Declaration

The auditor has performed no other services during the year.

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

Signed in accordance with the resolution of the Board of Directors

A handwritten signature in black ink, appearing to read 'M. Fabbro', written over a dotted line.

Michael Allan Fabbro,
Chairman

Dated this 27th day of October 2016



Financials

Statement of profit or loss and other comprehensive income for the year ended 30 June 2016

	NOTE	2016	2015
		\$'000's	\$'000's
Racing Product Income	2	15,270	14,453
Other Revenues from Ordinary Activities	3	668	643
Food, Beverage and Gaming Revenue		4,875	4,635
Stakemoney and Rebates	4	[7,234]	[6,743]
Food, Beverage and Gaming Expenditure		[4,627]	[4,642]
Racing and Probity Expenses		[4,639]	[4,804]
Administration Expenses		[2,331]	[2,263]
Greyhound Adoption Program [GAP] Expenses		[832]	[447]
Animal Welfare Expenses		[366]	[148]
Marketing Expenses		[205]	[258]
Profit from Ordinary Activities	5	579	426
Other Comprehensive Income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		579	426

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

Statement of financial position as at 30 June 2016

	NOTE	2016	2015
		\$'000's	\$'000's
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,972	1,336
Receivables	7	1,500	1,421
Inventories	8	54	50
Other Current Assets	9	91	69
Total Current Assets		3,617	2,876
NON-CURRENT ASSETS			
Receivables	7	20	20
Property, Plant and Equipment	10	8,344	8,761
Total Non-Current Assets		8,364	8,781
TOTAL ASSETS		11,981	11,657
CURRENT LIABILITIES			
Payables	11	1,208	1,470
Provisions	12	671	678
Total Current Liabilities		1,879	2,148
NON-CURRENT LIABILITIES			
Provisions	12	83	69
Total Non-Current Liabilities		83	69
TOTAL LIABILITIES		1,962	2,217
NET ASSETS		10,019	9,440
EQUITY			
Reserves		4,927	4,927
Retained Profits		5,092	4,513
TOTAL EQUITY		10,019	9,440

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



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Statement of changes in equity for the year ended 30 June 2016

	Retained Earnings	Asset Revaluation Reserve	Capital Acquisition Reserve	Total
	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 JULY 2014	4,087	939	3,988	9,014
Profit attributable to members	426	-	-	426
Total other comprehensive income for the year	-	-	-	-
Balance at 30 JUNE 2015	4,513	939	3,988	9,440
Profit attributable to members	579	-	-	579
Total other comprehensive income for the year	-	-	-	-
Balance at 30 JUNE 2016	5,092	939	3,988	10,019

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

Cashflow statement for the year ended 30 June 2016

	NOTE	2016	2015
		\$'000's	\$'000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,223	18,915
Payments to suppliers and employees		(19,235)	(17,667)
Interest received		21	37
Net cash provided by operating activities		1,009	1,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		28	30
Payments for property, plant and equipment		(401)	(1,858)
Proceeds from investments		-	-
Net cash (used) by investing activities		(373)	(1,828)
Net increase/(decrease) in cash held		636	(543)
CASH AT BEGINNING OF PERIOD		1,336	1,879
CASH AT END OF PERIOD	6	1,972	1,336

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

Notes to the financial statements for the year ended 30 June 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

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

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

Note 1: Statement of Accounting Policies

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

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

New and amended standards and interpretations

Several amendments to Australian Accounting Standards and AASB interpretations apply for the first time in 2015/2016. However, they do not impact the annual financial statements of the Company.

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

(a) Revenue recognition

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

(i) Sale of Goods

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

(ii) Rendering of Services

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

(iii) Interest revenue

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

(iv) Dividends

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

(b) Government grants

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

(c) Taxes

Income Tax

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

Goods and services tax (GST)

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

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

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

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

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

(d) Property, Plant and Equipment

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

Continued page 33

Continued from page 32

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

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

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

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

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

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

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

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

(e) Leases

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

(f) Cash & Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and

borrowings in current liabilities in the statement of financial position.

(g) Receivables

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

(h) Inventories

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

(i) Available-For-Sale Financial Assets

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

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

(j) Impairment of non-financial assets

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

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

(k) Employee Entitlements

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary

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

Long service leave

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

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

(1) Members' Guarantee

GRSA is a company limited by guarantee. If GRSA is wound up, the Constitution states that each member is required to contribute a maximum of two (2) dollars towards meeting outstanding obligations. As at 30 June 2015, the number of members was six (6).



NOTE 2: RACING PRODUCT INCOME

	2016	2015
	\$'000's	\$'000's
UBET Product Fee paid to greyhound racing code	8,280	7,905
less clawback amount payable to SA Government	(504)	(477)
less UBET Product Fee Expenses	(1,829)	(1,423)
Transfer from Provisions - Futurity Series	-	-
Race Field Fee Income	9,373	8,432
On-course tote commissions	(50)	16
	15,270	14,453

NOTE 3: OTHER REVENUES FROM ORDINARY ACTIVITIES

Sponsorships	11	70
Other	657	573
	668	643

NOTE 4: STAKEMONEY AND REBATES

Prizemonies	6,420	6,169
Travel Rebates	814	574
	7,234	6,743

NOTE 5: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

5(1) Depreciation of Non-Current Assets

Property, Plant and Equipment	790	727
Total Depreciation	790	727

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

Loss on Disposal of Property Plant and Equipment	-	2
Loss on Disposal	-	2

NOTE 6: CASH AND CASH EQUIVALENTS

	2016	2015
	\$'000's	\$'000's
Cash on Hand	64	70
Cash at Bank	371	151
Investments - Fixed term	51	50
Cash Bank Deposits - At Call	1,486	1,065
	1,972	1,336

NOTE 7: RECEIVABLES

CURRENT		
Sundry Debtors	1,295	1,176
Loans to Clubs	7	11
Other	198	234
	1,500	1,421
NON-CURRENT		
Loans to Clubs	20	20
	20	20

NOTE 8: INVENTORIES

Beverages - Tavern and Restaurant - At Cost	31	29
Food - Tavern and Restaurant - At Cost	23	21
	54	50

NOTE 9: OTHER CURRENT ASSETS

Prepayments	91	69
	91	69

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$'000's	\$'000's
Land, Building and Improvements - Angle Park at Fair Value	5,591	5,591
Accumulated Depreciation	(329)	(165)
	5,262	5,426
Land, Building and Improvements - Gawler at Fair Value	1,739	1,739
Accumulated Depreciation	(199)	(112)
	1,540	1,627
Capital Works in Progress	37	-
Accumulated Depreciation	-	-
	37	-
Plant and Equipment	5,161	4,953
Accumulated Depreciation	(4,110)	(3,725)
	1,051	1,228
Furniture and Fittings	786	685
Accumulated Depreciation	(486)	(385)
	300	300
Motor Vehicles	306	279
Accumulated Depreciation	(152)	(99)
	154	180
Total Property, Plant and Equipment	8,344	8,761

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

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

	Capital Work in Progress	Land Buildings & Improvements	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Carrying amount at start of year	-	7,053	1,228	300	180	8,761
Additions	37	-	208	101	55	401
Disposals	-	-	-	-	(28)	(28)
Transfers	-	-	-	-	-	-
Depreciation expense	-	(251)	(385)	(101)	(53)	(790)
Carrying amount at end of year	37	6,802	1,051	300	154	8,344

NOTE 11: PAYABLES CURRENT

	2016	2015
	\$'000's	\$'000's
Trade Creditors	611	634
Other	597	836
	1,208	1,470

NOTE 12: PROVISIONS

CURRENT		
Provision for Annual Leave	306	334
Provision for Long Service Leave	293	271
Futurity and Gawler Produce Race Series	72	73
	671	678
NON-CURRENT		
Provision for Long Service Leave	83	69
	83	69

NOTE 12(a): FUTURITY AND GAWLER PRODUCE SERIES

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

NOTE 13: EQUITY AND RESERVES

Retained Earnings

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

Asset Revaluation Reserve

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

Capital Acquisition Reserve

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

NOTE 14: COMMITMENTS FOR EXPENDITURE

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

	2016	2015
	\$'000's	\$'000's
Operating lease commitments		
After one year but not more than five years	26	39
More than five years	44	47
Total	70	86

NOTE 15: RELATED PARTY INFORMATION

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

[a] Board Members' Remuneration

Total Board Members' Remuneration	165	163
--	------------	------------

[b] Key Management Remuneration

Total Key Management Remuneration	1,042	908
--	--------------	------------

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

During the year, purchases of \$90,500 [2015: \$92,795] have been made by the company for veterinary services from Chris Doyle. No amounts were outstanding at the year-end [2015: \$Nil].

Purchases of \$2,450 [2015: \$1,350] for taxation and marketing services were made by the company from Edwards Marshall Pty Ltd, of which Grantley Stevens is a partner. No amounts were outstanding at the year-end [2015: \$Nil].

Purchases of \$3,500 [2015: \$Nil] for management consultancy services were made by the company from Centour Consulting Pty Ltd, of which Paul Preiss is a director. No amounts were outstanding at the year-end [2015: \$Nil].

NOTE 16: SUBSEQUENT EVENTS

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

Directors' Declaration

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

1. In the opinion of the directors:

a. The financial statements and notes of Greyhound Racing SA Ltd for the financial year ended 30 June 2016 are in accordance with the Corporations Act 2001, including:

i. Giving a true and fair view of the financial position as at 30 June 2016 and performance for the year ended on that date

ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001

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

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board



.....
Michael Allan Fabbro,
Chairman

Dated this 27th day of October, 2016

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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

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

William Buck

William Buck
ABN: 38 280 203 274

G. W. Martinella

G.W. Martinella
Partner

Dated this 27th day of October, 2016.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GREYHOUND RACING SA LTD**

Report on the Financial Report

We have audited the accompanying financial report of Greyhound Racing SA Ltd (the company), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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GPO Box 11050
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GREYHOUND RACING SA LTD (CONTINUED)**

Auditor's Opinion

In our opinion, the financial report of Greyhound Racing SA Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001.

William Buck

William Buck
ABN: 38 280 203 274

G. W. Martinella

G.W. Martinella
Partner

Dated this 27th day of October, 2016.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Greyhound
RACING SA

MEMBERS OF COMPANY

Adelaide Greyhound Racing Club Inc.

Gawler Greyhound Racing Club Inc.

Greyhound Owners, Trainers and Breeders Association
Coursing Club Inc.

Mount Gambier Greyhound Racing and Coursing Club Inc.

Port Augusta and District Greyhound Club Inc.

Southern Greyhound Raceway Inc.



Greyhound
RACING SA

OFFICE LOCATION

55 Cardigan Street
Angle Park SA 5010

POSTAL ADDRESS

PO Box 2352
Regency Park SA 5942

CONTACT

Phone: [08] 8243 7100
Email: admin@grsa.com.au
Web: www.grsa.com.au

ANNUAL REPORT 2014-2015





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Greyhound Racing SA Limited (GRSA) is the controlling body which conducts, regulates and promotes greyhound racing throughout South Australia. It has a primary responsibility to ensure the responsible and ethical management of the sport, the enforcement of local and national rules of racing and the effective conduct of racing operations.

INDUSTRY SNAPSHOT

1,620

individually registered participants including 163 breeders, 357 registered trainers and 1,263 registered owners and handlers

334

TAB meetings with coverage via Sky 1 (175), Sky 2 (159) and TABRadio (334)

3,683

races conducted in SA (3,568 TAB and 115 Non TAB)

16

Non-TAB meetings

10

Coursing events





THE SOUTH AUSTRALIAN RACING INDUSTRY

(IER Industry Report – June 2013)

**Generates
\$401.7 million
per annum
in economic
benefits for
South Australia**

**Sustains the
employment
of 3,628 South
Australian
workers**

**One in every
80 South
Australian
adults are
employed by, or
participate in,
the SA Racing
Industry**



Racing in South Australia is second only to the AFL in terms of event attendance

CHAIRMAN'S REPORT



Michael Fabbro
Chairman

It is with great pleasure I present to you the annual report of Greyhound Racing South Australia Ltd for the 2015 financial year.

As Charles Dickens once wrote, "it was the best of times, it was the worst of times".

The 2014-2015 financial year commenced with great promise and expectation, with the Company well placed to embark on a period of infrastructure investment on the back of solid growth in the industry.

Unfortunately for our industry, the hard work of participants,

management and the Board in planning for the future of the sport was overshadowed by the actions of a number of participants from the eastern seaboard resulting in the sport being significantly tarnished, not only in those jurisdictions where evidence of the shocking behaviour was uncovered, but also in our own jurisdiction where no such evidence has been discovered.

Whilst the greyhound breed is central to our sport and animal welfare pivotal to its continued existence, the pro-active approach taken, and investment made, in South Australia towards animal welfare was not reciprocated in some of our neighbouring jurisdictions.

The South Australian industry has, for many years, led the way with its level of investment in animal welfare and, in particular, the performance of its Greyhound Adoption Program.

This last year has been one of the most exciting times for



Now is the time to embrace the challenge of a new paradigm and a **fresh vision**



this industry in many years with considerable revenue growth experienced at a time when an ambitious capital works program had been approved by the Board. A rebuilding program of ageing industry infrastructure, neglected for many years and in desperate need of investment, commenced with the demolition and rebuild of the Gawler patron facility which was completed and opened in February of this year. A \$2.6 million project, the Gawler Showgrounds precinct has been revitalised with the construction of a double-storey modern building capable of housing up to two hundred patrons. Further works were undertaken to the Gawler kennelhouse and a new stewards' tower was constructed. The benefits of this investment flow not only to the industry but also the local community with the Gawler Show Society and the Gawler Centrals Sporting Club enjoying usage of the patron facility for the benefit of their respective memberships and activities.

Participant returns were ahead of target and we remain well placed to meet the strategic plan goal of \$7 million by 2017. With participant returns for the 2015 year sitting at \$6.743 million, and strong wagering growth being experienced, the strategic plan target is still on track to be achieved, however the opportunity to exceed that target has been overtaken

by the necessity to drive additional revenue into welfare and integrity to ensure that we are leaving no stone unturned in ensuring that our jurisdiction maintains the highest level of oversight and standards.

The world changes and any member of our industry who cannot embrace our need to ensure that the industry is regulated in a manner which absolutely ensures that a recalcitrant minority do not damage the sport for all does not grasp the gravity of what occurred in February.

The need for participants to assist our role in overseeing the industry's welfare and integrity standards through mandatory reporting of any activity which falls outside of the rules, our and society's expectations is paramount. We will not allow the actions of anyone to potentially harm the ability of this industry to continue into the future. The most strident oversight ever is being employed and penalties applied will reflect the current environment in which we operate.

Our local industry was built on the back of hard work and volunteerism. In the absence of government funding and with lesser economies of scale, participants in SA have traditionally had to work harder and smarter to keep pace with their interstate

colleagues. Hobbyists make up a significant proportion of the local industry and the general level of participant support for greyhound welfare and rehoming opportunities has been evident well before the national industry was called to account earlier this year. I would like to take this opportunity to thank all of the quiet achievers in our local industry through whose efforts South Australia sets the national standard. In everything that we do, the surety of your future opportunity to participate is foremost in our thinking.

Now is, more than ever, a great time to be involved in the sport. The future is bright. Our industry in South Australia has always enjoyed very high standards and increased oversight and regulation will ensure that all participants who adopt the high standards expected will continue to enjoy the fruits of participating.

The staff and management of GRSA are to be commended for their work in the 2015 year. Trying times have demonstrated the strength and resilience of our team and I thank each of them on behalf of the Board for their efforts throughout the year.

I would especially like to acknowledge the efforts of our CEO, Matt Corby, who has been the face of the industry throughout and has handled himself with his usual poise and professionalism.

I would like to thank my fellow Board members who have proven themselves to be such a valuable resource for this industry. Given our Board is independent of the sport of greyhound racing, its ability to make decisions in an untainted and unclouded manner is one of the primary reasons that our jurisdiction has been prepared

Trying times have demonstrated the strength and resilience of our team

to invest in animal welfare and oversight in the manner that it has done.

The preparedness of my fellow Board members to continue to face the challenges that have been raised is something for which I am extraordinarily grateful and I trust the industry is similarly thankful.

For participants, now is not the time to become despondent but, instead, to embrace the challenge of a new paradigm and a fresh vision. The saying goes that it is darkest before

the dawn and I strongly believe that we are still on the path to a promising and prosperous future. The contribution of this industry to the fabric of our community is too great to allow any minority element to jeopardise that future. Our industry provides a considerable economic benefit to the state and continues to grow and expand at a point in time when many industries are under strain and experiencing contraction.

A 15% growth in wagering income highlights that there are many who support our industry from every level. Participants can hold their heads high as we work together to meet the challenge of restoring faith and confidence in our industry, as we in this state are extremely well placed to continue to set the standard and lead the way to the new dawn of the sport that is upon us.



Michael Fabbro



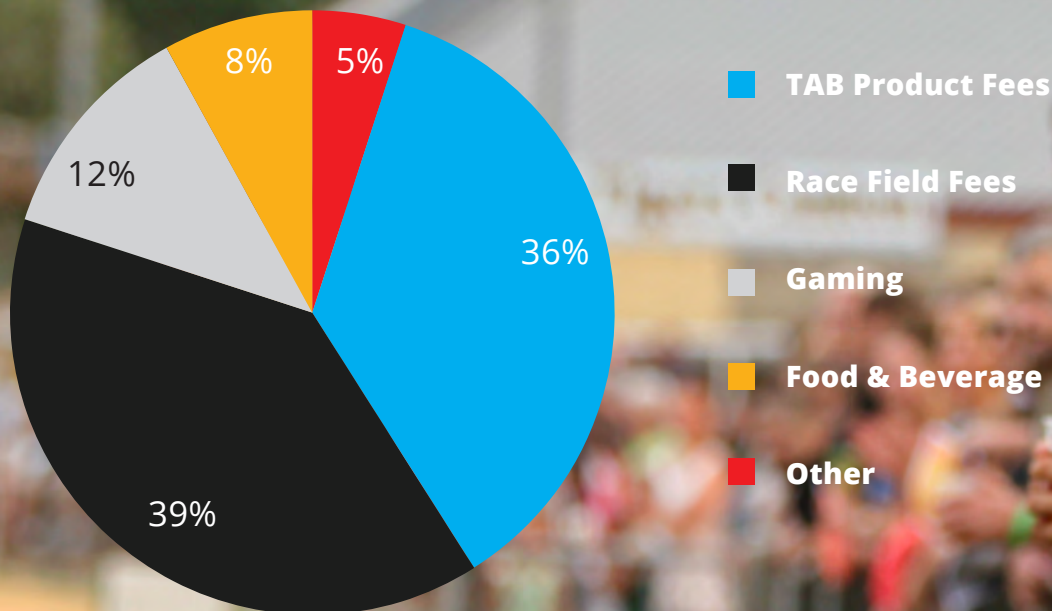
YEAR IN BRIEF

Financial Snapshot

- ▶ Market share of 16.635% as at 30 June 2015
- ▶ Gross interstate wagering on SA greyhounds increased to greater than \$350m for the first time

	2013-2014 ('000)	2014-2015 ('000)	Change ('000)	Change (%)
Net TAB Revenue	\$6,423	\$6,021	(\$402)	(6%)
Race Field Fee Revenue	\$6,128	\$8,432	\$2,303	38%
Stakemoney	\$6,197	\$6,743	\$546	9%
Local TAB Turnover	\$13,659	\$15,233	\$1,574	12%
National TAB Turnover	\$106,996	\$112,052	\$5,056	5%

Source of revenue





- ▶ Official launch of strategic partnership with Adelaide Women's Prison
- ▶ Growth of GAP adoptions by 33% on the previous year
- ▶ Awarded 'Best Exhibitor' in the dog pavilion at the Royal Adelaide Show for the fourth consecutive year



Corporate Highlights

- ▶ Participant returns (stakemoney, bonuses and rebates) increased from \$6.197m to \$6.743m
- ▶ Increase in UBET market share from 15.71% to 16.64% with growth in both local and national wagering activity
- ▶ Income from racing product up by 15.2% to \$14.453 million.



Gaming

- ▶ Growth in gaming turnover of 15.4% underpinned by a more aggressive gaming machine mix strategy
- ▶ Contribution from gaming for the year up by 10% to \$1.6 million



Infrastructure

- ▶ Completion of the \$2.6 million Gawler redevelopment project
- ▶ Installation of a catching pen with run-off chute at Angle Park
- ▶ Connection to the Barker Inlet Water Recycling scheme at Angle Park, supplying recycled water for 90% of all site irrigation
- ▶ Commenced construction of a 270 metre slipping track at Angle Park
- ▶ Progression of review of sites for a future one-turn track in the southern Adelaide region
- ▶ Multiple projects undertaken by the Mount Gambier Club including a major upgrade of the kennelhouse, the construction of a slipping track, a new maintenance shed and the installation of a 600 metre start



Racing

- ▶ Migration of all interstate partners onto the OzChase racing system
- ▶ Industry Seminar reintroduced with guest speakers David Batty, Tony Brett, Linda Beer and Paul Westerveld
- ▶ Successful negotiation of a Friday night timeslot for the Adelaide Cup
- ▶ Group 1 Adelaide Cup won by Allen Deed for trainer Andrea Dailly in record run home time of 12.29
- ▶ SA Owned and Bred victory to Luna Jinx in the Group 1 Super Stayers at The Meadows
- ▶ SA Trained victory to Real Flash in Group 2 WA Oaks at Cannington
- ▶ Wild Soul named 2014 Greyhound of the Year
- ▶ Veteran sprinters Kalden Legenda and Optic Shimmer both recorded a 10 race winning sequence



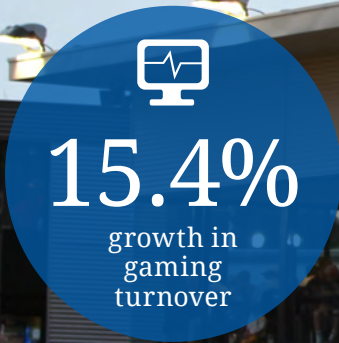
Marketing

- ▶ Launch of the Prison Partnership Program (Adelaide's Women Prison) supporting greyhound adoption
- ▶ Successful negotiation with UBET for the expansion of weekday form in The Advertiser
- ▶ Management of media relations in the wake of the Four Corners report on live-baiting practices interstate
- ▶ Introduction of the GRSA industry participants' dedicated Facebook group
- ▶ Introduction of a dedicated twitter feed in support of wagering on local greyhound racing
- ▶ UBET secured as naming rights sponsor of the Greyhound of the Year for a three year term
- ▶ 432 teams registered for the Golden Bone Tipping Competition



Integrity

- ▶ Commitment to the state Government by GRSA to allocate an additional \$500k annually towards integrity and welfare initiatives
- ▶ Collaboration with the RSPCA of SA to recommend amendments to the Animal Welfare Act introducing a maximum penalty of a four-year jail term and \$50k in fines for live-baiting offences
- ▶ Appointment of three additional full-time resources supporting regulatory oversight
- ▶ Comprehensive independent review of GRSA's investigation and surveillance processes by a decorated former SAPOL senior detective
- ▶ 328 licensed trainers' premises inspected which equates to an annual rate of 91.88%
- ▶ 146 licensed breeders' premises inspected which equates to an annual rate of 89.57%
- ▶ 28,414 runners with an injury rate of 2.13%
- ▶ 1,084 swabs taken with 0.46% testing positive for prohibited substances
- ▶ Investment in multiple aspects of technological support for investigation and surveillance processes
- ▶ Collaborated with SAPOL and the RSPCA resulting in joint operational activities



Completion of the \$2.6 million
Gawler redevelopment project.

CEO'S REPORT



The National Industry Crisis

On February 16, the Four Corners program on the ABC broadcast a report which exposed the practice of live-baiting in connection with the training of greyhounds. The broader industry remains disgusted and disappointed by the revelation that this reprehensible act was being practiced by some participants. This issue shook the public confidence in greyhound racing and it is understandable for the public to think that the practice of live-baiting may be more widespread.

There is no place for such activity in our sport. GRSA remains unconditionally opposed to the notion that animal cruelty can ever be accepted as a legitimate outcome associated with the training of greyhounds. Whilst the practice has not been discovered in South Australia, the Board and Management have continued to address this as a problem of national context. The response to the management of this risk has been unprecedented in this state's history.

In the weeks that immediately followed the Four Corners report, GRSA and the RSPCA put forward

joint recommendations for amendments to the Animal Welfare Act 1985 which have since been enacted into legislation. The most significant of those changes was the elevation of maximum penalties for engaging in the act of live-baiting – up to \$50,000 in fines and a maximum imprisonment of up to four years. During the same period, the national industry adopted new Rules to prohibit the act itself as well as the failure to report knowledge of live-baiting occurring.

Several months on, the national industry is on a pathway of root and branch reform. Significant

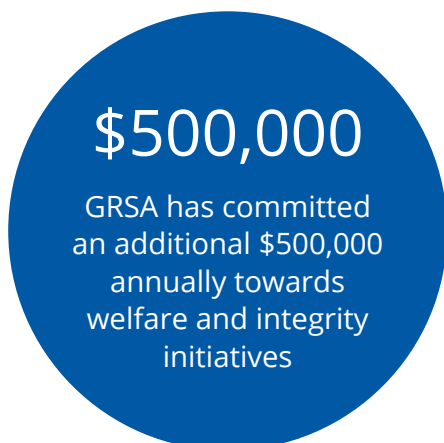
"The motivating factor for the Board and Management is their **desire to support** the silent majority of local participants who compete **compliantly and ethically...**"



change has already occurred and it is now the national industry's highest priority to establish a vision for the future which is predicated upon transparency and accountability.

The state Governments in Victoria, NSW and Queensland have acted to replace the Boards in their respective states and to stand down the CEO's in NSW and Queensland. More recently, the Victorian CEO opted not to renew his contract. Whilst many of the current new leadership are Government appointees, their roles will eventually transition to permanent new leaders devoted to maintaining the significant reforms that are currently being implemented.

In noting that the community may still feel skeptical about the industry's commitment to



reform, there is unconditional acceptance across the jurisdictions that the sport's social licence to operate is dependent upon the demonstration of cultural and behavioural reform.

In noting that a number of hearings and prosecutions are still pending, the following outcomes can be identified at the national level:

- 23 lifetime disqualifications of Queensland participants with more imminent in other states
- The amendment of state Acts to clarify the basis of the breach and increase penalties for live-baiting
- The introduction of National Rules prohibiting the practice or unreported knowledge of live-baiting

- Dramatic increases in the funding and resourcing of integrity functions resulting in higher rates of premise inspections
- Heightened engagement with key external stakeholders in the areas of enforcement and animal welfare
- A national commitment to an education framework that establishes the attainment of accreditation as a mandatory condition of licensing
- A national commitment to investment in developing the national racing IT systems in a manner which more effectively supports the timely and accurate tracking of greyhounds across all aspects of the greyhound life cycle
- A national commitment to funding an external review which seeks to identify the optimal balance between responsible breeding and industry sustainability

At the local level, GRSA has committed an additional \$500,000 annually towards welfare and integrity initiatives. The commitments that the organisation made to Government earlier in the year have been pursued with diligence and priority. The investment that has been made in additional human resources has been complemented by technological innovation and comprehensive procedural review. The local industry is grateful for the confidence that has been evident from Government in relation to GRSA's management of its operations and is committed to repaying that faith through its future actions.

The motivating factor for the Board and Management is their desire to support the silent majority of local participants who compete compliantly and ethically and whose affection and care for their greyhound charges is abundantly evident. For that group, the past months have served as a constant trial. It is difficult for those outside the industry to understand the extent to which racing contributes to the social fabric of the predominantly rural regions which support its conduct.

Greyhound Rehoming

The key aspect of any vision for a transparent and accountable industry is a national commitment to rehoming opportunities for unraced or retired greyhounds. The number of greyhounds bred nationally has fallen from 35,000 annually in 1975, to less than 18,000 in recent years. In addition to any further natural attrition, a process of managed reduction is planned at the national level, particularly within the three larger jurisdictions that have been at the centre of recent controversy.

The national industry acknowledges the fundamental obligation that it has in relation to animal welfare and accepts that, despite the extent of recent rehoming initiatives, it has not moved quickly enough to mitigate the unnecessary euthanasia of greyhounds. There is a commitment at the national level to undertake greater disclosure in this area and establish future targets for performance. An external review will commence in the second half of 2015 which will identify the impact of a range of current and proposed change initiatives on industry sustainability with a particular focus on the responsible reduction of national breeding levels.

The South Australian GAP program rehomes the highest ratio of locally bred stock of any jurisdiction in Australia. In the coming year, GRSA expects to announce an expansion of its prison partnership program into Mobilong Prison in addition to industry-based solutions relating to the provision of foster care for greyhounds. Within the next two years, GRSA aspires to achieve a level of rehoming which offsets the requirement based on local breeding numbers.

Wagering and Gaming

GRSA continues to perform strongly in the area of wagering. Local market share increased from 15.1% to 16.3%, while national market share went up from 16.3% to 17%. Supported by that growth, average GRSA market share rose from 15.71% to 16.64% - the strongest figure that the company has ever recorded. South Australian wagering on local and national product through UBET for all three codes grew marginally, however UBET Product Fee reduced slightly due to the lag in the application of the previous year's market share.

Revenue from Race Field fees increased significantly due to a combination of changes to the charging methodology and growth of national wagering activity on all three codes of SA racing. The effect of that growth was a 38% increase in that revenue stream from \$6.128 million to \$8.432 million, making this the primary source of income for the company – ahead of UBET Product Fee – for the first time.

The re-branding of TattsBet to UBET from early 2015 constitutes part of a broader strategic platform for that organisation as it aims to position itself as the dominant force within the national wagering market. UBET has played an instrumental role in GRSA's recent wagering growth. Its support for the introduction of expanded weekday form in The Advertiser complemented by the roll-out of a fixed odds offer for all GRSA meetings has significantly impacted our product's appeal to the broader wagering audience. It is difficult to overstate the importance that the availability of fixed odds on SA greyhound product has had in relation to wagering growth. Albeit noting that a proportion of fixed odds is cannibalised from the tote pools,

"The **key aspect** of any vision for a transparent and accountable industry is a **national commitment** to rehoming opportunities for unraced or retired greyhounds."



it is not unusual for fixed odds wagering activity in relation to a given timeslot to have tripled when measured against a comparable meeting from the previous year.

During the year, negotiations commenced between Racing SA and UBET in relation to the potential extension of the rights period for retail exclusivity beyond June 2016. Those discussions represent a rare opportunity for the three SA codes to generate vital funding in support of investment in facility compliance, integrity regulation and animal welfare initiatives at a time when investment in those areas constitutes the industry priority.

GRSA continues to be grateful for the role that our small band of bookmakers play in adding a layer of richness and fabric to the raceday experience. There is inherent value in trying to support the retention of a bookmaker presence which sits outside the company's balance sheet. We acknowledge the collaborative spirit that has always been evident in our dealings with the Peter Damarell and Curly Seal operations.

Industry Returns

Industry returns have continued to increase, in line with one of the cornerstone objectives of the 2012 Strategic Plan, up by 8.8% from \$6.197 million to \$6.743 million. Within that total amount, the trainers' fee has increased from \$434k to \$574k in support of reimbursing the actual costs incurred by trainers in transporting greyhounds to and from racing commitments.

A further \$17,500 in Group race superbones was paid out to locally bred Adelaide Cup finalists, the Gawler Cup winner (Oakvale Destiny), Gawler Gold Cup winner (Gun McBain) and the winner of the Group 1 Super Stayers distance final at The Meadows, Luna Jinx.

During the year, GRSA also made arrangements with the regional Clubs to remove the payment by participants of nomination fees taking the view that industry should not incur a raceday charge for their supply of racing product.

Major Capital Works

The 2012 Strategic Plan identified three cornerstone strategies for moving the local industry forward in the years that immediately followed. They included the redevelopment of the Gawler facility, the construction of a one-turn track and facility in the southern Adelaide region, and the continual growth of returns to industry.

After many months of planning and negotiation, the patron facility at Gawler commenced in the second half of 2014 and was completed for practical handover the following February. In support of its investment, GRSA negotiated the maximum lease period that Council is permitted to enter into under the terms of the Local Government Act, that being 21 years, and a rental reduction equivalent to half a million dollars over the term of the lease.

The total cost of all works at Gawler, including the new kennelhouse and peripheral costs was \$2.6 million. GRSA's commitment to this project was premised upon the view that sustainable industry must be underpinned by the availability of modern and compliant facilities supporting regions of strategic significance.

Investigations into the most suitable site for the new one-turn track continue, however it is expected that a decision in this regard is now imminent. This new facility will play a vital role in supporting the participation base south of Adelaide as well as providing diversification of the racing opportunity for local greyhounds.

The OzChase Racing System

In the second half of 2014, the last of the partnering states came onto the OzChase racing IT system. The completion of the migration process is an important first step towards leveraging the future potential of a national system (with the exception of Victoria).

The next phase of system improvements will centre around the enhancement of greyhound tracking capabilities and the development of the various system triggers supporting the timely disclosure of the movement and processing of greyhound related data across their life-cycle.

Clubs

The committed band of volunteers who support the conduct of racing in SA through their various Club Committees make a contribution that would be difficult to overstate. Their tireless work ensures that participants can compete in a safe and welcoming environment amongst others who share similar challenges, passions and goals. Voluntary support lies at the heart of the social fabric of racing and is a defining aspect of the local industry in South Australia. As a result of that contribution, the following Club-related outcomes can be reported from the 2014-15 year:

Gawler

- ▶ Continuous operation under challenging circumstances during construction of the new patron facility and the required cessation of racing at the venue
- ▶ Management of the re-commencement of racing at the venue from February 3 utilising the new facility
- ▶ Official opening of the patron building on February 15 by the Member for Light, Mr Tony Piccolo, coinciding with the running of the Gawler Gold Cup
- ▶ Appointment of Club Manager, Shawn Noack, in December 2014

- ▶ Growth of raceday patronage - particularly for Sunday night meetings - attracting a new audience to greyhound racing
- ▶ Utilisation of the facility for commercial functions and support of other community activities

Adelaide

- ▶ Sponsorship of race meetings at Angle Park and Gawler
- ▶ Management of the conduct of the industry auction with the support of GRSA
- ▶ Growth of Club Membership to record numbers
- ▶ Support for the construction of a slipping track at Angle Park
- ▶ Commencement of discussion with GRSA regarding joint investment in a system to refrigerate the water supply to the Angle Park kennelhouse

Strathalbyn

- ▶ Demonstration of faithful support for the successful transition to permanent Friday racing at the venue
- ▶ Placement of protective coverings on (supporting) rail infrastructure to prevent greyhound injury
- ▶ Completion of kennelhouse works including the shifting of swab kennels, the installation of security cameras and improvements to the veterinary room
- ▶ Recruitment of new Club sponsorship
- ▶ Received recognition on the industry awards night for Neil Wright and Yvonne King as joint Volunteers of the Year

Mount Gambier

- ▶ Extension of the racing opportunity to 12 races for all timeslots at the venue
- ▶ Major upgrade of the kennelhouse building and facilities



- ▶ Installation of new 600m starting boxes in support of providing greater diversity of the racing opportunity in that region
- ▶ Construction of a new tractor shed
- ▶ Upgrade and replacement of furniture in the patron facility

Port Augusta

- ▶ Re-positioning of the 600m boxes (to a 591m start) and the installation of a shelter cover for participant comfort
- ▶ Continuation of the Port Augusta City Council's sponsorship of the Port Augusta Cup
- ▶ Conduct of the Patron's Cup with the support of Club Patron, Dan van Holst Pellekaan MP

GOTBA

- ▶ Construction of an alternative grass straight run with the support of GRSA to support training opportunities during maintenance work on the racetrack
- ▶ Provision of a consistently safe trialling and galloping facility for industry participants
- ▶ 145 individual greyhounds won at least one course
- ▶ 49 individual trainers won at least one course



EVENTS

FEATURE RACE WINNERS

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

Group One:

Macro Meats Adelaide Cup: Allen Deed (Andrea Dailly)

Group Three:

Coffex Coffee Oaks: Oakvale Destiny (Jeff Britton)

Schweppes Derby: Iva Vision (Peter Young)

Gawler Gold Cup: Gun McBain (Vadim Roz)

Brian Johnstone: Weblec Belle (Jeff Britton)

Howard Ashton: Galactic Viper (David Geall)

Other major races during the year included:

Gawler Produce Stake: Regal Looper (Cameron Butcher)

SA Sprint Championship: Galilee Spirit (Robert Isaacson)

SA Distance Championship: Grifter Bale (Ben Rawlings)

SA Anniversary Cup: Kalden Gambino (Ray Murray)

Champion Puppy: Gun McBain (Todd Kelly)

SA St Leger: Coorong Kid (Cameron Butcher)

State Final National Sprint: Wild Soul (Kim Johnstone)

State Final National Distance: Token McLaren (Don Foster)

Macro Meats Adelaide Cup Consolation: Wild Soul (Kim Johnstone)

Premier's Cup: Psychotic Gold (Petar Jovanovic)

Country Cups:

Strathalbyn Cup: Black Daddy (Allan Francis)

Mount Gambier Cup: Lots Of Yap (Benjamin Boers)

Port Augusta City Council Cup: Fancy Rick (John Shanahan)

SA Country Cup: Morgan McLaren (Tania Foster – Strathalbyn)

Waterloo Cup: Big Merc (Shaun Laffin)



TRACK RECORDS

Track	Distance	Greyhound	Time	Date
Mount Gambier	400m	Ireland's Oyster (Peter Franklin)	22.83	30/01/2015

2014 AWARD WINNERS

The 2014 Greyhound of the Year dinner was held in January.
The award winners presented on the night were:

UBET SA Greyhound of the Year:	Wild Soul (Kim Johnstone)
SA Bred Greyhound of the Year:	Sidney's Shadow (Cameron Butcher)
SA Distance Greyhound of the Year:	Luna Jinx (Gavin Harris)
SA Sprinting Greyhound of the Year:	Wild Soul (Kim Johnstone)
SA Run of the Year:	Rulebook (Troy Murray)
Gawler Trackstar:	Avid Tyson (Tony Lagana)
SA Stud Dog of the Year:	Emerley Carlos (Studmaster Judy Hurley)
SA Broodbitch of the Year:	Flame McBain (Owner Raye Kelly)
SA Breeder of the Year:	Karen Bearpark
SA TAB Trainer of the Year:	Wendy Matcott
SA Country Trainer of the Year:	Don Turner
SA TAB Owner/Trainer of the Year:	Cameron Butcher
City Strike Rate Winner:	Ray Murray
SA Syndicate of the Year:	Next Racing Syndicate, Mgr – Ryan Tugwell
Volunteer of the Year:	Joint Winners – Neil Wright and Yvonne King

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

Coursing Greyhound of the Year:	Vail (Rolland Parry)
SA Coursing Trainer of the Year:	Ben Rawlings

DIRECTORS' REPORT



Directors

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

Michael Allan Fabbro
Paul James Preiss
Chris Leo Doyle
David Anthony Spear
Grantley William Stevens

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

Principal Activities

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

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

Operating Result

The consolidated profit of the Company for the financial year amounted to \$423,631.

After Balance Date Events

No significant events have occurred after 30 June 2015.

Future Developments

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

Indemnities and Insurance Premiums for Officers

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

Review of Operations

The end-of-year market share figure for the greyhound code was 16.635%, an increase of 0.93% on the previous year's result of 15.706%. National market share continued to be stronger than local, although wagering on both elements grew during the year. Across the other codes, thoroughbred market share decreased by 1.03 percentage points to 70.686% and harness grew by 0.11 percentage points to 12.679%. Industry commissions from SA-based UBET wagering amounted to \$6.021m for the greyhound code, a decrease of 6% on prior year revenue.

Race field revenue, derived from all national wagering on SA greyhound racing with the exception of local UBET activity, constitutes the other primary source of income for Greyhound Racing SA Limited. Income from this item increased by \$2.304m to \$8.432m,

equating to year-on-year growth of 37.6%. During the same period race field fees payable to other states, based on local (SA) wagering activity on interstate racing, increased by \$0.11m to \$1.42m or the equivalent of 8%.

The directors are responsible for the overall performance of the company and the interests of its various participants and stakeholders.

Corporate Governance

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

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

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

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

Board Responsibilities

The responsibilities of the Board include:

- ▶ Providing strategic guidance to the company including the development and approval of company strategy
- ▶ Reviewing and approving business plans, the annual budget and financial plans including provision for an appropriate allocation of resources and capital
- ▶ Overseeing and monitoring:
 - organisational performance and the achievement of strategic goals and objectives
 - compliance with the Code of Conduct
 - progress of major capital expenditure and other significant projects
 - financial performance and liaison with the company's auditors
 - appointment and performance assessment of the Chief Executive Officer

- the effectiveness of management processes and planning of major company initiatives
- a culture of corporate leadership
- the enhancement and protection of the reputation of the company
- the operation of the company's compliance and risk management framework
- effective communication to members of company, staff and key stakeholders.

Conflicts of Interest

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

Board Charter

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

Members of Company Communication

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

Dividends

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

Financial Position

The net assets of the Company have increased to \$9,438,465 in 2015.

Environmental and Animal Welfare Issues

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

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

Proceedings on Behalf of Company

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



Board Composition

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

Information on Directors



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

Non-Executive Director (experience as a legal practitioner) and Chairman

Michael joined the Board of GRSA in November 2009 as a Non-Executive Director. He is a practising solicitor and principal of his own Firm, Ezra Legal and also holds a Bachelor of Commerce majoring in Accounting. Michael is a Fellow of the Tax Institute of Australia, a member of the Leaders Institute of South Australia and ARITA and also sits on the Boards of the Aged Rights Advocacy Service and Greyhounds Australasia. Michael has also previously had direct experience of the hospitality industry and is a member of the Advisory Board of Australian Wholefoods.

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



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

Non-Executive Director (experience in marketing)

Paul joined the Board in November 2011 as a Non-Executive Director. Having begun his marketing career in manufacturing and international trade, Paul went on to take up senior marketing roles with National Pharmacies, the Royal Automobile Association of SA and the University of Adelaide. He is a partner of the Adelaide-based strategic management consultancy Makrid Preiss & Associates. His role involves mentoring Chief Executive Officers, business owners and senior executives on business and people strategies. Paul is also Director – S.A. of the CEO Institute, Non-Executive Director of Colombin Australia Pty Ltd and a member of the Media Advisory Board of the University of Adelaide.

Special responsibilities include being a member of the Remuneration Committee.



Dr Chris Leo Doyle
BVSc

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

Having come onto the Board in November 2011 as the South Australian greyhound racing industry's representative, Chris brings with him a wealth of experience including more than 40 years of professional involvement with the industry's trainers and owners. He currently acts as the raceday veterinarian for meetings at Angle Park, Gawler and Strathalbyn. He is the President and Chairman of the Australian Greyhound Veterinary Association.



David Anthony Spear
FAICD

Non-Executive Director (experience in business)

David was appointed to the Board in March 2013. His previous executive positions include State Manager for Ausdoc Information Management Services, State Manager for Regional Express Airlines and Commercial Manager Government for Ansett Airlines. He was also the Commercial Manager Government for Australia Post and, more recently, the South Australian State Manager for the Australian Institute of Company Directors. David is a Corporate Governance Consultant advising business predominantly on matters of corporate governance and Board process. Among the external Board seats he holds are Director of VUCA Pty Ltd, Director of Gelganyem Trust, Chairman SMSF Remuneration and Nomination Committee, Chairman Free Throw Foundation, and Chairman LGA Procurement Board. David is also an Alumni of the Harvard Business School Governance program of 2013.

Special responsibilities include being Chairman of the WHS Committee.



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

Non-Executive Director (experience in finance)

Grantley joined the Board in July 2013 bringing a strong background in financial management. Having joined Edwards Marshall in 1987, he was appointed to partner in 2002. Grantley has a Bachelor of Arts (Accounting) and is a fellow of The Tax Institute and Chartered Accountants Australia and New Zealand. In addition to holding Board positions with AW Go Organics Pty Ltd, IEBM Pty Ltd and Nicomax Pty Ltd, Grantley is the company secretary of the Alexander & Symonds Group.

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

Meetings of Directors

The number of Board meetings held during the year was twelve. The Audit Committee met three times and the Remuneration Committee met twice during the same period.

Attendance Details

Board Meetings

Michael Fabbro	Eligible 12	Attended 12
Paul Preiss	Eligible 12	Attended 12
Chris Doyle	Eligible 12	Attended 11
David Spear	Eligible 12	Attended 12
Grantley Stevens	Eligible 12	Attended 12

Audit

Michael Fabbro	Eligible 3	Attended 3
Grantley Stevens	Eligible 3	Attended 3

Remuneration

Michael Fabbro	Eligible 2	Attended 2
Grantley Stevens	Eligible 2	Attended 2
Paul Preiss	Eligible 1	Attended 1

Company Secretary

Matthew Corby

BA, B.Bus (Mktng), Grad Dip Sports Mgmt

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

Auditor's Independence Declaration

The auditor has performed no other services during the year.

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

Signed in accordance with the resolution of the Board of Directors


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Michael Allan Fabbro,
Chairman

Dated this 29th day of October 2015



FINANCIALS

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

	Note	2015	2014
		\$'000's	\$'000's
Racing product income	2	14,453	12,668
Other revenues from ordinary activities	3	643	440
Food, beverage and gaming Revenue		4,635	4,071
Stakemoney and rebates	4	(6,743)	(6,197)
Food, beverage and gaming Expenditure		(4,642)	(4,010)
Racing and probity expenses		(5,266)	(3,944)
Administration expenses		(2,398)	(2,368)
Marketing expenses		(258)	(381)
Profit from ordinary activities	5	424	279
Other Comprehensive Income			
Revaluation of land and buildings		-	281
Other Comprehensive Income for the year		-	281
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		424	560

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



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015	2014
		\$'000's	\$000's
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,336	1,879
Receivables	7	1,421	1,259
Inventories	8	50	55
Other Current Assets	9	69	93
Total Current Assets		2,876	3,286
NON-CURRENT ASSETS			
Receivables	7	20	24
Property, Plant and Equipment	10	8,761	7,549
Total Non-Current Assets		8,781	7,573
TOTAL ASSETS		11,657	10,859
CURRENT LIABILITIES			
Payables	11	1,470	1,080
Provisions	12	678	729
Total Current Liabilities		2,148	1,809
NON-CURRENT LIABILITIES			
Provisions	12	71	36
Total Non-Current Liabilities		71	36
TOTAL LIABILITIES		2,219	1,845
NET ASSETS		9,438	9,014
EQUITY			
Reserves		4,927	4,927
Retained Profits		4,511	4,087
TOTAL EQUITY		9,438	9,014

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

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

	Retained Earnings	Asset Revaluation Reserve	Capital Acquisition Reserve	Total
	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 JULY 2013	3,808	658	3,988	8,454
Profit attributable to members	279	-	-	279
Total other comprehensive income for the year	-	281	-	281
Balance at 30 JUNE 2014	4,087	939	3,988	9,014
Profit attributable to members	424	-	-	424
Total other comprehensive income for the year	-	-	-	-
Balance at 30 JUNE 2015	4,511	939	3,988	9,438

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,915	16,527
Payments to suppliers and employees		(17,667)	(15,935)
Interest received		37	76
Net cash provided (used) by operating activities		1,285	668
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		30	16
Payments for property, plant and equipment		(1,858)	(503)
Proceeds from investments		-	284
Net cash provided (used) by investing activities		(1,828)	(203)
Net increase/(decrease) in cash held		(543)	465
CASH AT BEGINNING OF PERIOD		1,879	1,414
CASH AT END OF PERIOD	6	1,336	1,879

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

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

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

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

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

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

New and amended standards and interpretations

Several amendments to Australian Accounting Standards and AASB interpretations apply for the first time in 2014/2015. However, they do not impact the annual financial statements of the Company.

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

(a) Revenue recognition

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

(i) Sale of Goods

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

(ii) Rendering of Services

Revenue from TAB distribution for both on-course and off-course wagering is shown net of expenses. Revenue from the supply of race fields is recognised in the month of the race meeting to which it relates.

(iii) Interest revenue

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

(iv) Dividends

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

(b) Government grants

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

(c) Taxes

Income Tax

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

Goods and services tax (GST)

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

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

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

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

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

(d) Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are

required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. The fair value of land and buildings is determined by a combination of inputs from independent valuations and directors valuations. Independent external valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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

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

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

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

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

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

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

(e) Leases

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

(f) Cash & Cash Equivalents

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

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

(g) Receivables

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

(h) Inventories

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

(i) Available-For-Sale Financial Assets

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

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

(j) Impairment of non-financial assets

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change

in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(k) Employee Entitlements

Wages, salaries, annual leave and sick leave

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

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Members' Guarantee

GRSA is a company limited by guarantee. If GRSA is wound up, the Constitution states that each member is required to contribute a maximum of two (2) dollars towards meeting outstanding obligations. As at 30 June 2015, the number of members was six (6).

	2015	2014
	\$000's	\$000's
NOTE 2: RACING PRODUCT INCOME		
TAB Product Fee paid to greyhound racing code	7,905	8,112
less clawback amount payable to SA Government	(477)	(496)
less TAB Product Fee Expenses	(1,423)	(1,312)
Transfer from Provisions - Futurity Series	-	117
Race Field Fee Income	8,432	6,128
On-course tote commissions	16	119
	14,453	12,668

NOTE 3: OTHER REVENUES FROM ORDINARY ACTIVITIES		
Sponsorships	70	99
Other	573	341
	643	440

NOTE 4: STAKEMONEY AND REBATES		
Stakemoney	6,169	5,763
Travel Rebates	574	434
	6,743	6,197

NOTE 5: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
5(1) Depreciation of Non-Current Assets		
Property, plant & equipment	727	778
Total Depreciation	727	778

5(2) Profit/(Loss) on Disposal of Property Plant & Equipment		
Profit/(Loss) on Disposal of Property Plant & Equipment	2	(1)
Profit/(Loss) on Disposal	2	(1)

NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on Hand	70	62
Cash at Bank	151	535
Investments - Fixed term	50	49
Cash Bank Deposits at call	1,065	1,233
	1,336	1,879

	2015	2014
	\$000's	\$000's
NOTE 7: RECEIVABLES		
CURRENT		
Sundry Debtors	1,176	1,138
Loans to Clubs	11	11
Other	234	110
	1,421	1,259
NON-CURRENT		
Loans to Clubs	20	24
	20	24
Reconciliation of Doubtful Debts		
Opening Balance	-	(11)
Movement	-	11
Closing Balance	-	-
NOTE 8: INVENTORIES		
Beverages - Tavern & Restaurant - At Cost	29	37
Food - Tavern & Restaurant - At Cost	21	18
	50	55
NOTE 9: OTHER CURRENT ASSETS		
Prepayments	69	93
	69	93

	2015	2014
	\$000's	\$000's
NOTE 10: PROPERTY, PLANT & EQUIPMENT		
Land, Building and Improvements - Angle Park at Fair Value	5,591	5,591
Accumulated Depreciation	(165)	-
	5,426	5,591
Land, Building and Improvements - Gawler at Fair Value	1,739	67
Land, Building and Improvements - Gawler at Cost	-	151
Accumulated Depreciation	(112)	(120)
	1,627	98
Capital Works in Progress	-	165
Accumulated Depreciation	-	-
	-	165
Plant and Equipment	4,953	4,680
Accumulated Depreciation	(3,725)	(3,355)
	1,228	1,325
Furniture and Fittings	685	527
Accumulated Depreciation	(385)	(295)
	300	232
Motor Vehicles	279	236
Accumulated Depreciation	(99)	(98)
	180	138
Total property, plant and equipment	8,761	7,549

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

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial period.	Capital Work in Progress	Land Buildings & Improvements	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Carrying amount at start of year	165	5,689	1,325	232	138	7,549
Additions	1,726	-	351	4	97	2,178
Disposals	(110)	(37)	(77)	-	(15)	(239)
Transfers	(1,781)	1,600	28	153	-	-
Depreciation expense	-	(199)	(399)	(89)	(40)	(727)
Carrying amount at end of year	-	7,053	1,228	300	180	8,761



	2015	2014
	\$000's	\$000's
NOTE 11: PAYABLES		
CURRENT		
Trade Creditors	634	583
Other	836	497
	1,470	1,080
NOTE 12: PROVISIONS		
CURRENT		
Provision for Annual Leave	334	318
Provision for Long Service Leave	271	331
Futurity and Gawler Produce Race Series	73	80
	678	729
NON-CURRENT		
Provision for Long Service Leave	71	36
	71	36

NOTE 12(a): FUTURITY AND GAWLER PRODUCE SERIES

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

NOTE 13: EQUITY AND RESERVES**Retained Earnings**

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

Asset Revaluation Reserve

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

Capital Acquisition Reserve

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

NOTE 14: COMMITMENTS FOR EXPENDITURE	2015	2014
Capital Expenditure Commitments	\$000's	\$000's
Land, Buildings & Improvements		
Not later than one year	-	52
Later than one year, not later than five years	-	-
Later than five years	-	-
Total (including GST)	-	52

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

Operating lease commitments		
After one year but not more than five years	39	52
More than five years	47	-
	86	52

NOTE 15: RELATED PARTY INFORMATION

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

(a) Board Members' Remuneration		
Total Board Members' Remuneration	163	158
(b) Key Management Remuneration		
Total Key Management Remuneration	908	913

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

During the year, purchases of \$92,795 (2014: \$93,750) have been made by the company for veterinary services from Chris Doyle. No amounts were outstanding at the year end (2014: \$Nil).

Purchases of \$1,350 (2014: \$10,800) for taxation services were made by the company from Edwards Marshall, of which Grantley Stevens is a partner. No amounts were outstanding at the year end (2014: \$Nil).

NOTE 16: SUBSEQUENT EVENTS

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

DIRECTORS' DECLARATION

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

1. In the opinion of the directors:
 - a. The financial statements and notes of Greyhound Racing SA Ltd for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
 - ii. Giving a true and fair view of the financial position as at 30 June 2015 and performance for the year ended on that date
 - iii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*
 - b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board



Michael Allan Fabbro,

Chairman

Dated this 29th day of October, 2015



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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

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



William Buck
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 29th day of October, 2015.

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GREYHOUND RACING SA LTD**

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Adelaide SA 5000

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GREYHOUND RACING SA LTD (CONTINUED)**

Auditor's Opinion

In our opinion, the financial report of Greyhound Racing SA Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001.



William Buck
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 29th day of October, 2015.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Adelaide SA 5000

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Adelaide SA 5001

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GREYHOUND RACING SA MEMBERS OF COMPANY

Adelaide Greyhound Racing Club Inc.

Gawler Greyhound Racing Club Inc.

Greyhound Owners, Trainers and Breeders Association Coursing Club Inc.

Mount Gambier Greyhound Racing and Coursing Club Inc.

Port Augusta and District Greyhound Club Inc.

Southern Greyhound Raceway Inc.





Greyhound
RACING SA

OFFICE LOCATION

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Angle Park SA 5010

POSTAL ADDRESS

PO Box 2352
Regency Park SA 5942

CONTACT

Phone: (08) 8243 7100

Email: admin@grsa.com.au

Web: www.grsa.com.au





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RACING SA

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★ Since 1947 ★

ANNUAL REPORT

2013-2014

GRSA

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55 Cardigan Street
ANGLE PARK SA 5010

www.grsa.com.au

ANGLE PARK
AUSTRALIA



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Greyhound Racing SA Limited (GRSA) is the controlling body which conducts, regulates and promotes greyhound racing throughout South Australia. It has a primary charter to ensure the responsible and ethical management of the sport, the enforcement of local and national rules of racing and the effective conduct of racing operations.

2013-2014

Industry Snapshot

1,624 INDIVIDUALLY REGISTERED PARTICIPANTS
including 150 breeders, 361 registered
trainers and 1,263 registered owners
and handlers

335 TAB MEETINGS WITH COVERAGE
Sky 1 (199), Sky 2 (136) and
TAB Radio (335)

16 NON-TAB MEETINGS

9 COURSING EVENTS

6 GROUP RACES

5 COUNTRY CUPS

3,646 RACES CONDUCTED IN SA
(3,533 TAB and 113 Non-TAB)

Racing in South Australia

is second only to the
AFL in terms of event
attendance.

South Australian Racing Industry
statistics provided from the IER
Industry Report - June 2013





3,628

The SA Racing Industry sustains the employment of 3,628 South Australian workers



1 in 80

South Australian adults are employed by, or participate in, the SA Racing Industry

Chairman's *Report*



The financial year just completed has yet again proved an exciting period for GRSA and the broader greyhound racing industry.

On the track, the appearance of wonder dog, Ernie Bung Arrow, was a source of great interest and joy for

local supporters as he sizzled around the track winning the Adelaide Cup and gaining a coveted place in the Topgun invitational event. His story was one for the ages, purchased for just \$800 as a training partner for another pup acquired at the same time, and trained by a long time participant in Ken Gill, who had to rely on the starter to tell him how his dog was going due to difficulties with his eyesight.

The crowd reaction as he flashed past the post in the Adelaide Cup was one to be savoured for years to come.

Off the track it has been more a case of head down and tail up. The need to continue to drive the industry in a positive direction is the motivating factor behind the ongoing efforts of both the Board and the senior management team.

Managing the complex business of racing and wagering at the same time as seeking to reinvest in the ageing infrastructure that the industry has had to endure for some time is an all-encompassing task.

Thankfully some real progress was made on the Gawler patron facility redevelopment. As with all projects, particularly of this size, there were numerous challenges to be dealt with in progressing the project to commencement on site. Negotiating with Gawler Council on the redevelopment was a necessarily time consuming exercise.

Given that the facility is being constructed on Council land utilised by other community user groups, ensuring the support of all interested parties was critical to obtaining an excellent outcome for the industry in terms of tenure and rental.

As I write this report, the Gawler redevelopment is well underway and should afford participants and patrons alike a far more enjoyable race day experience once complete. We all look forward to the successful completion of the facility.

At the same time our focus on the need to deliver improved facilities for our southern-based participants continues. However, our obligation to cater for our greatest participant region in the north with a modern facility, and to ensure that project is delivered within budgetary parameters, has meant that the southern development has not progressed with the haste that some might like.

It is extraordinarily important for the Board to act with prudence whilst embarking on the biggest infrastructure reinvestment program this industry has seen for forty years. Monitoring the ever-changing wagering environment, and forecasting forward to ensure that the viability of the industry is not jeopardised by reinvestment, is an almost daily task.

I am pleased with the direction in which we are going from a wagering revenue perspective, however I am always cautious about our commitments given the disconnect from government the racing industry has in this state when compared to every other jurisdiction in Australia. It cannot be guaranteed that any financial stress or revenue shocks would be underwritten by our state government. Accordingly, prudence is required and likewise patience on the part of industry participants as we chart our future course.

Whilst we have experienced a slight retreat in market share through Tattsbet, this has been offset by increases in race field revenue beyond budgeted expectations. The contribution of the corporate bookmaker continues to grow in percentage terms and underscores the importance of their contribution to the costs of participating in this industry.



Creating the best environment possible for you each to pursue your passion is at the centre of all of our decision-making.

The management team and my fellow Board members continue to operate in a professional and cohesive manner. I am extremely grateful for their efforts and the industry owes them a debt of gratitude for the time and effort they each put into their roles.

Our CEO, Matt Corby, continued his efforts in stewarding the industry in a positive direction. I am thankful for his co-operative assistance over the last financial year as I am for the efforts of all of the senior managers and staff at GRSA. As with most jobs, efforts can sometimes go unnoticed, but participants can be assured their endeavours are always directed at the best interests of the industry.

A special note of thanks also goes to Angela Webb and her team of workers and volunteers who make our Greyhound Adoption Program (GAP) the star performer that it is. The service they provide to industry through their efforts is invaluable. With animal welfare as one of our

highest priorities, the GAP program is absolutely integral to the attainment of the high expectations we maintain for ourselves in this area.

Finally, I extend my thanks to all of you who participate in this wonderful sport. It is the commitment that each of you has to the sport, and the greyhound breed itself, that drives and motivates us all. Creating the best environment possible for you each to pursue your passion is at the centre of all of our decision-making. I encourage all of you to share your passion with others so that this sport can continue to grow into the future and so that the joy of cheering the likes of Ernie Bung Arrow home is shared by generations to come.

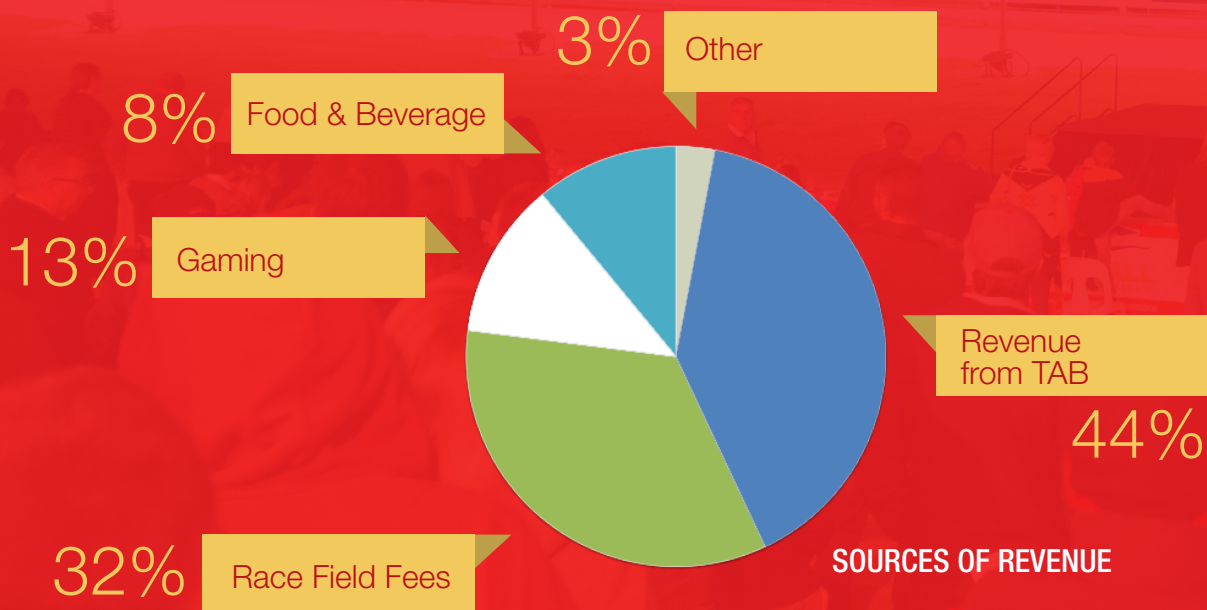
Michael Fabbro
Chairman

Year *in brief*

Financial Snapshot

- Tattsbet market share of 15.706% as at 30 June 2014
- Gross interstate wagering on SA greyhounds exceeded \$400m for the first time

	2012-13 ('000)	2013-14 ('000)	Change ('000)	Change (%)
Net TAB Revenue	\$6,404	\$6,423	\$19	0%
Race Field Fee Revenue	\$5,493	\$6,128	\$635	12%
Stakemoney and Rebates	\$5,846	\$6,197	\$351	6%
Local TAB Turnover	\$14,367	\$13,659	(\$708)	(5%)
National TAB Turnover	\$112,666	\$106,996	(\$5,670)	(5%)



Corporate Highlights

- Participant returns (stakemoney, bonuses and rebates) increased from \$5.846m to \$6.197m
- Reduction in Tattsbet market share from 16.30% to 15.71% was offset by an overall increase in market share for all wagering suppliers up from 19.7% to 20.2%
- Increase in racing product income to \$12.668m (up 6.3%)
- Negotiation of 21 year lease period with Gawler Council incorporating rental relief equivalent to \$528k

Gaming

- Growth in gaming turnover of 26% underpinned by a more aggressive gaming product strategy
- Contribution from gaming for the year of \$1.5m (up 21%)

Infrastructure

- Commencement of the \$2.5m Gawler redevelopment project
- Installation of the kennelhouse facility at Adelaide Women's Prison as part of the Prison Pet Partnership program
- Commenced the construction of a catching pen with run-off chute at Angle Park
- Installation of an automated track irrigation system at Angle Park
- Progressive upgrade of Chasers restaurant and facilities



Racing

- Group 1 Adelaide Cup and Group 3 Derby won by Ernie Bung Arrow for trainer Ken Gill
- SA Bred victory to Tonk in the Group 1 Golden Easter Egg
- SA Bred quinella in the Group 1 Sapphire Crown - Oakvale Destiny and Oakvale Flyer
- Ernie Bung Arrow named 2013 Greyhound of the Year
- Progressive development of OzChase racing system functionality
- Growth in SA Bred litter registrations of 15.4%
- Group race superbonuses of \$33,000 distributed to high performing SA Bred runners
- Increased scheduling of 731m racing on Thursday night meetings (up 26% over three years)

Marketing

- Introduction of Macro Meats as the naming rights sponsor of the Adelaide Cup
- Partnership with Bucket O' Beef as the major sponsor of the Greyhound Adoption Program
- Implementation of full year partnership with 5AA and Nova

Integrity

- 843 swabs taken with 0.12% testing positive for prohibited substances
- 241 kennel inspections which equates to 60.25% of registered premises
- Animal Welfare Officer role appointed on a full-time basis
- Manual tracking across the life-cycle of all greyhounds was implemented as the first step in a transition towards automated tracking through OzChase
- 28,435 runners with an injury rate of 2.36%





ERNIE BUNG ARROW

The Angle Park crowd erupted when Ernie Bung Arrow conquered the strongest challengers Victoria could muster in the 2013 Adelaide Cup

Greyhound Adoption Program (GAP)

- Maintained the high rate of greyhound adoptions that had been achieved in 2012-13
- Received funding of \$185k in support of program resources (up from \$104k)
- Awarded 'Best Exhibit' in the dog pavilion at the Royal Adelaide Show for a fourth consecutive year

Adopting a greyhound is the best thing we have ever done. Tommy is the best and most loving dog we have ever had. I wish we had more room to house more greys.

Post from GAP Facebook page



Corporate *Governance*

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

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

A description of the company's main corporate governance practices is set out below.

Board Composition

In accordance with the GRSA Constitution, the Board comprises four independent directors and one industry director. Details of members of the Board, their experience, expertise, qualifications, commencement date and independent status are set out in the Directors' Report.

Board Responsibilities

The responsibilities of the Board include:

- Providing strategic guidance to the company including the development and approval of company strategy
- Reviewing and approving business plans, the annual budget and financial plans including provision for an appropriate allocation of resources and capital
- Overseeing and monitoring:
 - organisational performance and the achievement of strategic goals and objectives
 - compliance with the Code of Conduct
 - progress of major capital expenditure and other significant projects
 - financial performance and liaison with the company's auditors
 - appointment and performance assessment of the Chief Executive Officer
 - the effectiveness of management processes and planning of major company initiatives



- a culture of corporate leadership
- the enhancement and protection of the reputation of the company
- the operation of the company's compliance and risk management framework
- effective communication to members of company, staff and key stakeholders.

Conflicts of Interest

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

Board Charter

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

Members of Company Communication

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



CEO's *Report*



A number of key projects were progressed during 2013-14, including the commencement of works on the new grandstand facility at the Gawler Showgrounds site. The following is a summary of GRSA's achievements for the year listed against the core objectives of the current strategic plan.

Sustainable Tracks and Facilities

Gawler

After intensive negotiation, agreement was reached with the Gawler Council for a 21 year lease at the Gawler Showgrounds site on terms which equate to rental relief of \$528,000. Work on the construction of the new grandstand and the demolition of aged infrastructure commenced in June 2014. The final project will incorporate the following elements:

- Elevated 150 seat patron grandstand with tote facilities, office, kitchen facilities and committee room
- Ground level maintenance storage area with capacity for future development
- Extension of the kennelhouse to incorporate a new stewards' room, additional kennel bay and storage areas
- New judges/stewards tower
- Large outdoor patron viewing area
- Landscaping, car-parking improvements and general site beautification

Southern Region

The analysis of sites in the southern region as potential locations for a future one-turn track has reduced the alternatives to one preferred site in each of the Strathalbyn and Murray Bridge regions. An ongoing process of due diligence is being undertaken in relation to those sites to ensure that the long-term interests of the local greyhound industry are maximised.

Subject to its financial capacity to do so, the Board has a strong appetite for ownership in relation to the southern track in the interests of having certainty and to mitigate the risks associated with tenancy. This project constitutes the most significant investment decision that the industry will have made since its purchase of the land at Angle Park two decades ago.

Angle Park

The progressive upgrade of Chasers continued during 2013-14 with the replacement of all TV monitors and removal of supporting bulkheads. A more open venue with flat-screen monitors throughout not only enhances the experience for all raceday patrons, but also the opportunity that exists to utilise the venue for other commercial activity.

Financial Sustainability

Wagering

Tattsbet

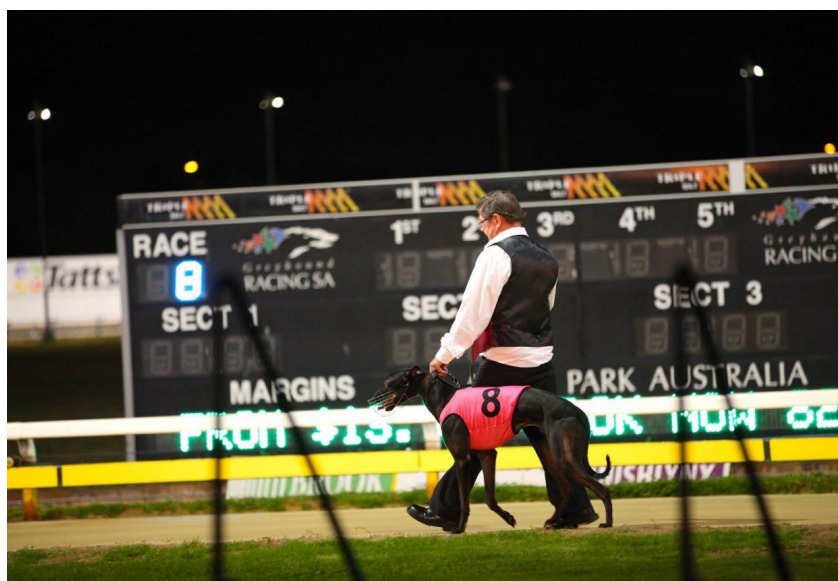
Under the stewardship of CEO Robbie Cooke, Tattsbet continues to exhibit a growing appetite for strategic investment in its wagering business and a clearer marketing focus aimed at restoring the company's former position of leadership within the national wagering market.

In June of this year Tattsbet and the Queensland state government agreed to terms for a renewal of exclusive retail rights in that state for a further period of 30 years, incorporating a \$97.4 million direct return to the Queensland racing industry. The retail exclusivity component of the agreement for the sale of the SA TAB to Tattsbet in 2001 is scheduled to expire in 2016. The imminent negotiation of ongoing retail exclusivity in this state represents a critical moment in the relationship with Tattsbet and an opportunity for both entities to embark upon a new era of success forged upon mutual opportunity.

Wagering Revenue

A marginal reduction in Tattsbet market share was more than offset by growth in revenue from the charging of race field fees. This is the contribution that totalisators (excluding Tattsbet) and corporate bookmakers are required to pay for the right to access our field information which allows them to offer wagering on SA product. Reflecting the rapidly changing face of the Australian wagering market, it is anticipated that revenue from race field fees will exceed returns from our wagering partner, Tattsbet, by mid-2016.

Revenue from race field fees now amounts to more than 48% of overall net wagering income. Management increasingly reports wagering outcomes from a 'whole-of-industry' context whereas in previous years the focus on loss or gain of Tattsbet market share has persisted as the default consideration for assessing GRSA wagering performance.



Fixed Odds

Tattsbet's introduction of fixed odds on all Angle Park meetings from December 2013 has generated a number of strategic benefits for the company not least of which being that it aligns Tattsbet's offer on greyhound racing with that of its competitors. Today's wagering client has an expectation that fixed odds betting constitutes a fundamental element of the offer on racing product from totalisator operators such as Tattsbet. It is also clear that the next generation of wagering clients, partly influenced by the growth of sportsbetting, will continue to drive the growing demand for a fixed odds offer.

Across the first full quarter following its introduction, fixed odds betting equated to 8.4% of national greyhound turnover with Tattsbet by SA clients. In the quarter immediately following, the fixed odds component of national wagering had already increased to 15.4%.

In noting that GRSA operates under a financial model that is driven by market share outcomes, the introduction of fixed odds enhances our competitiveness and promotes the retention of greyhound wagering clients with Tattsbet. It is anticipated that Tattsbet will expand its fixed odds offer to all South Australian greyhound meetings during the coming year.

Bookmakers

In contrast to the broader trend, on-course bookmaking activity for the greyhound code has actually increased in the past 12 months. All Angle Park meetings now have at least one licensed bookmaker in attendance providing coverage on multiple meetings. GRSA has worked proactively with the operations of Peter Damarell and Curly Seal in an effort to retain a bookmaker presence as part of the raceday experience at Angle Park, and we continue to value the contribution that those businesses provide by their presence.

Gaming

Over the past 12 months GRSA has reaped the ongoing benefit of the strategic initiatives that were implemented from April 2013 incorporating physical changes to the appearance and layout of McQueens Tavern combined with a more aggressive gaming product strategy. On the back of those initiatives, and noting the completion of nearby construction work on the Urban Superway from March of this year, the venue's performance has gone from strength to strength. Net gaming revenue for 2013-14 was up 25.5% on the previous year and the level of general activity in the venue is conspicuously higher than has been the case in previous years.

Commercial Partnerships

In noting the significant proportion of industry revenue that is derived from wagering, it is important for GRSA to seek

opportunities to diversify income streams and look to mitigate our reliance on wagering performance.

We welcome the commencement of new commercial partnerships with Macro Meats and Bucket O' Beef and acknowledge the contribution that these organisations are making towards local participation by virtue of their involvement with our industry. In addition to other elements of their respective agreements, Macro Meats will become the naming rights sponsor of the Adelaide Cup while Bucket O' Beef will be acknowledged as the principal partner of GAP.

Our successful partnership with Roller Derby SA has continued to grow. The first public bouts were held during the year, adding to the organisation's existing use of the venue as a training facility.

Maximising Industry Returns

Industry returns increased by 5.8% to \$6.197m with the most notable increases coming from changes to the trainer rebate and the elevation of base stakemoney levels for Thursday night meetings.

The historic efforts of SA Bred greyhounds Ernie Bung Arrow, Tonk and Oakvale Destiny yielded connections of those greyhounds an additional \$33,000 in Group race superbonuses.

Support of Participation

Finish-On Lure Review

A comprehensive review of the methodology for pulling up greyhounds at the end of each race commenced from late 2013. Notwithstanding the extent to which this issue has tended to polarise industry opinion, the review process demonstrated the Board and management's commitment to engage in a thorough process of consultation on important issues affecting participation. Further to that process, construction commenced on the new catching pen in April with a transition for racing purposes planned for late 2014.

OzChase

At the end of 2013-14, Queensland was on the cusp of becoming the final state to come onto the OzChase racing system almost two years after South Australia had been one of the first jurisdictions to make that transition. As additional states have progressively come onto the OzChase platform, the functionality has continued to evolve in support of participant needs.



Animal Welfare

Greyhound Adoption Program

Work commenced on the construction of facilities inside the Adelaide Women's Prison that will support a strategic partnership with that entity. The initiative, which has proven such a success in other jurisdictions, utilises prison labour to provide foster care for teams of retired greyhounds in readiness for adoption. At any one time, there will be up to eight greyhounds inside the facility being educated to make the transition to becoming a loyal family pet. It is anticipated that GAP's annual capacity to adopt out greyhounds will increase by 25% as a result of this program.

The adoption program in SA continues to place more greyhounds into homes than any other jurisdiction with the exception of Victoria.

Animal Welfare Officer

The role of Animal Welfare Officer was elevated to a full-time position in acknowledgment of the priority that animal welfare assumes under GRSA's Strategic Plan. That appointment will also support our ability to play a greater role in relation to national initiatives to standardise various aspects around breeding, licensing, education and data collection.

Public Awareness and Perception

It is important that we remain conscious of the need to generate awareness within the broader mainstream community. Partnerships with organisations such as the South Australian Amateur Football League and Cystic Fibrosis SA create vital links with non-racing entities and allow GRSA to contribute in areas where it can add meaningful value.

In addition to those relationships, an increasingly proactive focus on the generation of media coverage has produced a number of positive outcomes through print, radio and TV.

Integrity Processes

The company's investment in integrity processes has never been greater with licensed premise inspections increasing from 46.5% to 60.25% during 2013-14 and the rate at which swabs are taken also increasing from 2.83% to 2.96%. The integrity of our racing product is fundamental to its appeal as a wagering proposition, on which basis GRSA needs to continue to ensure that it makes appropriate provision for integrity-related activity.

Agreements have been put in place with major betting providers to allow monitoring of irregular wagering activity and individual client activity in relation to which specific queries have been flagged.

Work Health & Safety

The modern workplace environment places stringent requirements upon organisations such as ours to ensure that they have a compliant and accountable WH&S platform in place.

The Board and senior management are required to lead the implementation of this plan and to ensure a culture of safety is embodied across the organisation. We are committed to leading and driving a positive culture whereby all staff and volunteers take responsibility for the safety and wellbeing of all persons entering our greyhound racing venues across South Australia.

Further to Work Health & Safety (WH&S) risks which had initially been identified in 2013, the broader elements of the WH&S framework have been completed during the year and will support a progressive rollout of projects during the coming 12 months.

Industry Governance

Risk

The Board places priority importance on the company's management of risk and safety. Any formal submissions from management must incorporate an analysis of associated risks. A formal matrix which summarises the industry's risk environment is updated and reviewed twice annually.

Consultation

The return to a more diligent and structured process of consultation with industry has nurtured a more informed and empathetic environment for decision-making at both the Board and management level. The collective industry has never had a stronger voice in relation to strategic decisions relating to racing policy and viable participation.

Clubs

The committed band of volunteers who support the conduct of racing in SA through their various Club committees make a contribution that would be difficult to overstate. Their tireless work ensures that participants can compete in a safe and welcoming environment amongst others who share similar challenges, passion and goals. Voluntary support lies at the heart of the social fabric of racing and is a defining aspect of the local industry in South Australia. As a result of such activity, the following Club-related outcomes were achieved in 2013-14:

Adelaide

- Sponsored the John Gray Memorial race
- Supported the broader industry by sponsoring a Gawler raceday
- Collaborated with GRSA in the planning for the 2014 Adelaide Puppy Auction
- Worked with GRSA regarding options to upgrade equipment in the Angle Park Vet Clinic
- Significantly grew its membership base with 28 new members

Gawler

- Attended critical Council Meetings in support of lease negotiations relating to the Gawler development
- Consulted with other site stakeholders to explore opportunities for non-racing use of the new patron facility (from 2015)
- Provided volunteer resources to run the bar and canteen for the Annual Gawler Show which proved to be one of the Club's most successful fund-raising events in recent years

Voluntary support lies at the heart of the social fabric of racing and is a defining aspect of the local industry in South Australia.

- Progressed discussion with GRSA in relation to the future management structure of the Club
- Successfully conducted the 2013 Gawler Gold Cup final and attracted strong support for the 2014 Produce Series

Mount Gambier

- Undertook multiple infrastructure projects including the construction of a slipping track, the installation of a 600m start and location of new fencing along the home straight
- Significantly elevated bar and canteen takings on the back of tireless volunteer effort
- Introduced two new age-restricted races in recognition of the growth of local breeding activity
- Supported the transition to weekly racing with the support of the Committee and volunteers

Strathalbyn

- Installed a section of safety rail around the third turn in support of safer racing at the venue
- Installed stairs and side rails in the lure driver tower
- Introduced air-conditioning units into vital operational areas including the vet room, stewards' room, TAB area and canteen
- Secured Daish Irrigation and Fodder for a third consecutive year as the naming rights sponsor of the Strathalbyn Cup

Port Augusta

- Installed roller shutters for additional security at the venue
- Raised substantial funds from a second year of providing catering operations for Spencer Gulf Football League matches at Chinnery Park
- Replaced existing internal monitors with new large flat-screen televisions
- Renovated the kennelhouse and installed covers over the starting boxes in support of participant comfort
- Conducted a successful Port Augusta Cup series with the main race taken out by 'Full Beer Fridge' for long-time Club supporter Roger Harris

GOTBA

- Provided an alternative racing opportunity which produced 148 individual winning greyhounds under the care of 49 separate trainers
- Maintained the grass straight-track in impeccable condition throughout the season
- Continued to work with GRSA to identify the future strategy for Coursing within the SA industry



GAWLER REDEVELOPMENT
Commencement of the \$2.5m
Gawler redevelopment project

Events

Feature Race Winners

South Australia conducted a total of six Group races at Angle Park and Gawler during the year. A summary of the Group and major races follows:

Group One:

Triple M Adelaide Cup Ernie Bung Arrow (Ken Gill)

Group Three:

Coffex Coffee Oaks	Kokoda Spirit (Mark Morrissey)
Schweppes Derby	Ernie Bung Arrow (Ken Gill)
Gawler Gold Cup	Bogie Magic (Ben Rawlings)
Brian Johnstone	Ernie Bung Arrow (Ken Gill)
Howard Ashton	Boojerooma (Bozidar Stamenkovic)

Other major races during the year included:

Gawler Produce Stake	Flying Tee (Ossie Chegia)
SA Sprint Championship	Ernie Bung Arrow (Ken Gill)
West End Distance Championship	Token McLaren (Don Foster)
West End Anniversary Cup	Set The Scene (Laurie Cahalan)
Champion Puppy	Ernie Bung Arrow (Ken Gill)
SA St Leger	Sidney's Shadow (Cameron Butcher)
State Final National Sprint	Hope's Up (Cameron Butcher)
State Final National Distance	Kalden Mayhem (Troy Murray)
Adelaide Cup Consolation	Benchmark (Petar Jovanovic)
Premier's Cup	Mimicking (Robert Britton)

Country Cups:

Strathalbyn Cup	Victa Victoria (Ron Schadow)
Mount Gambier Cup	Veetee Express (Paul Anderton)
Port Augusta City Council Cup	Full Beer Fridge (Roger Harris)
*SA Country Cup	Moorak Hope (Tracie Price – MTG)
Waterloo Cup	Cool Frank (Ray Fewings)

* The SA Country Cup was re-introduced to the annual racing schedule at the request of the Member Clubs. It was last run in 2010.

Track Records

Angle Park

388m:	Casmac (Bozidar Stamenkovic)	21.86	26/03/2014
600m:	Rulebook (Troy Murray)	34.35	10/04/2014

Gawler

400m:	Avid Tyson (Tony Lagana)	22.27	01/04/2014
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Mount Gambier

400m:	Slipper's Might (Richard Clayfield)	22.93	28/03/2014
512m:	Thanks Tubby (David Peckham)	29.60	01/06/2014

2013 AWARD WINNERS

The 2013 Greyhound of the Year dinner was held in February. The award winners presented on the night were:

SA Greyhound of the Year:	Ernie Bung Arrow
SA Bred Greyhound of the Year:	Ernie Bung Arrow
SA Distance Greyhound of the Year:	Token McLaren
SA Sprinting Greyhound of the Year:	Ernie Bung Arrow
SA Run of the Year:	Ernie Bung Arrow
Gawler Trackstar:	Avid Tyson

SA Stud Dog of the Year:	Emerley Carlos
SA Broodbitch of the Year:	Teelah
SA Breeder of the Year:	Karen Bearpark

SA TAB Trainer of the Year:	Karen Bearpark
SA Country Trainer of the Year:	Don Turner
SA TAB Owner/Trainer of the Year:	Ron Schadow
City Strike Rate Winner:	Ben Rawlings
SA Syndicate of the Year:	Prominent Dogs Syndicate, (Manager – Stephen Viney)

Young Achiever Award:	Ben Rawlings
Volunteer of the Year:	Natasha Isaacson

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

Coursing Greyhound of the Year:	Dolmar
SA Coursing Trainer of the Year:	Todd Kelly



Directors' *Report*

Your directors present their report on the company for the financial year ended 30 June 2014.

Directors

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

- Michael Allan Fabbro (Independent Director)
- Paul James Preiss (Independent Director)
- Chris Leo Doyle (Industry elected Director)
- David Anthony Spear (Independent Director)
- Grantley William Stevens (Independent Director, appointed July 2013)

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

Principal Activities

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

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

Operating Result

The consolidated profit of the company for the financial year amounted to \$279,408.

Review of Operations

Wagering on the SA greyhound code across all providers increased to over \$400m for the first time this year. Despite a slight migration of wagering activity away from Tattsbet the overall market share across all suppliers increased to over 20% which was a positive outcome for the business.

The end of year Tattsbet market share figure for the greyhound code was 15.706%, a decrease of 0.59% on the previous year's result of 16.298%. Across the other codes, thoroughbred market share increased by 0.04 percentage points to 71.722% and harness grew by 0.55 percentage points to 12.572%. Industry commissions from SA-based Tattsbet wagering amounted to \$6.423m for the greyhound code, in line with prior year revenue.

Race field revenue, derived from interstate betting on SA greyhound racing, constitutes the other primary source of income. Income from this item increased by \$0.64m to \$6.13m, equating to year-on-year growth of 11.6%. This significant increase was solely due to increased wagering activity in this area. During the same period race field fees payable to other states, based on local wagering activity on interstate racing, decreased by \$0.15m to \$1.31m or the equivalent of 10%.

The venue changes and amendments to the gaming strategy at McQueens Tavern that took place in the prior year have taken effect in the current year with net gaming revenue increasing by 25.5%. This result was achieved whilst the venue was still adversely affected by the interruptions associated with the construction of the South Road Superway.

Financial Position

The net assets of the company have increased to \$9,013,893 in 2014.



Dividends

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

After Balance Date Events

No significant events have occurred after 30 June 2014.

Future Developments

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

Indemnities and Insurance Premiums for Officers

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

Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. To achieve this

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

Environmental and Animal Welfare Issues

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

The welfare of our racing greyhounds remains a fundamental consideration in the development of all company strategies and policy.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Information on Directors



Michael Allan Fabbro

LLB(Hons), BCom (Acct), GDLP, FTIA, IPAA

Non-Executive Director (experience as a legal practitioner) and Chairman

Michael joined the Board of GRSA in November 2009 as a Non-Executive Director. He is a practising solicitor and principal of his own firm, Ezra Legal and also holds a Bachelor of Commerce majoring in Accounting. Michael is a Fellow of the Tax Institute of Australia, a member of the Leaders Institute of South Australia and ARITA and also sits on the Boards of the Aged Rights Advocacy Service and Greyhounds Australasia. Michael has also previously had direct experience of the hospitality industry and is a member of the Advisory Board of Australian Wholefoods.

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

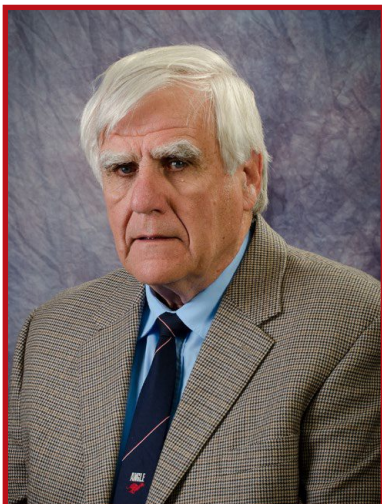


Paul James Preiss

B.Bus (Marketing), MAICD, FAIM, CPMgr, FAMI, CPM

Non-Executive Director (experience in marketing)

Paul joined the Board in November 2011 as a Non-Executive Director. He has a strong background in commercial and marketing strategy as well as human resource management. Having begun his marketing career in manufacturing and international trade, Paul went on to take up senior marketing roles with National Pharmacies, the Royal Automobile Association of SA and the University of Adelaide. He is a partner of the Adelaide-based strategic management and marketing consultancy Makrid Preiss & Associates. His role involves mentoring Chief Executive Officers, business owners and senior executives on business and marketing strategies, cultural programs and senior executive recruitment strategies. Paul is currently on the Media Advisory Board of the University of Adelaide.



Dr Chris Leo Doyle

BVSc

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

Having come onto the Board in November 2011 as the South Australian greyhound racing industry's representative, Chris brings with him a wealth of experience including more than 40 years of professional involvement with the industry's trainers and owners. He is currently the greyhound veterinarian at Angle Park and also serves as President and Chairman of the Australian Greyhound Veterinary Association.



David Anthony Spear

FAICD

Non-Executive Director (experience in business)

David was appointed to the Board in March 2013. David is a corporate governance specialist and consultant and currently holds the position of Managing Director of Gladstone Consultants Pty Ltd after spending the last eight years as head of the Australian Institute of Company Directors in South Australia. He is an alumni member of Harvard Business School after completing its Corporate Governance program in Boston in November 2013. His previous experience includes commercial positions held at Ausdoc Information Management Services, Regional Express Airlines, Australia Post and Ansett Airlines. Among the external Board seats he holds are positions as Chairman of Uniting Care Wesley Bowden, Chairman of the Free Throw Foundation, Non-Executive Director of the Local Government Authority Procurement Board and Non-Executive Director of the Australian Children's Performing Arts Company (Windmill Theatre).



Grantley William Stevens

B.Bus (Accounting), FCA

Non-Executive Director (experience in finance)

Grantley joined the Board in July 2013 bringing strong financial management skills. Grantley was admitted to the Partnership of Edwards Marshall in 2002, having joined that firm in 1987. He provides detailed strategic planning advice and supports many medium to large sized businesses with the provision of taxation, accounting and business services. Grantley has over 25 years' experience in capital gains tax, goods and services tax and fringe benefits tax.

In addition to holding Board positions with AW Go Organics Pty Ltd and Inclusive Directions Inc, Grantley is the company secretary of the Alexander Symonds Group. He is also a member of the Port Adelaide Football Club Finance and Audit Committee and the Adelaide Chinese Business Council Property Group.

The welfare of our racing greyhounds remains a fundamental consideration in the development of all company strategies and policy.

Meetings of Directors

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

Attendance Details

Board Meetings

Michael Fabbro	Eligible 11	Attended 11
Paul Preiss	Eligible 11	Attended 11
Chris Doyle	Eligible 11	Attended 11
David Spear	Eligible 11	Attended 10
Grantley Stevens	Eligible 11	Attended 11

Audit

Michael Fabbro	Eligible 3	Attended 3
Grantley Stevens	Eligible 3	Attended 3

Remuneration

Michael Fabbro	Eligible 1	Attended 1
Grantley Stevens	Eligible 0	Attended 0

Company Secretary

Matthew Corby

BA, B.Bus (Mktng), Grad Dip Sports Mgmt

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

Industry returns increased by 5.8% to \$6.197m with the most notable increases coming from changes to the trainer rebate and the elevation of base stakemoney levels for Thursday night meetings.



Auditor's Independence Declaration

The auditor has performed no other services during the year.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 39.

Signed in accordance with the resolution of the Board of Directors

Michael Allan Fabbro, Chairman
Dated this 30th day of October, 2014

Financials

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$'000's	\$'000's
Racing Product income	2	12,668	11,919
Other revenues from ordinary activities	3	440	538
Food, Beverage and Gaming Revenue		4,071	3,658
Stakemoney and Rebates	4	(6,197)	(5,846)
Food, Beverage and Gaming Expenditure		(4,010)	(3,578)
Racing and Probity expenses		(3,944)	(4,160)
Administration expenses		(2,368)	(1,925)
Marketing expenses		(381)	(360)
Finance and Borrowing expenses	5(1)	-	(15)
Profit from ordinary activities for the year	5	279	231
Other Comprehensive Income			
Net Gain/(loss) on revaluation of financial assets		-	39
Revaluation of land and buildings		281	-
Other Comprehensive Income for the year		281	39
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		560	270

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014	2013
		\$'000's	\$'000's
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,879	1,414
Receivables	7	1,259	1,163
Inventories	8	55	48
Investments	9	-	261
Other Current Assets	10	93	51
Total Current Assets		3,286	2,937
NON-CURRENT ASSETS			
Receivables	7	24	45
Property, Plant and Equipment	11	7,549	7,558
Total Non-Current Assets		7,573	7,603
TOTAL ASSETS		10,859	10,540
CURRENT LIABILITIES			
Payables	12	1,080	1,396
Provisions	13	729	639
Other Current Liabilities	14	-	10
Total Current Liabilities		1,809	2,045
NON-CURRENT LIABILITIES			
Provisions	13	36	41
Total Non-Current Liabilities		36	41
TOTAL LIABILITIES		1,845	2,086
NET ASSETS		9,014	8,454
EQUITY			
Reserves		4,927	4,646
Retained Profits		4,087	3,808
TOTAL EQUITY		9,014	8,454

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings	Asset Revaluation Reserve	Capital Acquisition Reserve	Total
	\$'000's	\$'000's	\$'000's	\$'000's
Balance at 1 JULY 2012	3,538	658	3,988	8,184
Profit attributable to members	231	-	-	231
Total other comprehensive income for the year	39	-	-	39
Balance at 30 JUNE 2013	3,808	658	3,988	8,454
Profit attributable to members	279	-	-	279
Total other comprehensive income for the year	-	281	-	281
Balance at 30 JUNE 2014	4,087	939	3,988	9,014

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,527	15,973
Payments to suppliers and employees		(15,935)	(14,789)
Interest received		76	69
Finance costs		-	(15)
Net cash provided (used) by operating activities		668	1,238
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		16	-
Payments for property, plant and equipment		(503)	(1,298)
Proceeds from investments		284	-
Net cash provided (used) by investing activities		(203)	(1,298)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(140)
Net cash provided (used) by financing activities		-	(140)
Net increase/(decrease) in cash held		465	(200)
CASH AT BEGINNING OF PERIOD		1,414	1,614
CASH AT END OF PERIOD	6	1,879	1,414

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

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

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

The Company has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB2010-2 *Amendments to Australian Accounting Standards* arising from Reduced Disclosure Requirements for the financial year beginning 1 July 2013.

The financial statements are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The adoption of AASB1053 and AASB2010-2 allowed GRSA to remove a number of disclosures. There were no other impacts on the current year or prior year financial statements.

New and amended standards and interpretations

Several amendments to Australian Accounting Standards and AASB interpretations apply for the first time in 2013/2014. However, they do not impact the annual financial statements of the Company.

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

(a) Revenue recognition

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

(i) Sale of Goods

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

(ii) Rendering of Services

Revenue from TAB distribution for both on-course and off-course wagering is shown net of expenses. Revenue from the supply of race fields is recognised in the month to which the wagering activity related.

(iii) Interest revenue

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

(iv) Dividends

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

(b) Government grants

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

(c) Taxes

Income Tax

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

Goods and services tax (GST)

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

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

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

Cash flows are included in the statement of cash flows on a

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

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

(d) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

(e) Leases

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

(f) Cash & Cash Equivalents

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

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

(g) Receivables

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

(h) Inventories

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

(i) Available-For-Sale Financial Assets

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

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

(j) Impairment of non-financial assets

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

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

(k) Employee Entitlements

Wages, salaries, annual leave and sick leave

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

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Members' Guarantee

GRSA is a company limited by guarantee. If GRSA is wound up, the Constitution states that each member is required to contribute a maximum of two (2) dollars towards meeting outstanding obligations. As at 30 June 2014, the number of members was six (6).



Cash reserves increased by \$465k which will support planned capital projects in the coming year.

	2014	2013
	\$000's	\$000's
NOTE 2: RACING PRODUCT INCOME		
TAB Product Fee paid to greyhound racing code	8,112	8,273
less clawback amount payable to SA Government	(496)	(497)
less TAB Product Fee Expenses	(1,312)	(1,458)
Transfer from Provisions - Futurity Series	117	22
Race Field Fee Income	6,128	5,493
On-course tote commissions	119	86
	12,668	11,919
NOTE 3: OTHER REVENUES FROM ORDINARY ACTIVITIES		
Sponsorships	99	120
Other	341	418
	440	538
NOTE 4: STAKEMONEY AND REBATES		
Stakemoney	5,763	5,636
Travel Rebates	434	210
	6,197	5,846
NOTE 5: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
5(1) Finance & Borrowing Costs		
Borrowing facility usage fee paid	-	12
Interest paid on borrowings	-	3
Total Borrowing Costs	-	15
5(2) Depreciation of Non-Current Assets		
Property, plant & equipment	778	631
Total Depreciation	778	631
5(3) Loss on Disposal of Property Plant & Equipment		
Loss on Disposal of Property Plant & Equipment	1	122
Loss on Disposal	1	122
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on Hand	62	59
Cash at Bank	535	325
Investments - Fixed term	49	13
Cash Bank Deposits at call	1,233	1,017
	1,879	1,414

	2014	2013
	\$000's	\$000's
NOTE 7: RECEIVABLES CURRENT		
Sundry Debtors	1,138	1,043
Loans to Clubs	11	14
Provision for Doubtful Debt	-	(11)
Other	110	117
	1,259	1,163
NON-CURRENT		
Loans to Clubs	24	45
	24	45
Reconciliation of Doubtful Debts		
Opening Balance	(11)	(11)
Movement	11	-
Closing Balance	-	(11)
NOTE 8: INVENTORIES		
Beverages - Tavern & Restaurant - At Cost	37	15
Food - Tavern & Restaurant - At Cost	18	33
	55	48
NOTE 9: INVESTMENTS		
Available for Sale Financial Assets	-	261
	-	261
NOTE 10: OTHER CURRENT ASSETS		
Prepayments	93	51
	93	51

	2014	2013
	\$000's	\$000's
NOTE 11: PROPERTY, PLANT & EQUIPMENT		
Land, Building and Improvements - Angle Park at Fair Value	5,591	5,768
Land, Building and Improvements - Angle Park at Cost	-	316
Accumulated Depreciation	-	(736)
	5,591	5,348
Land, Building and Improvements - Gawler at Fair Value	67	67
Land, Building and Improvements - Gawler at Cost	151	143
Accumulated Depreciation	(120)	(146)
	98	64
Capital Works in Progress	165	133
Accumulated Depreciation	-	-
	165	133
Plant and Equipment	4,680	4,672
Accumulated Depreciation	(3,355)	(2,911)
	1,325	1,761
Furniture and Fittings	527	329
Accumulated Depreciation	(295)	(203)
	232	126
Motor Vehicles	236	188
Accumulated Depreciation	(98)	(62)
	138	126
Total property, plant and equipment	7,549	7,558

Revaluation of land and buildings - fair value of land, buildings and improvements at Angle Park is based on valuations performed by CBRE Valuations Pty Limited, an accredited independent valuer.

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial period.	Capital Work in Progress	Land Buildings & Improvements	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Carrying amount at start of year	133	5,412	1,761	126	126	7,558
Additions	140	51	264	-	63	518
Disposals	(14)	-	-	-	(16)	(30)
Revaluation recognised in the year	-	281	-	-	-	281
Transfers	(94)	150	(245)	189	-	-
Depreciation expense	-	(205)	(455)	(83)	(35)	(778)
Carrying amount at end of year	165	5,689	1,325	232	138	7,549

	2014	2013
	\$000's	\$000's
NOTE 12: PAYABLES		
CURRENT		
Trade Creditors	583	566
Other	497	830
	1,080	1,396

NOTE 13: PROVISIONS		
CURRENT		
Provision for Annual Leave	318	235
Provision for Long Service Leave	331	268
Futurity and Gawler Produce Race Series	80	136
	729	639
NON-CURRENT		
Provision for Long Service Leave	36	41
	36	41

NOTE 13(a): FUTURITY AND GAWLER PRODUCE SERIES

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

NOTE 14: OTHER LIABILITIES

CURRENT		
Grants, Subsidies and Deposits in Advance	-	10
	-	10

NOTE 15: EQUITY AND RESERVES

Retained Earnings

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

Asset Revaluation Reserve

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

Capital Acquisition Reserve

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

NOTE 16: COMMITMENTS FOR EXPENDITURE

Capital Expenditure Commitments

	2014	2013
	\$000's	\$000's
Land, Buildings & Improvements		
Not later than one year	52	108
Total (including GST)	52	108

NOTE 17: RELATED PARTY INFORMATION

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

	2014	2013
	\$000's	\$000's
(a) Board Members' Remuneration		
Total Board Members' Remuneration	158	130
(b) Key Management Remuneration		
Total Key Management Remuneration	913	946

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

NOTE 18: SUBSEQUENT EVENTS

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

Directors' *Declaration*

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

1. In the opinion of the directors:
 - a. The financial statements and notes of Greyhound Racing SA Ltd for the financial year ended 30 June 2014 are in accordance with the *Corporations Act 2001*, including:
 - ii. Giving a true and fair view of the financial position as at 30 June 2014 and performance for the year ended on that date
 - iii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*
 - b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2014.

On behalf of the Board



Michael Allan Fabbro,

Chairman

Dated this 30th day of October, 2014



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121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

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Independent auditor's report to the members of Greyhound Racing SA Ltd

Report on the financial report

We have audited the accompanying financial report of Greyhound Racing SA Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Greyhound Racing SA Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of Greyhound Racing SA Ltd at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young



David Sanders
Partner
Adelaide
30 October 2014



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Auditor's Independence Declaration to the Directors of Greyhound Racing SA Ltd

In relation to our audit of the financial report of Greyhound Racing SA Ltd for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

David Sanders
Partner
Adelaide
30 October 2014

Greyhound Racing SA Members of Company

Adelaide Greyhound Racing Club Inc.

Gawler Greyhound Racing Club Inc.

Greyhound Owners, Trainers and Breeders Association Coursing Club Inc.

Mount Gambier Greyhound Racing and Coursing Club Inc.

Port Augusta and Districts Greyhound Racing Club Inc.

Southern Greyhound Raceway Inc.

Responsible Gambling Mission Statement

Greyhound Racing SA is governed by a Code of Practice that promotes the socially responsible use of its wagering services as a recreation and entertainment activity and to minimise the potential harm associated with problem gambling.

Only *at the* dogs

Greyhound Racing SA
55 Cardigan Street
ANGLE PARK SA 5010

Ph. (08) 8243 7100
Email: admin@grsa.com.au



[/greyhoundracingsa](#)
[@thedogsSA](#)



GRSA.COM.AU

ANNUAL REPORT
2013-2014

Tabcorp

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19 October 2016

To: Australian Securities Exchange
Market Announcements Office
20 Bridge Street
Sydney NSW 2000

TABCORP / TATTS PRESENTATION

Attached is a copy of the presentation in relation to the recommended combination of Tabcorp Holdings Limited and Tatts Group Limited which was announced today.



Fiona Mead
Company Secretary (subject to approval)

Enc.

For personal use only

Recommended combination of Tabcorp Holdings Limited and Tatts Group Limited

Tabcorp and Tatts to combine to create a world-class, diversified gambling entertainment group

19 October 2016

Disclaimer

This presentation (**Presentation**) provides information in summary form and should be read in conjunction with the announcement in relation to the proposed transaction between Tabcorp Holdings Limited (**Tabcorp**) and Tatts Group Limited (**Tatts**) (the **Transaction**) that was released today. This Presentation does not purport to contain all the information that investors may require in order to make a decision in relation to the Transaction. It contains selected information only. Further information will be contained in additional documents to be released by Tatts and/or Tabcorp.

Neither of Tabcorp nor Tatts, nor their respective related bodies corporate, directors, officers, employees, agents, contractors, consultants or advisers makes or gives any representation, warranty or guarantee, whether express or implied, that the information contained in this Presentation is complete, reliable or accurate or that it has been or will be independently verified, or that reasonable care has been or will be taken by them in compiling, preparing or furnishing this Presentation and its contents.

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You should conduct and rely upon your own investigation and analysis of the information in this Presentation and other matters that may be relevant to it in considering the information in this Presentation.

The information in this Presentation is not investment or financial product advice and is not to be used as the basis for making an investment decision. In this regard, the Presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

Estimates and forward looking information contained in this Presentation are illustrative and are not representations as to future matters, are based on many assumptions and are subject to significant uncertainties and contingencies, many (if not all) of which are outside the control of Tabcorp and Tatts. Actual events or results may differ significantly from the events or results expressed or implied by any estimate, forward looking information or other information in this Presentation. No representation is made that any estimate or forward looking information contained in this Presentation will be achieved and forward looking information will not be warranted.

You should make your own independent assessment of any estimates and forward looking information contained in this Presentation.

The forward looking information in this Presentation comprises management projections or estimates only and has not been prepared or verified to prospectus standard. No representation is made that there is a reasonable basis for that information.

This Presentation does not constitute an offer to sell, or to arrange to sell, securities or other financial products. This Presentation and the information contained in it does not constitute a solicitation, offer or invitation to buy, subscribe for or sell any securities in the United States. The Tabcorp shares to be issued under the Transaction have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and other applicable securities laws

The statements in this Presentation are made only as at the date of this Presentation and the information contained in this Presentation has been prepared as of the date of this Presentation. The statements and the information remain subject to change without notice. The delivery of this Presentation does not imply and should not be relied upon as a representation or warranty that the information contained in this Presentation remains correct at, or at any time after, that date. No person, including Tabcorp, Tatts and their respective related bodies corporate, directors, officers, employees, agents, contractors, consultants and advisers accepts any obligation to update this Presentation or to correct any inaccuracies or omissions in it which may exist or become apparent.

Transaction benefits

Tabcorp and Tatts to combine to create a world-class, diversified gambling entertainment group

1 Creates a leading, diversified portfolio of gambling entertainment businesses

- long-dated suite of licences
- well positioned to invest, innovate and compete in a rapidly evolving marketplace
- larger and more diversified earnings base, with a broad national footprint
- well positioned to pursue growth opportunities globally

2 Provides a wide range of benefits for stakeholders and enhances the long-term sustainability of the Australian racing industry

- at least \$50 million per annum in additional funding expected to flow to the racing industry in Australia
- provides a pathway to national pooling for pari-mutuel wagering, subject to regulatory and racing industry approvals

3 Significant value creation expected for both sets of shareholders

- expected to deliver at least \$130 million per annum EBITDA synergies and business improvements, net of benefits to the racing industry
- expected to be EPS accretive (before significant items) and value accretive for both Tabcorp and Tatts shareholders
- Combined Group expected to target a dividend payout ratio of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence
- Combined Group expected to undertake a share buyback of \$500 million, post implementation of the Transaction and subject to Board approval and market conditions

4 Greater scale and strong balance sheet position

- combined pro forma enterprise value of approximately \$11.3 billion¹, revenue of over \$5 billion and EBITDA of over \$1 billion²
- balance sheet strength better facilitates growth and potential capital management opportunities – Combined Group intends to have an investment grade credit rating

5 Complementary businesses, delivering a winning offer for customers

- combines the best of both businesses to support investment and innovation, including best-in-class digital products
- supports an enhanced range of products and experiences across each of our channels and products

Notes:

1 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and pro forma net debt of the Combined Group as at 30 June 2016

2 Based on reported FY 2016 revenue and EBITDA for Tabcorp and Tatts. Excludes the impact of synergies and business improvements

Transaction summary

Tabcorp and Tatts have entered into an Implementation Deed to combine the two companies

Structure	<ul style="list-style-type: none"> • Tatts shareholders to receive 0.80 Tabcorp shares plus 42.5 cents cash for each Tatts share held <ul style="list-style-type: none"> – Tatts intends to pay its shareholders a fully-franked special dividend of 20 cents per share (subject to the availability of franking credits) immediately prior to implementation of the Transaction in lieu of part of the cash consideration. A fully-franked dividend of 20 cents per share would have approximately 8.6 cents per share of franking credits attached¹ • Transaction to be implemented via a Tatts Scheme of Arrangement
Combined Group	<ul style="list-style-type: none"> • World-class, diversified gambling entertainment group • Combined Group pro forma enterprise value of approximately \$11.3 billion² and expected to be an ASX50 company • Tabcorp and Tatts shareholders will own approximately 42% and 58% of the Combined Group, respectively³
Board and management composition	<ul style="list-style-type: none"> • Board will be comprised of the existing Tabcorp Directors with Paula Dwyer as Chairman • David Attenborough will be Managing Director and Chief Executive Officer of the Combined Group and Damien Johnston will be Chief Financial Officer • Tatts Chairman Harry Boon will join the Board of the Combined Group as a Non-Executive Director
Key approvals and Transaction timing	<ul style="list-style-type: none"> • Obtaining competition, regulatory and other approvals • Tatts shareholders approving the Tatts Scheme of Arrangement • Obtaining Court approval for the Scheme and an independent expert concluding the Transaction is in the best interests of Tatts shareholders • Other conditions as set out in the Implementation Deed (appended to the Transaction announcement) • Completion expected mid-2017
Board and shareholder support	<ul style="list-style-type: none"> • Transaction is unanimously recommended by the Boards of Tabcorp and Tatts⁴ • AustralianSuper, one of Tatts' largest shareholders, has indicated that it intends to vote its Tatts shares in favour of the Transaction, in the absence of a superior proposal and subject to there being no material adverse change in circumstances

Notes:

- 1 Whilst Tatts estimates the special dividend will be 20 cents per Tatts share, under the Implementation Deed Tatts is able to pay a special dividend of up to 25 cents per share (subject to the availability of franking credits)
- 2 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and pro forma net debt of the Combined Group as at 30 June 2016 (including estimated transaction costs). Excludes impact of synergies and business improvements
- 3 Based on Tabcorp's ordinary shares outstanding of 835 million and Tatts' fully diluted shares outstanding of 1,469 million (including performance rights) as at 18 October 2016
- 4 In the Tatts Board's case, subject to there being no superior proposal and also to an independent expert concluding the Transaction is in the best interests of Tatts shareholders

Overview of the Combined Group

Combination delivers scale to support future growth and an enhanced ability to invest and innovate in a highly competitive and rapidly evolving market

- Combined pro forma enterprise value of approximately \$11.3 billion and market capitalisation of \$8.6 billion^{1,2}
- Combined pro forma FY 2016 revenue of over \$5 billion and EBITDA of over \$1 billion, before synergies and business improvements

Pro forma Combined Group, before synergies and business improvements and any proposed share buyback	Tabcorp	TattsGroup	Combined Group ³
Market capitalisation ¹ (\$ million)	4,084	5,273	8,644
Net debt (\$ million) ² — 30 June 2016	870	1,041	2,626
Enterprise value (\$ million)	4,955	6,315	11,270
Revenue (\$ million) — FY 2016	2,189	2,928	5,117
EBITDA (\$ million) — FY 2016	516	495	1,011
EBIT (\$ million) — FY 2016	337	420	757
Net debt / EBITDA (x) (pre synergies and business improvements)	1.7x	2.1x	2.6x
Gross debt / EBITDA (x) (pre synergies and business improvements)	1.9x	2.2x	2.8x

- Transaction costs are estimated to be approximately \$90 million

Source: Bloomberg as at 18 October 2016, Company filings

Notes:

1 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction

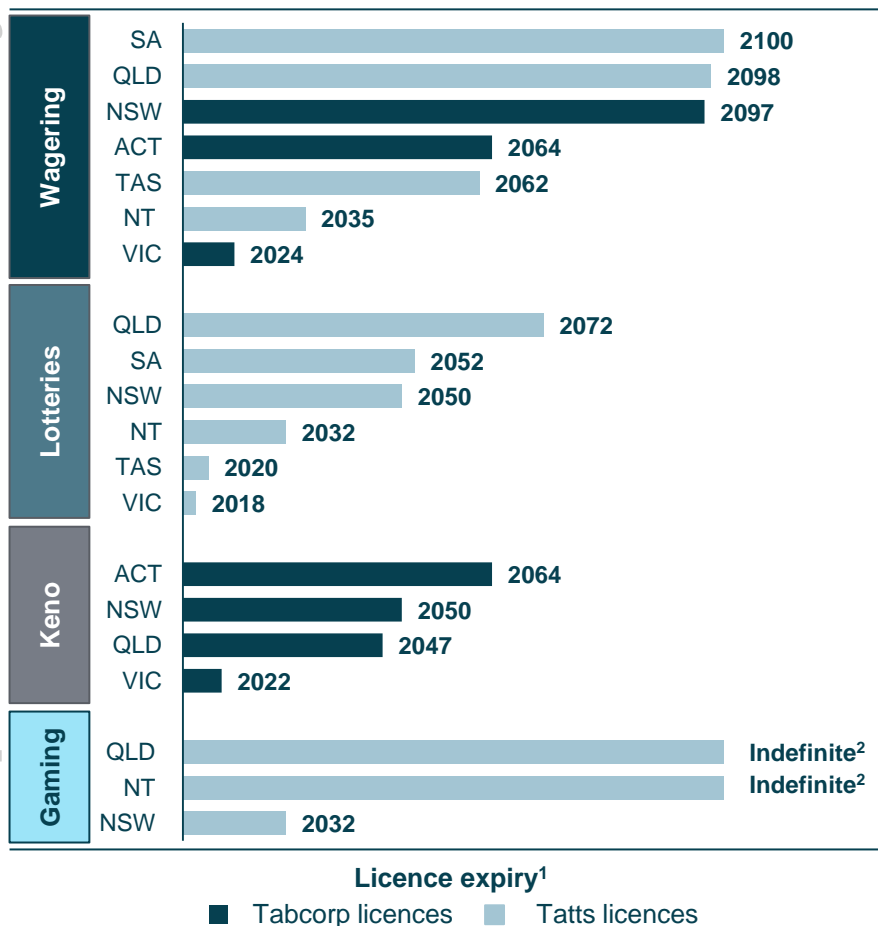
2 Pro forma net debt of the Combined Group as at 30 June 2016 (including estimated transaction costs of \$90 million) adjusted for cash paid to Tatts shareholders under the Transaction of \$624 million based on a cash consideration component of 42.5 cents per Tatts share and Tatts' fully diluted shares outstanding of 1,469 million (including performance rights)

3 Does not account for any differences in accounting treatment, disclosure, inter-group eliminations and acquisition accounting adjustments. Presented before synergies and business improvements

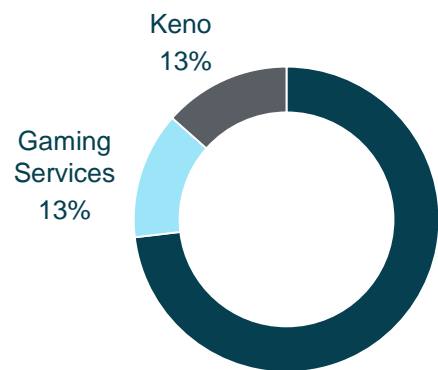
Stronger and more diversified portfolio of businesses

Combination delivers an enhanced portfolio of long-dated licences and a more diverse earnings base

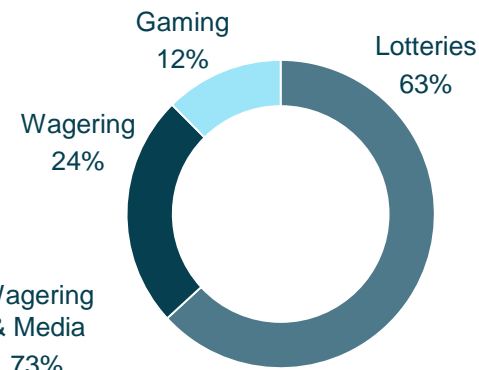
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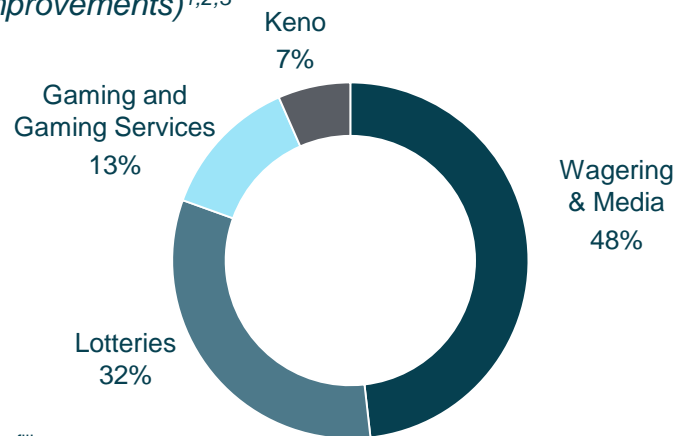
FY 2016 EBITDA—Tabcorp^{1,2}



FY 2016 EBITDA—Tatts^{1,2,3}



Pro forma FY 2016 EBITDA—Combined Group (before synergies and business improvements)^{1,2,3}



Source: Company filings

Notes:

1 Tatts' NT Wagering licence expires in 2035, Tabcorp's NT Wagering licence in 2020; some licences (e.g. Tabcorp's VIC Wagering, Tatts' TAS Wagering) have renewal options post expiry; Tatts' SA Lotteries licence includes SA Keno; both Tatts and Tabcorp are accredited gaming operators in Australia

2 Indefinite rolling renewal capability

Source: Company filings

Notes:

1 Figures expressed on a pre adjustment basis, as currently reported by Tatts and Tabcorp before unallocated corporate expenses, excluding discontinued operations

2 Percentages may not sum to 100% because of rounding







3 Contribution of Lotteries earnings includes Tatts' SA Keno business

Combines two largely complementary businesses

Combines two Australian industry icons, creating a champion of gambling entertainment with a national footprint across a broad suite of leading brands and products

The Combined Group's businesses, brands and jurisdictions

Geographic reach

Business	Key brands	Geographic reach								
		VIC	NSW	ACT	QLD	SA	TAS	NT	WA	Intl.
Wagering	   <small>BACKED BY TABCORP</small> 	✓	✓	✓	✓	✓	✓	✓		✓
Lotteries	    	✓	✓	✓	✓	✓	✓	✓		
Keno		✓	✓	✓	✓	✓				
Gaming and Gaming Services	  	✓	✓	✓	✓	✓	✓	✓	✓	
Media		✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Company filings, company website

Note:

1 Subject to implementation of the Intecq scheme of arrangement

Significant synergies to be generated from the combination

Expected to deliver at least \$130 million of annual EBITDA synergies and business improvements, net of benefits to the racing industry. Estimated synergies and business improvements valued at approximately \$1.4 billion¹

Opex synergies	<ul style="list-style-type: none"> • Technology integration and systems optimisation • Consolidation of wagering functions • Corporate cost rationalisations • Procurement benefits from increased scale
Wagering performance optimisation under the TAB brand	<ul style="list-style-type: none"> • Fixed odds yield improvement <ul style="list-style-type: none"> – Tabcorp intends to roll-out its leading risk management systems and processes into the UBET business – the larger combined Tabcorp and Tatts fixed odds book further increases the risk management capability of the Combined Group – fixed odds yields in the ACT improved significantly in the 12 months after Tabcorp's acquisition of ACTTAB • Wagering turnover growth <ul style="list-style-type: none"> – alignment of product offering between Tatts' and Tabcorp's wagering operations, including TAB products such as Cash Out and Quaddie Cash Out (subject to regulatory approval) – targeted investment in the UBET retail network based on TAB's market-leading multi-channel offering – combined digital expertise to deliver best-in-class digital products and customer experience – potential further benefits from the increased attractiveness of merged pools, subject to regulatory and racing industry approvals
Keno performance optimisation	<ul style="list-style-type: none"> • Extend the key drivers of the Keno transformation of brand, pooling and digital to South Australia (subject to regulatory approval) <ul style="list-style-type: none"> – following the introduction of similar measures in Victoria during FY 2016, Tabcorp achieved turnover growth of 18%
Capex synergies	<ul style="list-style-type: none"> • It is expected that approximately \$10 million per annum of capex synergies (net of benefits to the racing industry) will be available to the Combined Group through the rationalisation of wagering systems development functions. These are in addition to the \$130 million annual EBITDA synergies and business improvements
Integration	<ul style="list-style-type: none"> • Integration is expected to be completed in approximately two years, subject to the receipt of regulatory approvals • Full run-rate of synergies and business improvements expected in the first full year post integration • Net one-off integration costs and capital expenditure is estimated at approximately \$110 million

Source: Bloomberg as at 18 October 2016, Company filings

Note:

¹ Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and based on Bloomberg consensus FY 2017 EBITDA estimates as at 18 October 2016, implying an EV/EBITDA multiple for Tabcorp of 9.1x, Tatts of 12.4x and an implied weighted average for the Combined Group of 10.7x

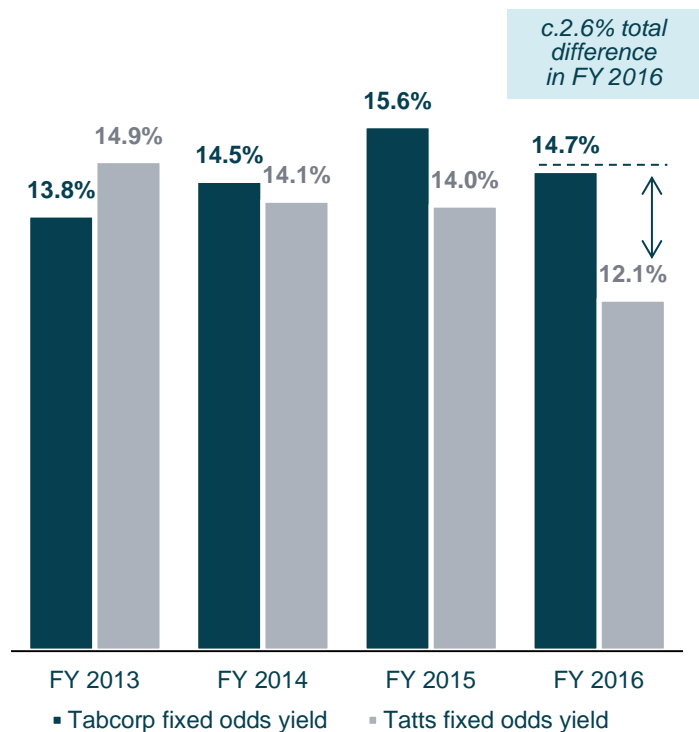
Summary of wagering performance optimisation under the TAB brand

For personal use only

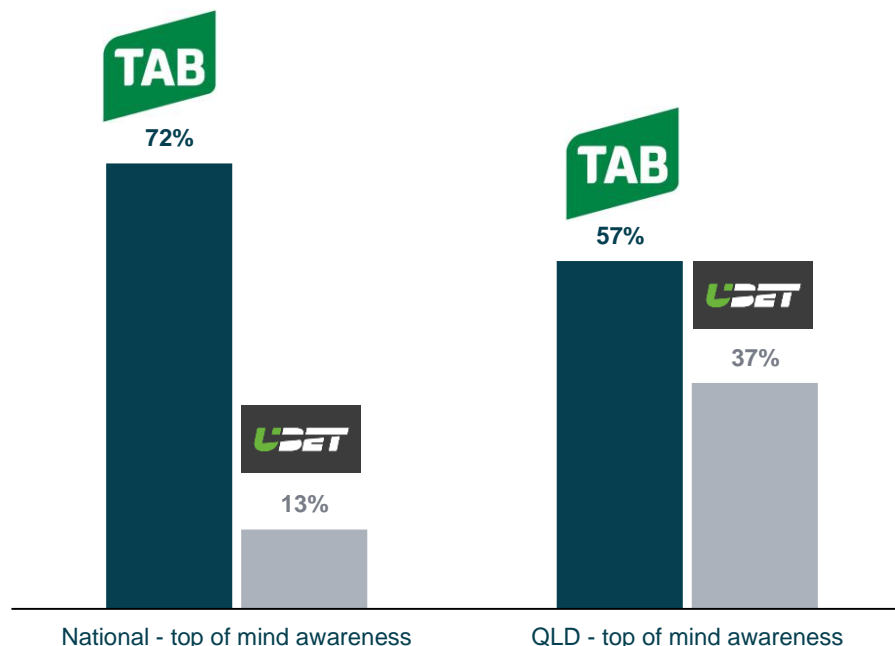
The Combined Group is expected to benefit from Tabcorp's fixed odds yield management capability and market leading TAB brand and product offering

Significant earnings are expected to be available through combining fixed odds book management

The Combined Group is expected to benefit from TAB's market leading brand and product offering



Source: Tabcorp and Tatts management



Source: Brand Health Tracking (FiftyFive5) September 2016

Increased financial scale and balance sheet strength

Combined Group is expected to be an ASX50 listed company, with a strong balance sheet and an investment grade credit rating

- Strong balance sheet
 - increased financial scale and associated balance sheet strength provides an enhanced platform to pursue growth opportunities
- Larger and more diversified earnings base
- The Combined Group will target a gross debt to EBITDA ratio of 3.0x to 3.5x and intends to have an investment grade credit rating
- Expects to undertake a share buyback of \$500 million, post implementation of the Transaction and subject to Board approval and market conditions
- Greater relevance to equity investors
 - Combined Group expected to be one of the largest ASX-listed gambling companies, based on free float market capitalisation¹
- Greater relevance to debt investors
 - improved credit profile given diversification benefits of lotteries and increased scale of wagering business

Source: Bloomberg as at 18 October 2016, Company filings

Note:

¹ Based on the pro forma market capitalisation for the Combined Group of \$8.6 billion and free float market capitalisations of ASX-listed gambling related businesses as at 18 October 2016

Benefits to both sets of shareholders

Combination to deliver significant benefits to both sets of shareholders



Tabcorp

Exposure to an enhanced business profile, with a more diversified portfolio of long-dated gambling licences, that is better placed to invest, innovate and compete



EPS accretion (before significant items) and value accretion expected, benefiting from at least \$130 million of annual EBITDA synergies and business improvements, net of benefits to the racing industry



Improved ability to pursue global investment opportunities



Improved financial position and balance sheet strength, with an intended investment grade credit rating and the capacity to undertake capital management



\$500 million share buyback expected, post implementation of the Transaction (subject to Board approval and market conditions)



Expected target dividend payout ratio of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence



The Transaction implies a value of \$4.34 per Tatts share (before taking into account the value from synergies and business improvements and any potential re-rating) which represents a premium of 20.8% to the most recent closing price¹, a premium of 18.4% to the 1-month VWAP² and a FY 2016 EV/EBITDA multiple of 15.0x for Tatts³

Source: Bloomberg as at 18 October 2016, Company filings

Note:

1 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction

2 Based on the 1-month volume weighted average price of Tatts shares up to and including 17 October 2016, being the last trading day prior to the announcement of the Transaction

3 Based on Tatts' reported net debt of \$1,041 million as 30 June 2016, FY 2016 reported EBITDA of \$495 million, Tatts' fully diluted shares outstanding of 1,469 million (including performance rights) and the Tabcorp share price as at 17 October 2016, being the last trading day prior to the announcement of the Transaction

Enhancing the sustainability of the Australian racing industry

The combination creates a strong wagering operator, committed to enhancing the long-term sustainability of Australia's racing industry

- Tabcorp and Tatts are together the largest source of funding for the Australian racing industry, having delivered approximately \$1 billion to the racing industry in FY 2016
- The Combined Group's commitment to investment, national footprint and enhanced operational strength will create a stronger business, and provide a strong financial base to support the racing industry and the livelihood of its many participants and related industries
- The combination is expected to deliver substantial financial benefits to underpin the sustainability of the Australian racing industry
 - provides a more efficient funding model
 - the Transaction is expected to result in at least \$50 million per annum of additional funding to the racing industry, which will flow to participants and related industries across Australia
 - supports increased prize money and provides more capital for investment in racing infrastructure
 - creates broader economic benefits, including in regional areas
- The Combined Group will work to drive industry growth, investing in innovation across products and channels to improve the retail experience and deliver best-in-class digital platforms
 - national footprint offering a broader suite of market-leading products
 - better placed to invest in innovation across an expanded platform
 - provide a pathway to national pari-mutuel pooling, subject to racing industry and regulatory approvals, and an enhanced ability to adopt strategies to address the national decline in pari-mutuel betting
 - Tabcorp's track record of investment and racing industry returns delivers greater certainty of funding to the industry nationally

Enhancing the strength of Australian business partners

The combination is expected to deliver material benefits to Tatts' and Tabcorp's business partners including lottery retail agents, licensed venues and TAB agencies

Lottery retail agents (newsagents and convenience stores)

- Continue to proactively work with retail agents to grow and attract new customers
- Continued commitment to invest in product innovation, customer experience and targeted digital integration

Licensed venues (pubs and clubs)

- Continued integration of digital experience into retail venues to allow pubs and clubs to participate in the growth of digital wagering
- Increased investment in the combined retail network and the venue-based customer experience to deliver an improved offer for licensed venue customers
- Extend the key drivers of the Keno transformation of brand, pooling and digital to South Australia

TAB agencies

- Continued integration of digital experience into retail to allow TAB agencies to participate in the growth of digital wagering
- Continued commitment to invest in customer experience and product initiatives

Enhancing the customer offering

The Combined Group will deliver a winning offer for customers, including an increased range of products and high quality customer experiences across each channel

- The combination is expected to significantly enhance customer experiences across each of the Combined Group's products and channels:
 - better positioned to continue to invest in retail networks and provide compelling customer experiences
 - combined business allows us to provide a broader and more innovative suite of products, as well as an enhanced ability to introduce new customer-led products and omni-channel experiences
 - combined digital expertise to deliver best-in-class digital products and user experiences across the Combined Group's digital channels
 - results in larger fixed odds books and provides a pathway to delivering deeper and more liquid betting pools, increasing the attractiveness of pari-mutuel products to customers
- The Combined Group will continue to deliver world-class customer service, building on each organisation's significant customer service expertise
- The combination of two of Australia's most respected and trusted operators will ensure a strong continued focus on and commitment to responsible gambling

Conclusion

The Transaction creates a world-class, diversified gambling entertainment group with a wide range of benefits to all key stakeholders

Shareholders



The Australian racing industry



Business partners



Customers



Our people



Both Boards unanimously recommend the Transaction

Response to Request for Submissions by the ACCC Proposed Merger of Tabcorp and Tatts Group



Greyhound Racing SA Ltd (GRSA) ABN – 39 094 569 525

In support of the ACCC's investigation into the proposed merger of Tabcorp Holdings Limited [Tabcorp] and Tatts Group Limited [Tatts], GRSA submits the following views:

RESPONSES RELATING TO ATTACHMENT A

Whether Tabcorp and Tatts compete closely in the supply of wagering products and services, in particular, pari-mutuel wagering provided by their respective totalisators ("totes").

Tabcorp and Tatts currently do not compete directly within a retail context on the basis that they hold exclusive licences in the respective jurisdictions with which they have commercial partnerships. In this sense there is currently no competitive choice available to the wagering customer in respect of the two entities. This arrangement extends to on-course activity as well. The proposed merger will not produce any change in this sense other than for the significant improvement of the retail offering that could be expected by customers in that space.

Tabcorp's strategy to have Sky 2 vision in all venues represents a conspicuous example of the manner in which retail customers will benefit. Greater reliability in relation to the 'fairness' of dividends that will be realised from the merging of smaller pools, in particular, will separately have a profound impact on customer confidence in the 'tote' product.

From an online perspective, the industry has changed dramatically in recent years in line with the rise of corporate bookmaker activity. A merged Tabcorp-Tatts entity will still command a lower share of the total wagering market than either entity, individually, would have once realised prior to the rapid expansion of corporate bookmaker activity nationally.

Rather than constituting a threat to wagering market competition, the merged entity will actually be afforded a more level playing field for the two entities to be able to compete with the proliferation of corporate bookmaker wagering providers that now populate the national market. The current fragmentation of the national 'tote' market actually serves to limit the opportunity that otherwise exists for the two entities to leverage one national branding and marketing strategy, eliminating the existing need for promotion with a state-based focus.

The extent to which other corporate bookmakers or other businesses will constrain the merged entity.

The merging of Tabcorp and Tatts will foreseeably result in a more competitive wagering market, evidenced by greater innovation, better product offering and enhanced service levels. That heightened competition will produce improved outcomes for wagering customers and act as a catalyst for greater customer choice.

The synergies that the merged entity will be capable of realising will only serve to bring it into closer alignment with the circumstances of the online corporate bookmakers within the context of the greater cost and regulatory impositions under which Tabcorp and Tatts are required to operate. This will produce a healthier competitive environment generally that will drive stronger returns back to the racing industry and Government.

A sustainable model for the racing industry is best served by the presence of a strong and efficient national tote provider complemented by a diverse and competitive corporate bookmaker market. The proposed merger will create such a model.

The extent to which the proposed merger is likely to impact on future bidding processes for licences (eg retail wagering licences, lottery licences).

With limited exceptions, the current licences relating to wagering, lotteries and gaming have extremely long-term expiry dates. Of those that expire in the shorter term, a number incorporate renewal options that would allow the provider to extend current terms.

If the recent [rapid] growth of competition in the wagering market has taught us anything, it is that the market, and the nature of competition within the market, could be expected to continuously evolve in response to future opportunities. Having particular regard for the timeframes that currently relate to longer term licensing opportunities, the proposed merger will only be one of a number of events that are likely to have any material influence on the outcome of future bidding processes.

The likely impact of the proposed merger on the supply of gaming and promotional management systems and related services for electronic gaming machines.

GRSA does not view the current separation of the Tabcorp and Tatts gaming operations, in and of itself, as a primary driver of the competitive environment relating to the supply chain for gaming systems and services. The proposed merger may have some impact on the nature of that competition, but not, foreseeably, the extent to which competitive behaviours are currently evident.

RESPONSES RELATING TO ATTACHMENT B

Greyhound Racing SA Limited [GRSA] is the Controlling Body responsible for the conduct, regulation and promotion of greyhound racing throughout South Australia. It has a primary responsibility to ensure the responsible and ethical management of the sport, the enforcement of local and national rules of racing, and the oversight of greyhound welfare outcomes.

GRSA currently has a commercial relationship with Tatts in relation to wagering rights until 2100 which includes retail exclusivity rights until 2016. A renewal of the retail exclusivity arrangements is currently being negotiated with a view to extending same for a period that is yet to be determined.

Whilst the national racing industry will potentially benefit from the proposed merger in a number of ways, it is not anticipated that this outcome would detrimentally impact the competitiveness of the corporate bookmaking market in any obvious manner.

Industry Sustainability

The proposed merger is capable of delivering clear benefits to the national racing industry in terms of certainty of funding and recovery of pari-mutuel decline. The 'totes' constitute a critical element of the national wagering framework, and have provided the foundation for the viable conduct of racing operations over the course of many decades.

The current separation of the entities creates inefficiencies and duplicated effort which, in turn, reduce the potential return to those who regulate and provide the racing product. A merger will address the majority of those issues and substantially improve the yield of the current model. The national racing industry currently bears its portion of the indirect cost of duplicated functions and resources, and the

operation of two [homogeneous] racing IT systems. Additionally, it foregoes the potential benefit of one consistent national branding/marketing strategy and the opportunity that would otherwise exist for the justification of greater product innovation and improved delivery.

The cost of conducting racing – particularly in relation to integrity oversight, management of welfare outcomes, and renewal of racing infrastructure – continues to escalate at a disproportionate rate to returns in the form of wagering revenue. A more efficient funding model will support sustainability of the industry, and greater viability for the thousands of trainers, breeders and owners whose involvement drives the supply of racing product. On a closely related note, a more efficient model will directly drive improved economic and employment outcomes, predominantly in the regional areas in which racing has traditionally been conducted.

Subject to the relevant approvals, the merger would produce significant outcomes for wagering customers in the form of stronger pools. That impact is likely to be particularly evident for the pools supporting the minor codes and singularly represents the greatest opportunity that exists for the decline of pari-mutuel wagering to be stabilised and, potentially, reversed.

Product Innovation and Competition

The strength of a merged entity will help to justify greater investment in new products and improved customer service. This will only serve to strengthen what is already a rapidly evolving national marketplace. In addition to providing greater certainty in relation to dividend outcomes from pari-mutuel wagering, a greater level of product innovation and delivery will stimulate competition from corporate bookmaker providers to the benefit of customers generally.

Corporate bookmakers and betting exchanges are close competitors to Tabcorp and Tatts for wagering products and services. Fixed odds and 'tote derivative' wagering products constitute a genuine alternative to totalisator wagering, and vice versa. The recent cannibalisation of pari-mutuel wagering at the expense of fixed odds growth provides clear evidence of that substitutability.

Wagering through online channels constitutes a viable alternative to retail wagering and could be expected to continue to represent an increasing proportion of overall wagering activity based on known trends.

These observations are true under the current framework and would remain unchanged within the context of the merger. The only significant change that would be likely to eventuate as a result of the merger is a more efficient national marketplace defined by the benefits that it creates in terms of customer choice, more level competition amongst wagering providers, and a more sustainable racing industry model.

GRSA does not consider that the 'totes' currently operated by Tabcorp and Tatts in separate states/territories closely compete for a number of practical reasons relating to account opening process, the opportunity to physically make cash deposits and the sense of parochialism that a retail presence tends to establish with many clients. It is our understanding that the extent to which wagering customers currently substitute between totalisators in separate states when betting online, or by phone, is not significant.

It is not the view of GRSA that Tabcorp or Tatts – or a merged entity thereof – are uniquely placed to offer wagering products or services that could not be offered by corporate bookmakers, either directly or in the form of genuine alternatives.