



Statement

No. ACT of 2017

Tabcorp Holdings Limited

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

STATEMENT OF LUKE GATEHOUSE

Statement of: Luke Gatehouse

Address: 4 Willett Ct, Thornlands, Queensland

Occupation: Chief Executive Officer, Brisbane Greyhound Racing Club

Date: 16th February 2017

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I, Luke Gatehouse, Chief Executive Officer of Brisbane Greyhound Racing Club (**BGRC**), in the state of Queensland, say that:

- 1 I am currently Chief Executive Officer of BGRC and have held the position since March 2006.
In this role, I am the primary manager of all business activities of the BGRC.

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- 2 I make this statement in my position as Chief Executive Officer and on behalf of Brisbane Greyhound Racing Club, in relation to an application by Tabcorp Holdings Limited (**Tabcorp**) to the Australian Competition Tribunal (the **Tribunal**) for the authorisation of the proposed merger of Tatts Group Limited (**Tatts**) and Tabcorp.

BACKGROUND

Current role

- 3 As CEO of BGRC, I deal with the day-to-day operations of the club. Beyond my role within BGRC, I am involved with several different associations and bodies as a representative of BGRC or the Queensland greyhound racing industry. These positions include:
- (a) **Racing Queensland Greyhound Advisory Panel** – Racing Queensland is the peak body for all three racing codes in Queensland. The Advisory Panel was established by Racing Queensland to assist it in formulating strategy and making decisions on important industry matters.
 - (b) **Queensland Greyhound Affiliation (QGA)** - Established in response to the live-baiting scandal, the QGA is the peak Queensland greyhound racing club body and is comprised of the seven Queensland greyhound clubs. I am the QGA media spokesperson.
 - (c) **Australian Greyhound Racing Association (AGRA)** – AGRA was established in the 1960s with a charter to continue the promotion and development of the greyhound industry nationally.

Personal involvement in the racing industry

- 4 I have been a lifelong “punter” and was initially introduced to the racing industry through thoroughbred horse races. In 1999 a group of friends and I became owners of a greyhound, Chardonnay Jack, which went on to win 16 starts. This involvement as an owner began my interest in greyhound racing. Over the years I have owned approximately 10 different greyhounds, they have been trained by professional trainers and have raced in Queensland, Victoria and New South Wales. Since holding the position of CEO of BGRC, I have owned one greyhound.
- 5 I previously held a greyhound trainer licence and have trained 6 greyhounds since the early 2000s.

Previous experience in the racing industry

- 6 I spent eight years hosting a community sports radio show on 100.3 Bay FM in Redlands, Queensland. As part of the show, I worked closely with members of local and regional sport and racing codes and, in particular, the Queensland greyhound racing industry.
- 7 Prior to taking my current position at BGRC, I predominantly worked in the education and training sector.



Education

8 I have the following qualifications:

- (a) Bachelor of Business, Human Resources Management and Services (1992), Queensland University of Technology; and
- (b) Bachelor of Human Movement Studies (1986), The University of Queensland.

BRISBANE GREYHOUND RACING CLUB

General information

- 9 BGRC was formerly the "Gabba Greyhound Racing Club" and was established in March 1971. The Gabba Greyhound Racing Club hosted races at the Brisbane Cricket Ground (or "the Gabba"). In February 1993, the Gabba Greyhound Racing Club held its last race meeting at the Gabba, after which it moved to Albion Park, sharing the facility with the already established night harness racing club. Set out at **Annexure LG-1** are screenshots from BGRC's website outlining the history of BGRC.
- 10 BGRC is currently Brisbane's only metropolitan greyhound racing club. The principal activities of BGRC are:
- (a) to host greyhound racing meetings throughout the year; and
 - (b) to provide social facilities to members of the club.
- 11 BGRC hosts greyhound racing meetings at Albion Park four times a week (Monday, Wednesday, Thursday and Sunday). Admission is free at each greyhound race meeting. Each year, BGRC hosts approximately 210 race meetings, with over 2,300 races and approximately 18,000 starters. Additionally, BGRC hosts greyhound trials where owners and trainers bring their greyhounds in order to gain fitness and ensure race readiness.
- 12 BGRC hosts races over five different distances (331m, 395m, 520m, 600m or 710m) and across a variety of different categories (eg, open, invitation only, age restricted bitches, open (bitches only), maiden, >30 months etc.). The prize money for these races also varies, ranging from \$2,000 to \$110,000. BGRC hosts three Group One races with the top prize money of \$110,000: the Winter Cup Final, the Gold Cup Final and the Brisbane Cup Final. Owners, breeders and trainers are typically involved in greyhound racing as a hobby.
- 13 The prize money from race meetings helps support this hobby and cover some of the costs associated with owning, breeding and training greyhounds.
- 14 BGRC is an incorporated association with a Board consisting of seven members. It currently has over 115 full members (ie, paying), principally being trainers, owners and patrons. There are also a series of other non-paying stakeholders including: breeders, trainers, owners and punters.

- 15 As noted above, BGRC is a member of QGA and AGRA and I am involved in the Racing Queensland Greyhound Advisory Panel via my position as a club representative.
- 16 BGRC is a driving force behind QGA. In addition to my position as the media spokesperson for the QGA, BGRC's Treasurer, Eleanor Wallis, is the BGRC's representative to QGA. Further, BGRC runs QGA's secretariat out of its Albion Park offices.

Albion Park Raceway

- 17 Albion Park Raceway contains two tracks, an inner greyhound race track and an outer harness race track. Albion Park Harness Racing Club hosts harness race meetings approximately 3 times per week. The greyhound race track is a "two-turn" sand surface track, with a circumference of 437m.
- 18 Albion Park Raceway is owned by Racing Queensland. BGRC is an occupant of the raceway, it has a racing licence and operates under a facilities agreement with Racing Queensland. Under the facilities agreement, BGRC is responsible for the greyhound race track and the kennel area and Racing Queensland is responsible for the common areas.

Patrons and spectators

- 19 A fundamental part of the greyhound racing "product" is the ability to bet on race events. Patrons and greyhound racing enthusiasts attend or view greyhound racing meetings, and in doing so, often engage with the race by placing a wager on the event. Similarly, punters are drawn to attend or view greyhound racing events, due to the wagers that they may have placed (or can potentially place). In this way, greyhound racing and wagering are intrinsically linked and benefit from the success of one another.
- 20 For race meetings hosted by BGRC, patrons attending Albion Park could historically place a wager with the on-course totalisator operator or the on-course licensed bookmakers. Over time, with technological advances and the rise in popularity of online and mobile corporate bookmakers, on-course bookmakers struggled to compete. As a result, Albion Park no longer has on-course bookmakers. I have personally observed this rise in online and mobile wagering as both a punter and in my role at BGRC. BGRC continues to operate an on-course totalisator facility at Albion Park (referred to at paragraphs 39 - 40 below).
- 21 Similarly, over the past 15 years, there has been a substantial drop in the physical attendance of patrons to Albion Park to view greyhound races. This decline in attendance can be attributed to the rise in competing entertainment options, shifts in standard operating hours (ie, the introduction of late night shopping) and the rise in digital platforms to view and bet on greyhound races. As a means of seeking to increase physical attendance, BGRC no longer charges gate fees. Today, based on my involvement in the industry, I consider that the public primarily engages with BGRC's greyhound racing events off-course, by viewing and punting via digital platforms. By way of example, in 2010, on course tote revenue was \$170,000, for 2016 this figure has dropped to \$96,000.

- 22 The section of the public that engages with greyhound racing is markedly younger than the punters and enthusiasts of other racing codes. Annexed at **Annexure LG-2** is a recent Roy Morgan study that explores the demography of greyhound racing punters. Broadly, the results of the study show that over 600,000 Australian adults bet on greyhound racing at least once during the year, with over 45% of these bettors being under the age of 34. The study shows that the average age of greyhound racing punters is 41, with the average age of thoroughbred racing punters being 49.

Wagering

- 23 Due to the close relationship between wagering and the racing industry, as part of my role at BGRC, I am required to understand the current wagering market. As a result, I acquire relevant information about the Queensland wagering market from consultations with Racing Queensland and from the review of wagering research and data made available to the industry.
- 24 Further, in order to understand the wagering market, I am required to appreciate the wagering product offerings available to Queensland punters. In particular, I am interested in the bet types that UBET (as Queensland's licensed totalisator operator) and other wagering operators offer on BGRC (and other) race meetings, as well as the fixed odds quoted by both UBET and other wagering operators. As a result, I have accounts and mobile applications for several wagering operators and routinely survey the product offerings and fixed odds quoted. I report my observations from these surveys to the BGRC Board as well as the associations and bodies that I am a representative of. I specifically have accounts and frequently review the following wagering mobile applications (set out at **Annexure LG-3** is a screenshot of the mobile applications that I often use):
- (a) TAB;
 - (b) Betfair;
 - (c) CrownBet;
 - (d) Luxbet;
 - (e) BlueBet;
 - (f) UBET;
 - (g) betting.club; and
 - (h) Sportsbet.
- 25 It is based on my experience and surveys that I provide the following description of the different types of wagering available to punters in Queensland.
- 26 As noted above, wagering products are offered by both totalisator operators and bookmakers. A totalisator (or "tote") operator offers a type of wagering known as "pari-mutuel" wagering. Pari-mutuel wagering involves all bets for a certain bet type (eg, "win" or "place") on a race

being pooled together. The totalisator operator deducts a fixed percentage from the pool of bets, with the remainder of the pool available as a dividend for the winning punter(s).

- 27 In pari-mutuel betting, the odds received by the punter are a function of the percentage of the total pool on each selection. It follows that each new bet placed into the pool impacts the size of the total pool and thus the odds received for each punter. The smaller the totalisator pool, the greater the impact of subsequent bets on the payout odds of preceding bets. As a result, the smaller the totalisator pool, the less attractive the pool is for punters, as the return that the punter will ultimately receive is more volatile and difficult to predict.
- 28 Totalisator operators typically offer a variety of pari-mutuel bet types to punters. In my experience, the main bet types include:
- (a) **Win** – picking the runner that runs first;
 - (b) **Place** – picking a runner that runs first, second or third;
 - (c) **Quinella** – picking the runners that run first and second, in any order;
 - (d) **Exacta** – picking the runner that runs first and second, in the correct order;
 - (e) **Trifecta** – picking the runners that run first, second and third, in the correct order;
 - (f) **First 4** – picking the runners that run first, second, third and fourth, in the correct order;
 - (g) **Daily double** – picking the winners of two TAB nominated races;
 - (h) **Running double** – picking the winners of two consecutive races at any one race meeting;
 - (i) **Quaddie** – picking the winners of four TAB nominated races (typically races 5, 6, 7 and 8); and
 - (j) **Duet** – picking any two runners to both run first, second or third.
- 29 There is only one licensed retail totalisator operator in each state or territory. In Queensland, the totalisator operator is UBET, owned by Tatts. UBET operates the “UBET pool” and pools together pari-mutuel bets from Queensland, Northern Territory, South Australia and Tasmania. Other pari-mutuel pools in Australia are the SuperTAB pool (Western Australia, Victoria and ACT) and the NSW TAB pool. Those pools are run by Tabcorp, which operates under the “TAB” brand.
- 30 UBET has a commercial agreement with Racing Queensland (the control body for greyhound, harness and thoroughbred racing in Queensland) that results in substantial funding flowing back to the racing industry (described at paragraphs 45 - 48 below).
- 31 Corporate bookmakers (as well as UBET and TAB) provide fixed odds betting, where the punter retains the odds that have been quoted to them at the time when they place the bet. In fixed odds betting, the bookmaker is essentially a party to the wager, carrying the risk associated with the bet (unlike pari-mutuel betting). As bookmakers carry risk on each wager, they typically do

not like punters who frequently win and have been known to delete the accounts of winning punters.

- 32 Several large scale corporate bookmakers also quote "tote derivative products". Broadly, tote derivative products are bet types that offer punters the return that they would get from a pari-mutuel bet, without the uncertainty often associated with pari-mutuel betting. This is achieved by taking a punter's bet and, if the punter is successful, paying out the odds / dividends as determined by real totalisator pools (eg, UBET pool etc.). There are a variety of different tote derivative products, including:
- (a) **Best tote** - pays winning punters the highest tote payout odds from the SuperTAB pool, NSWTAB pool and UBET pool, based on the close price;
 - (b) **SP (starting price)** – pays winning punters the highest tote payout odds from the SuperTAB pool, NSWTAB pool and UBET pool, based on the higher of the close price or the starting price;
 - (c) **Mid tote** – pays winning punters the middle payout odds of the SuperTAB pool, NSWTAB pool and UBET pool;
 - (d) **Top fluc** – pays winning punters the highest payout of all fluctuations of the quoted payout odds from a nominated totalisator pool;
 - (e) **Best of the best** - pays winning punters the highest payout of all fluctuations of the quoted payout odds from the SuperTAB pool, NSWTAB pool and UBET pool; and
 - (f) **Top tote plus x%** - pays winning punters the top totalisator odds plus x%, where the bonus is usually between 5% and 20%.
- 33 Based on my experience and routine surveys I refer to in paragraph 24, I consider that TAB is a market leader in product innovation and offering, consistently introducing new bet types whilst having the broadest bet type offering. For example, I am aware that there are a variety of pari-mutuel products that are currently offered by TAB that are not currently offered by UBET, including: Big 6, Running Double, Early Quaddie and Cash Out. Further, TAB appears to offer a complete range of products on all race events, whilst UBET often only offers certain bet types on selected race events.
- 34 I consider the introduction and offering of new and varied bet types to be important as it increases the engagement by punters with a wagering operator and with various race meetings. By way of example, a common bet type provided by both TAB and UBET is the "Quaddie", where punters can place a multi-leg bet on races 5, 6, 7 and 8 of a race meet. TAB recently introduced the "Early Quaddie", which allows punters to place a multi-leg bet on races 2, 3, 4 and 5. This bet type has increased punter engagement with earlier races that are typically less popular. This is not available through UBET.
- 35 I have also observed that some of the products offered by corporate bookmakers "piggy back" off TAB and UBET. For example, corporate bookmakers offer tote derivative products

(described at paragraph 32 above). These products directly draw money away from pari-mutuel products, reducing the size of totalisator pools, to the detriment of punters betting on the pari-mutuel product. Further, due to the industry funding arrangements with the totalisator operator (described in detail below), this leakage from pari-mutuel betting is also to the detriment of the racing industry generally. This is due to the industry funding arrangements for corporate bookmakers being substantially less than that of the totalisator operator.

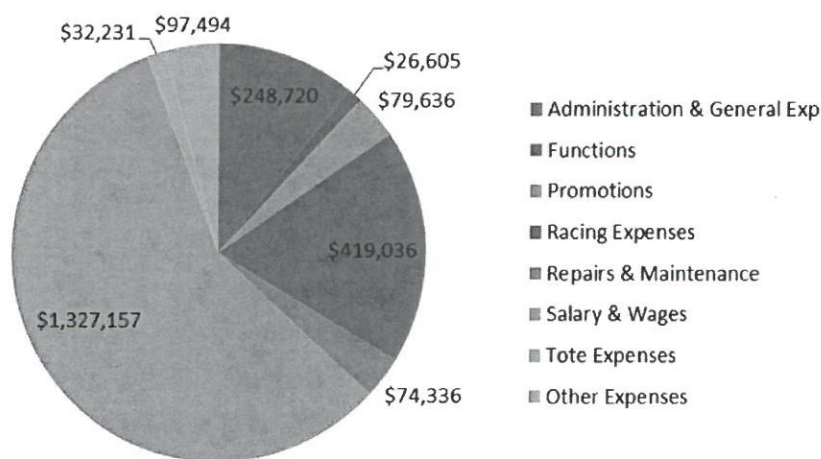
BRISBANE GREYHOUND RACING CLUB – FINANCIAL INFORMATION

Costs associated with running BGRC

36 For BGRC to host successful race meetings throughout the year, it is important that it provides an enjoyable experience for owners, trainers and punters. In order to do this, BGRC must incur substantial costs in ensuring the track and spectator facilities are in good condition. BGRC's annual report for the period ending 30 June 2016 is annexed at **Annexure LG-4. Chart A** below sets out the primary costs incurred by BGRC for the financial year ending 30 June 2016 (see page 10 of Annexure LG-4). The key categories of costs include:

- (a) salary and wages – BGRC employs a variety of personnel, these personnel include track maintenance staff, office staff, racing staff and totes staff;
- (b) racing expenses – costs associated with putting on a race day including: race callers, photographers, security etc; and
- (c) administration and General Expenses – basic overheads.

Chart A: BGRC's expenditure for the financial year ending 30 June 2016

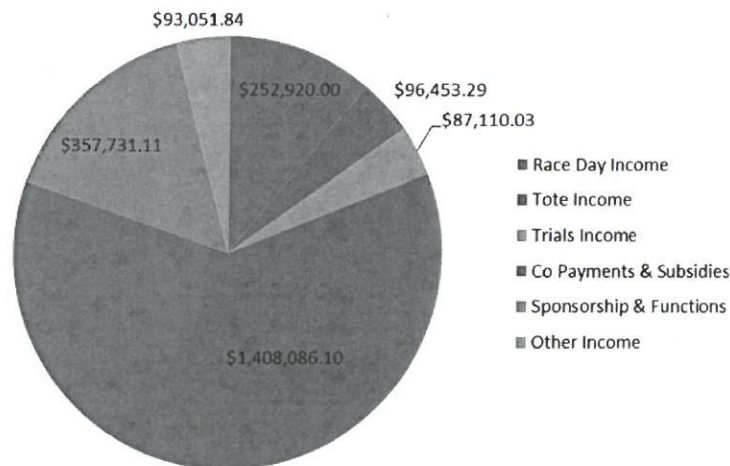


Revenue

37 In order to meet the costs outlined above, BGRC receives revenue from a range of sources. For the period ending 30 June 2016, total revenue for BGRC amounted to over \$2 million.

- 38 **Chart B** below sets out the primary sources of revenue for BGRC for the financial year ending 30 June 2016 (see page 9 of Annexure LG-4). More than half of BGRC's revenue comes from "Co-payments and Subsidies" from Racing Queensland, the control body for greyhound racing in Queensland (as well as harness and thoroughbred racing). Other major sources of revenue include race day income, sponsorship and function revenue and tote income.

Chart B: BGRC's income for the financial year ending 30 June 2016



Revenue from on-course totalisator operations

- 39 BGRC has an agreement with UBET in relation to the operation of the on-course totalisator business at Albion Park. BGRC runs the on-course totalisator operations and incurs the costs associated with it (including employee costs for staffing the facility). In return BGRC receives a commission of all on-course totalisator wagers placed.
- 40 Over time, the rise in mobile wagering platforms offered by corporate bookmakers has resulted in a shift in the wagering activity of race day patrons. Today, although patrons still have the option of betting via the on-course totalisator operator, many choose to place wagers via mobile applications offered by corporate bookmakers. Further, with the rise of digital wagering platforms and digital broadcasting agreements, punters no longer have to attend the track to place a wager. Instead, punters are presented with the option of viewing and betting on greyhound races on TV and mobile applications. I recall that this rise in digital wagering was fairly sudden, and commenced when smart phones and mobile applications were first widely accessible (around the time the iPhone 3 was released in 2009).
- 41 This trend is reflected in the change in BGRC's revenue from on-course totalisator operations. As noted above, in 2010 this revenue was \$170,000 and has decreased to \$96,000 in 2016.

Sponsorship payments and broadcasting agreement

- 42 BGRC has an agreement with Sky Racing for the naming rights of BGRC race meetings and for the digital broadcasting of greyhound race meetings hosted by BGRC. Under the agreement,

BGRC provides the vision of BGRC greyhound race meetings, incurring associated costs, such as the employment costs of the cameraman. In relation to BGRC's international arrangements between BGRC and Sky Racing, Sky Racing exports the vision internationally, providing a percentage of any fee received from international broadcasters back to BGRC. In respect of domestic broadcasting arrangements, Sky Racing pays a small fee to BGRC for the provision of domestic racing vision as well providing BGRC with sponsorship fees, primarily for the Group 1 Brisbane Cup and other ad hoc sponsorship arrangements. BGRC has a positive relationship with Sky Racing.

- 43 Racing vision is vitally important to racing and wagering participants, as the link between racing vision and wagering is inextricable. This is because people want to see races they are placing bets on and if they cannot view these races, they will likely spend their wagering money elsewhere on events for which vision is available.

Co-payments and subsidies from Racing Queensland

- 44 As a greyhound racing club, BGRC receives "co-payments and subsidies" from Racing Queensland. Racing Queensland distributes these funds for a variety of purposes, including for the general operating expenses associated with running a greyhound racing club. Specifically, BGRC receives an operational subsidy and a facilities subsidy, both are provided for the delivery of race meetings. These co-payments and subsidies do not include prize money, because prize money is paid directly by Racing Queensland.

RACING QUEENSLAND AND INDUSTRY FUNDING

- 45 The current funding model in Queensland results in wagering operators essentially financing all three racing codes. As the control body for all three racing codes in Queensland, Racing Queensland is tasked with the responsibility of collecting fees from wagering operators. In my role at BGRC, I have an interest in maximising the funding available to Racing Queensland from wagering activities, as well as an interest in maximising BGRC's portion of that funding.
- 46 Annexed at **Annexure LG-5** is an ASX announcement from Tatts Group on 27 June 2014 which sets out the Queensland racing funding arrangements in greater detail. Based on my experience and Annexure LG-5, I am broadly aware that Racing Queensland collects the following fees from wagering operators:
- (a) **Product and Program Fees** - the "Product and Program Fee" is a fee associated with the "racing product". That is the participation, composition and broadcast of the race event, and the programming of that product. This fee is collected by Racing Queensland from the Queensland totalisator operator (ie, UBET) in respect of its totalisator and fixed odds operations and comprises:
- (i) a variable product fee associated with racing, being 39% of gross wagering revenue (both pari-mutuel and fixed odds) (with certain offsets for race information fees – see below);

- (ii) a variable product fee associated with sports, being 2.5% of fixed-price sports betting revenue generated from Queensland 'bricks and mortar' retail outlets, capped at \$5 million per year (as at 2014/15 financial year, subject to indexation); and
- (iii) a fixed fee of \$15 million per year (as at 2014/15 financial year, indexed to 80% of CPI).

This fee is not payable by other wagering operators.

- (b) **Race Information Fees** – licensed wagering operators require race field information in order to offer wagering on races. To obtain that information, they are required to pay Race Information Fees to Racing Queensland. Race Information Fees apply to all three codes of racing and are calculated as a percentage of the wagering operator's turnover. The precise percentage of turnover differs based on the amount of turnover, the kind of bet placed and the category of the race meeting. Race Information Fees are payable by both totalisator operators and corporate bookmakers. I am aware that a new model for charging race information fees by Racing Queensland commenced on 1 January 2017 and will be reviewed by Racing Queensland after 12 months, with possible further industry consultation.

- 47 After collecting those fees, Racing Queensland has the power to distribute amounts as prize money for races or to licensed clubs for a purpose relating to the operations of the club. According to the Racing Queensland 2015/16 Annual Report, for the year ending 30 June 2016, for greyhound racing alone, Racing Queensland received \$33.7 million in revenue from wagering activity and paid out over \$32.8 million in prize money and other distributions to the racing industry.
- 48 It is via these mechanisms that Racing Queensland uses its discretion to provide co-payments and subsidies to BGRC.

VIEWS ON THE PROPOSED TRANSACTION

- 49 Tabcorp has proposed to acquire the issued shares of Tatts by way of a scheme of arrangement (the **Proposed Transaction**). I am of the view that the Proposed Transaction will benefit BGRC and the Queensland racing industry generally.
- 50 I attended a presentation from Tabcorp executives in relation to the Proposed Transaction. I am aware, including from this presentation, that Tabcorp expect the Proposed Transaction to result in substantial cost synergies. I understand these synergies include:
 - (a) cost savings from de-duplicating functions;
 - (b) procurement economies of scale;
 - (c) common IT development and maintenance;

- (d) one marketing and promotional approach; and
 - (e) joint R&D and innovation programs.
- 51 I am aware that these cost synergies are expected to enhance the merged business' ability to invest in innovation, marketing and customer experience. Further, I understand that a larger Tabcorp / Tatts business, with the benefits from cost synergies and more resources for investment, may result in benefits to wagering customers and the Queensland racing industry.
- 52 Additionally, I am aware that should the Proposed Transaction proceed, the resulting Tabcorp / Tatts business may introduce a new digital commission model for venues. Should this occur, this new commission model may involve the Tabcorp / Tatts business:
- (a) paying venues a commission when a punter bets digitally with the merged Tabcorp / Tatts business within the venue; and
 - (b) paying venues a commission on customers acquired by the merged Tabcorp / Tatts business within the venue for their digital wagering activity that occurs outside of the venue and on-course environment.
- 53 I understand that this digital commission model has recently been implemented in the ACT, New South Wales and Victoria. I also understand that Tabcorp is reviewing the appropriateness for this type of this digital commission model to be used to pay racing clubs a commission on customers acquired by the merged Tabcorp/ Tatts business on-course.
- 54 To the extent this occurs, I expect such a new commission model to deliver further direct funding for BGRC and racing clubs around Australia. As noted above, I have personally observed the increase in on-course digital wagering. Such a potential new commission model may help reverse the downward trend in revenue received from on-course retail totalisator operations.

Expected impact on punters and the wagering market

- 55 I am of the view that the Proposed Transaction will not result in a reduction in competition in the greyhound wagering market. Currently, Queensland punters who wish to bet on a greyhound race have a choice between: fixed odds and pari-mutuel derivatives, offered by a variety of corporate bookmakers; and pari-mutuel pools (alongside fixed odd products), offered by Tabcorp (online via TAB) and Tatts (online and in retail outlets via UBET). As highlighted above, the current "UBET pool" for many greyhound races is relatively small in size, resulting in volatile returns and deterring punters from pari-mutuel betting. Should the Proposed Transaction go ahead, there is a potential for the pari-mutuel betting pool available to Queensland punters to be expanded. This may be achieved by creating a national totalisator pool, or comingling selected pools (subject to regulatory and industry approval). This potential to see a larger pari-mutuel betting pool will give punters greater confidence in pari-mutuel betting products, potentially increasing the ability of totalisator operators to compete with

corporate bookmakers in the wagering market. If a national pool could be achieved, I would expect that corporate bookmakers would respond by offering new tote-derivative product offerings and would "piggy back" off the national pool in the same way they do in relation to the current pooling arrangements, as I referred to at paragraph 35 above.

- 56 Further, as noted above, I am of the view that TAB is the market leader in product innovation and has a broader and more consistent product offering than UBET. I understand that the Proposed Transaction is expected to result in many of TAB's products being introduced in Queensland's on and off-course totalisator retail outlets. These products include:
- (a) Trackside – a wagering product allowing punters to bet on simulated visual representations of thoroughbred, harness and greyhound racing;
 - (b) Longitude – a pari-mutuel betting product that co-mingles pools (eg, co-mingling the pools for the quinella, exacta and trifecta on a certain race); and
 - (c) Early Quaddie and Quaddie Cash-out (which I refer to above).
- 57 I understand that these additional product offerings will also be paired with a more complete and consistent product offering by the new Tabcorp / Tatts business on all races. To the extent that this occurs, Queensland punters will have an increased range of wagering product offerings from the Tabcorp / Tatts business and will enable the totalisator operator to better compete with corporate bookmakers.

Expected impact on the Queensland racing industry

- 58 I consider that the levels of funds distributed to the Queensland racing industry largely correlates to the Queensland totalisator operator's wagering turnover. This is chiefly due to the nature of the product fee payable by the Queensland totalisator operator to the Queensland racing industry, which is calculated based on gross wagering revenue (referred to at paragraph 46 above). If the Queensland totalisator operator increases wagering turnover, I expect funding to the Queensland racing industry to similarly increase, via the operation of the variable product fee. To maximise wagering revenue, and in turn generate adequate funds for the Queensland racing industry, I am of the view that the Queensland totalisator operator must have the following attributes:
- (a) large totalisator pools to encourage pari-mutuel wagering;
 - (b) a strong brand, recognised throughout the industry; and
 - (c) adequate resources to fund marketing and innovation.
- 59 As noted above, I consider that the Proposed Transaction may result in an expansion to the pari-mutuel betting pool available to Queensland punters (subject to regulatory and industry approval). Should this be the case, the Queensland totalisator operator would have access to a larger pari-mutuel betting pool, resulting in an increase in the stability of pari-mutuel wagering in




Queensland and potentially attracting punters away from corporate bookmakers to the merged Tabcorp/ Tatts business which would provide greater returns to the racing industry.

- 60 I am of the view that the level of brand awareness of a wagering operator directly impacts the level of wagering turnover for that operator as punters are more likely to place wagers with operators that they know and trust. I do not consider the UBET brand to be highly regarded in the Australian racing industry. Consistent with my view, I am aware, from the presentation from Tabcorp I attended in relation to the Proposed Transaction, that the results of a September 2016 brand awareness study involving TAB and UBET indicated that the TAB brand is a stronger brand both nationally and within Queensland. As a result, I am of the view that the Proposed Transaction will strengthen the brand of the Queensland wagering operator, increasing the likelihood of attracting punters away from corporate bookmakers to pari-mutuel wagering.
- 61 I am aware of the expected significant cost synergies from the Proposed Transaction. Should the Proposed Transaction proceed, I consider that any cost synergies achieved for the merged Tabcorp / Tatts business will increase the resources available to the merged Tabcorp / Tatts to invest in marketing, product development and innovation. With adequate resources and investment in these areas, the merged Tabcorp / Tatts business should result in a stronger Queensland totalisator operator. Additional resources should also allow the Tabcorp / Tatts business to form stronger partnerships with race clubs.
- 62 For these reasons, I consider that the Proposed Transaction will strengthen the Queensland wagering operator and allow additional benefits to flow to the Queensland racing industry.

ANNEXURES

- 63 Set out in Schedule "A" of my statement is a table of annexures that I refer to in my statement.



Signature of witness

Luke Gatehouse, Chief Executive Officer, Brisbane Greyhound Racing Club

Date: 16TH February 2017

SCHEDULE A

TABLE OF ANNEXURES REFERRED TO IN STATEMENT OF LUKE GATEHOUSE

Annexure	Title	Confidentiality
LG-1	<i>"Club History, Brisbane Greyhound Racing Club"</i> (BGRC) retrieved from BGRC's website, 16 December 2016.	-
LG-2	Roy Morgan study entitled <i>"Greyhound races most popular among Generation Y"</i> retrieved from Roy Morgan website 13 December 2016	-
LG-3	IPhone photograph/ screenshot of wagering applications retrieved from Luke Gatehouse's IPhone	-
LG-4	BGRC Annual Report for period ending 30 June 2016	-
LG-5	Tatts Group ASX Announcement dated 27 June 2014 entitled <i>"New Framework for Race and Sports Wagering in Queensland"</i>	-



Club History | Brisbane Greyhound Racing Club

Club History

Brisbane Racing Club History

*In 2005 Phil Purser, owner of the www.justracing.com.au website, did a feature article on his website entitled “**The History Of The Gabba Greyhound Racing Club.**” Approval has been kindly granted for that article to be reproduced in full here in the interests of preserving the history of greyhound racing in Queensland. A selection of 17 photographs from the Gabba days can be viewed in the “Photo Gallery” section of www.justracing.com.au.*

The History of the Gabba Greyhound Racing Club

The founding of the Gabba Greyhound Racing Club at the same ground as Brisbane’s hallowed home of Test cricket – Woolloongabba – would prove to be one of the great success stories of post World War 2 Queensland sport.

Openly laughed at by many as being doomed to failure, no night greyhound racing had been run in Brisbane since 1928, when greyhounds raced under gas lights. The 1928 Gabba meetings were subjected to strict government regulations and no bookmakers or betting was allowed. Up to 20 races were run on a program with prizemoney ranging from 2 pounds (\$4) to 5 pounds (\$10) for feature events. The meetings featured greyhounds chasing a mechanical lure known as a tin hare.

Novelty events such as hurdle races, with monkeys being used as jockeys, were put on for crowd entertainment. However the lack of betting meant the concept was doomed to failure. Of that demise one publication later wrote, “No doubt the vested interest was too strong (thoroughbreds) and was able to persuade the government not to encourage the sport”.

The modern day Gabba Greyhound Racing Club was formed on March 17, 1971. A Brisbane Alderman, Clem Jones was the inaugural President of the Club. In later years, Clem Jones would write himself into the history books by becoming the longest serving Lord Mayor of Brisbane.

The **first Secretary/Manager of the Gabba** Greyhound Racing Club was **John Hicks**. He had resigned his employment as press secretary to the Deputy Premier, Sir Gordon Chalk, to take up his Gabba position. John Hicks continued in his role for over a decade of Gabba operations – leaving in 1982 to manage a suburban TAB in Brisbane at Coorparoo for two years. He then spent the following six years as Chief Executive of the Queensland Harness Racing Board.

On April 6, 1972 the first race meeting – consisting of nine races – was held, but controversy dogged the project in the run up to the Gabba opening. Crowds of up to 6,500 came to see the trials. On two separate occasions “saboteurs” tried to disrupt proceedings at the \$1.2 million greyhound racing

complex, by cutting the rope that ran the lure. A Brisbane daily newspaper of the time – the Telegraph – reported on 24.3.72 that the President, Alderman Clem Jones, ordered “police patrols and caretakers with watchdogs to stand guard over the track at night”.

Now with beefed up security in place the unbridled success of opening night shocked even the club’s administrators. A huge crowd of 11,500 turned up and the restaurant with a seating capacity of 400 was booked out. It was standing room only and huge crowds became the order of the day.

The first race run at the Gabba was called the Sir Gordon Chalk Opening Stake after the man who had cut a ribbon at the winning post to officially open the track. The race was won by Jafferine (black bitch Benjamin John – Tamerina) in 33.42 for trainer G.S.(Stan) Cleverley. When Irish Korina won Race 8 on the same program, it gave Stan Cleverley a double on the evening.

John Hicks told me recently “42 bookmakers attended opening night. Of those 42 we invited 4 from interstate. Sydney bookmaker Bill Waterhouse was invited and came”. (Bill Waterhouse would in later life become embroiled in the Fine Cotton ring-in at Eagle Farm on August 18, 1984). John continued by saying “we had 36 bookmakers here for at least 6 years and when I left in 1982, we were down to 24”.

Upon the resignation of John Hicks in 1982, Ken Norquay took on the role of Secretary/Manager until 1986 when inaugural course broadcaster Mick Cox returned as Secretary/Manager. Mick passed the baton to Bob Lambert who was with the Gabba club until closing night and then Bob stayed on at the new Albion Park headquarters – in the same role – until his resignation in 2002.

Mick Cox had been the popular race caller at the Gabba from opening night and his race calls were broadcast live to Brisbane radio station 4BK. His signature statement in his race calls of “wouldn’t beat my German Shepherd” – to describe a short priced favourite going nowhere in the run – was a sure death knell to punter’s hopes of that greyhound’s chances.

The Gabba Greyhound Race Club was a pioneer in introducing many new ideas to the racing industry. Other race clubs – across the three codes – later followed suit. They were the first race club in Australia to trial free admission. They bucked the national trend by allowing women to become members and also introduced on-course child minding facilities to the course.

The Gabba Greyhound Club had to go metric soon after opening and on New Year’s Day 1973, greyhounds were to be forever subsequently weighed in kilograms – pounds were gone. The distances also changed and yards became metres and the Gabba would then run with four distances – 420, 558, 704 and 895 metres.



The track record for (610 yards) 558 metres set on opening night by the invited Paul Cauchi’s New South Wales trained visitor **Ragsie (Roman Earl x Fairbairn Lady)** wasn’t broken until 9/5/74, when **Top Simbi** ran **32.58**, but 7 days later **Top Simbi** broke his own record when running **32.50**.

To the day the Gabba closed, Top Simbi was regarded as the most acclaimed greyhound to ever grace the track.

Top Simbi was born one of a litter of five on March 3, 1971 and was a white and brindle son of 1969 Melbourne Cup and Vic Peters Memorial Classic winner Milimsimbi and the broodbitch Susie Voile. Bred by Cyril Channels at Telegraph Point in New South Wales and raced and trained by Bert Kennedy in partnership with his long time friend Bill Brideson, **Top Simbi won 20 of his 24 Gabba starts**. On three other occasions he was placed and the only time he was unplaced he fell during the running of the race. His best wins at the Gabba were in races like the Autumn Trophy, Lord Mayor's Cup, Springtime Cup, Gabba Sprint Championship, Exhibition Trophy and the Bacardi Rum Trophy. Taken to Sydney's Harold Park during his career, he proved he was not just a Gabba dog by winning an Invitation Stakes and the As You Were Trophy.

Top Simbi amassed about \$23,000 prizemoney in his career and was retired to stud in 1975. Whilst he threw winners at the Gabba and other tracks, he was deemed disappointing at stud and never produced any progeny that could remotely replicate his own racetrack career.

Top Simbi's 558 metres track record stood for some years before the Peter Rayner trained Iron Hawk broke the record when he clocked 32.39 in 1978.

The first full financial year of operations (1/7/72 to 30/6/73) revealed astounding betting turnover. The total betting on Gabba greyhound meetings in those 12 months totalled \$22,358,297, consisting of \$15,392,812 bookmakers, \$2,031,169 on course totalisator and \$4,934,316 off course at TAB outlets.

The average crowd in the first year of operations was 5,500 but the introduction of late night shopping in 1978, had an adverse affect on crowd size. Not to be denied, the Gabba Club decided to open the gates for free admission one night on the 26th June 1980. Again the response was overwhelming with more than 7,000 people attending and the massive on course betting turnover totalled \$799,554.

The Gabba Greyhound Club had its first triple dead heat on 7/12/1972 when three greyhounds Sir Mullaway, Dino's Chance and Black Karo couldn't be separated by the judge. That became only the second triple dead heat in Queensland greyhound racing history – the other being on 9/1/1964, when Ma Parra, Breakout and Waitawhile Lady dead heated at Brisbane's Loganholme track (long since closed).

Many incidents occurred at the Gabba over the years and John Hicks noted many down for posterity. He recorded the track having three individual male streakers run onto the track on 25/7/1974, 6/3/1975 and 1/1/1981. He also recorded the greyhound Joy Of Salome being tackled by a member of the crowd on 19/8/76. A subsequent failed attempted tackle was made on the greyhound Darling Kate in 1979 near the 558 metres boxes, which John hadn't noted. In all five instances police apprehended the lawbreakers.

The Gabba hosted three National Sprint and four National Distance championships in its history. The

winner's of the three National Sprint finals were firstly via Victorian Bowetzel in 32.70 seconds (1977) and then two Queenslander's, Madonna Lee (32.73 – 1982) and Dancing Gamble (32.89 – 1988). The four National Distance titles were won by Victorian He's Some Boy (42.09 – 1973), Dotie Wilson from New South Wales (41.66 – 1975) and Queenslander's Kirsty's First (41.65 – 1986) and Just A Charm (41.45 – 1991).

Queensland Greyhound of the Year

Many champion greyhounds earned the title “**Greyhound of the Year**” for their wonderful racetrack deeds.

From inception, the greyhounds to earn that accolade were:-

YEAR	NAME OF DOG	BREEDING
1973	Top Simbi	Milimsimbi – Susie Voile
1974	Top Simbi	Milimsimbi – Susie Voile
1975	Coorparoo Flyer	Solar Blaze – Crimplene
1976	Kabisa Gem	Thunder Lane – Georgie Fair
1977	Rebel Attack	Pied Rebel – Swanky Doll
1978	Solar Beach	Solar Blaze – Royal Deb
1979	Gallant Anne	Tivoli Chief – Riveria Moss
1980	Miss Perlita	Eddy Barry – Blue Perlita
1981	Final Dream	Ungwilla Lad – Paradise Peg
1982	Glanzend	Castleisland Lad – Tekatana
1983	Pewter Frost	He's Mystic – Denise Linley
1984	Rustic Venture	Tangaloa – Pretty New
1985	Amanda Flash	Waverly Supreme – Our Pantomine
1986	Kirsty's First	Ungwilla Lad – Katie's Disco
1987	Pretty Fearless	Pretty Short – Fearless Payout
1988	Dancing Gamble	Riviera Tiger – Dancing Damsel
1989	Musical Maestro	Pretty Short – Stagebrush Sal
1990	Cool Marvel	Dark Pretender – Nation's Copy

1991	Wallowa Flash	Acacia Park – Flash A Coin
1992	Elusive Odie	West Cape – Elusive Osti

The feature race on the final night of Gabba racing was aptly called the **Goodbye Gabba Trophy** and was won by six lengths by Worth A Packet for Bundamba mentor Don Gammon who trained greyhounds right up until his untimely passing at an Ipswich Greyhound Club meeting in April 2005.

At that Ipswich meeting he had kennelled a greyhound, but didn't come to get it out for the race despite calls over the public address. The dog was declared a late scratching and Gammon was later found to have suffered a fatal heart attack in his car. In an amazing occurrence Gammon also trained the **last race winner at the Gabba – Pretty Boy Buddy** – a litter brother to Worth A Packet (Worth Doing x Prize Packet), giving him victory in both the feature race and the last race at the Gabba.

Pretty Boy Buddy had a neck to spare when the judge called a halt in a time of 33.37. Both Worth A Packet and Pretty Boy Buddy were owned by Gammon's partner Ann Richie.

John Reimer had the distinction of being the only trainer to taste success on both opening and closing night at the Gabba.

On opening night he won with Nijinski and Time And Tide whilst on the final night the Gabba raced he trained three winners. He was successful with litter sisters Tokyo Deville and Tokyo Capers as well as Opal King.

Incredibly all three of Reimer's final night winners shared the same parentage (Pretty Short – Tokyo Princess) but Opal King was from an earlier 1988 litter.

Albert (Bunny) Hewton was one of only two members (the other being Jim Neary) of the inaugural Gabba Greyhound Racing Club committee to be still there on closing night. As at 2005, he has been serving on a greyhound committee for 39 consecutive years, having started with Loganholme club in 1966. When that track closed he served at Beenleigh and Capalaba, before taking on his role when the Gabba opened. He was a foundation committee member at Albion Park when that track replaced the Gabba.

The man who drove the lure for the entire duration of the Gabba track was Jack McDonald. After 20 consecutive years of driving the lure for every greyhound that ever looked through a muzzle on the track, Jack McDonald declared, "the (track) record breakers keep up their blistering pace for the entire race. Champions do the same thing. They never slow up even on the turns. The average dog steadies himself into turns, champions don't". Jack McDonald went to drive the lure at Albion Park when that venue took over from the Gabba, before he resigned in 2005.

Although there were still 20 years to go on the existing Gabba lease, the government offered greyhound racing an attractive proposition to relocate to Albion Park. The Gabba Greyhound Racing Club held its last race meeting on 4/2/1993 in front of a farewell crowd of 4,500 and Brisbane night greyhound moved to Albion Park, to share its home with the already established home of night

harness racing.

Upon the cessation of greyhound racing at the Gabba, the grounds were re-developed and became the joint home of both Sheffield Shield and Test cricket and the Brisbane Bears AFL club – the latter subsequently changing their name to the Brisbane Lions.

The once weekly night meetings of the Gabba have now been replaced by two nights at Albion Park each week. It is fair comment that the grass track at the Gabba would not have withstood the amount of racing that today's sand tracks can handle. Most of the racetrack crowds and bookmakers that created the atmosphere have long since gone, as television brings the races live into our homes in the modern era. For the tens of thousands of us who were privileged to have our health and geographical proximity to be able to regularly attend race meetings at the Gabba, the venue served to leave pleasant and indelible memories, in our minds, for the rest of our lives.

They talk about “the good old days” and few would argue that most of the time we are better off today with all the mod cons. However I make no secret that if they could re-create the “good old days” of the Gabba they would still pack them to the rafters once again. We'd all back a few that “wouldn't beat my German Shepherd” and a few fighters that would have been better off down the road at Festival Hall on the under card to Hector Thompson – but we wouldn't have changed it for the world – because we are a long time dead.

Historical photos of the Gabba may be viewed by clicking on “Photo Gallery” at the entrance to the website. Simply scroll down on the drop down menu to “Gabba Greyhounds” and allow all photos to download fully as per the bottom left hand side of your computer before viewing. All photos can be enlarged by clicking “View larger photo”.

This website offers the only historical reference source for the results of 10 of the feature races run at the Gabba track. That the justgreyhounds.com.au website offers the only publicly accessible reference source to those results is in itself a disgrace and it is no wonder much of the wonderful history of racing across the three codes is lost eternally. This article and the results will also be put in my book “justracing.com.au Volume 1” which will be released in late October 2005 to ensure the information is preserved for future generations.

Those ten races and their results are:-

[accordion] [toggle title="RACE 1. COCA COLA BOTTLERS CUP (formerly Brisbane Cup)" state="opened"]

YEAR	WINNER	TIME
1972	Garron Court	33.67
1973	Top Simbi	32.85
1974	Mister Oollee	32.90
1975	Alpha Brava	32.70

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1976	Clover Duke	32.74
1977	Rebel Attack	32.61
1978	Young Breeze	33.31
1979	Acclaim Star	32.73
1980	General Jeff	32.72
1981	Picture This	32.95
1982	Peter Glider	32.89
1983	Acacia Park	32.58
1984	National Lass	32.60
1985	Super Max	32.74
1986	Pretty Fearless	32.69
1987	Whip Tip	32.64
1988	Dancing Gamble	32.57
1989	Golden Fox	32.63
1990	Whisky Bale	32.99
1991	No It's Not	32.32
1992	White Coonowrin	32.83

[/toggle] [toggle title="RACE 2. QUEENSLAND SHORTCOURSE"]

YEAR	WINNER	TIME
1977	Remlap Star	24.63
1978	Phantom Warrior	24.52
1979	Moon Critic	24.32
1980	Linden Busy	24.48
1981	Rossmore Baron	24.52
1982	Golden Purse	24.58
1983	National Ivy	24.54

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1984	Hallowed	24.41
1985	Great Sensation	24.26
1986	Has To Be	24.42
1987	Lord Trease	24.37
1988	Golden Guy	24.43
1989	Golden Guy	24.37
1990	Glinell Page	24.49
1991	Night Merinda	24.32
1992	Travelling Tears	24.18

[/toggle] [toggle title="RACE 3. QUEENSLAND CONSTELLATION"]

YEAR	WINNER	TIME
1974	Refidex	33.28
1975	Aurora Light	32.94
1976	Michael's Gift	33.16
1977	Annerley Flyer	33.24
1978	Brigadier North	33.70
1979	Smart Mission	32.83
1980	Frosty Lee	32.96
1981	Intraspect	33.00
1982	Greedy Reidy	33.00
1983	Todlock	33.19
1984	Fashion Bow	33.09
1985	Flag The Fawn	33.12
1986	Meadow Ruler	33.09
1987	Track Trump	32.81
1988	Markaboy	32.43

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1989	Musical Maestro	32.39
1990	Cool Marvel	32.40
1991	Your Attention	32.43
1992	White Coonowrin	32.25

[/toggle] [toggle title="RACE 4. GABBA GOLD CUP (formerly Fourex Gold Cup, SGIO Cup & FAI Gold Cup)"]

YEAR	WINNER	TIME
1974	Captain Winter	42.12
1975	Dotie Wilson	41.83
1976	Dotie Wilson	42.08
1977	Mandarin Girl	41.70
1978	Dusty Ginny	41.75
1979	Mockacindy	41.46
1980	Gini's Choice	41.90
1981	Final Dream	41.83
1982	Picture This	41.88
1983	High Monakii	41.75
1984	Shy Deena	41.62
1985	National Star	41.61
1986	Clover Park	41.40
1987	Shy Nimbus	41.74
1988	Gary's Hope	41.49
1989	Mary Casey	41.51
1990	Rocket To Tubrid	41.68
1991	Cobbalena	41.71
1992	Elusive Odie	41.37

[/toggle] [toggle title="RACE 5. LORD MAYOR'S CUP"]

YEAR	WINNER	TIME
1972	Bomber's Gal	33.10
1973	Top Simbi	32.50
1974	Top Simbi	32.77
1975	Wresace	33.34
1976	Jo Gilhooley	33.19
1977	Dainty Monaro	33.38
1978	Doo Five	32.80
1979	Gallant Anne	32.66
1980	Aconite	33.43
1981	Pastel Avonhue	33.48
1982	Glanzend	32.94
1983	Fawn World	33.18
1984	Sell Out	32.81
1985	Rich Manner	33.05
1986	Pseudo Frost	33.29
1987	Track Trump	32.87
1988	Mackyla	32.74
1989	Swell Affair	32.63
1990	Tusitu	33.02
1991	Tenthill Flyer	32.83
1992	Ultimate Style	32.62

[/toggle] [toggle title="RACE 6. QUEENSLAND FUTURITY"]

YEAR	WINNER	TIME
1973	Little Colleen	33.44

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1974	Hi Now	33.21
1975	Kabisa Gem	32.73
1976	Pinto Power	33.25
1977	Overflow Love	32.87
1978	Katie's Disco	33.06
1979	Gallant Anne	33.17
1980	Pretty New	33.03
1981	Miss Budweiser	32.89
1982	Truly Active	32.62
1983	Double Crown	32.71
1984	Rustic Venture	32.45
1985	Kirsty's First	32.60
1986	Cyclone Magpie	32.94
1987	Fifi She's Not	32.61
1988	Run Baby Run	33.22
1989	Milluna Babe	32.67
1990	Tardy Tears	32.53
1991	I'm An Angel	32.76
1992	Turbo Tears	32.72

[/toggle] [toggle title="RACE 7. GABBA THOUSAND"]

YEAR	WINNER	TIME
1973	Plunderola	54.45
1974	Yodel High	54.52
1975	Dotie Wilson	53.85
1976	Marg's Fortune	54.55
1977	Cabanossi	54.24

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1978	LittleVogue	53.48
1979	Tiger Louis	54.72
1980	TipToe Tak	54.71
1981	Miss Coroneagh	54.33
1982	Sibrea	54.09
1983	Sweet Nimbus	53.77
1984	Branded A Lady	53.99
1985	Gay Santana	54.18
1986	Star Walk	54.12
1987	Shady City	54.48
1988	Satan's Risk	54.51
1989	Kristy's Bale	54.28
1990	Starry Eyes	54.46
1991	Oguri Cap	53.90
1992	Don't Cry	53.42

[/toggle] [toggle title="RACE 8. QUEENSLAND DERBY"]

YEAR	WINNER	TIME
1972	Dixie's First	33.75
1973	Dan Meadow	33.22
1974	Ben Hamilton	33.04
1975	High Climax	33.05
1976	Irish Outlaw	33.39
1977	Rebel Attack	32.90
1978	Iron Hawk	33.47
1979	Smart Mission	32.81
1980	Morayfield	32.88

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1981	Hatari Chief	32.96
1982	Duration	33.00
1983	Tangleshell	32.92
1984	Magic Gull	32.34
1985	Kismet Range	32.84
1986	Raging Rajah	32.59
1987	Track Trump	32.76
1988	Raging Rajah	32.59
1989	Nifty Business	33.01
1990	Mr Alert	32.96
1991	Your Attention	32.32
1992	Tear's Finito	32.54

[/toggle] [toggle title="RACE 9. PRESIDENT'S CUP (formerly Carlton Cup and Foster's Cup)"]

YEAR	WINNER	TIME
1972	Bernadette Moss	42.65
1973	Zepplin King	41.96
1974	Tientsin Oscar	42.83
1975	Kabisa Gem	41.80
1976	Mandarin Girl	42.29
1977	Solar Beach	41.63
1978	Cool Rene	42.26
1979	Kirwan Cutie	42.28
1980	Jewell Bag	41.78
1981	Kenthurst Kate	41.64
1982	Jane's Replica	42.29
1983	Shy Deena	41.62

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1984	Onya's Rebel	42.04
1985	Clover Park	41.44
1986	Clover Park	41.81
1987	Hickari	41.86
1988	Terrific Tramp	41.45
1989	Empire Dancer	41.79
1990	Bonnie's Hope	41.77
1991	Streaking	41.40
1992	Elusive Odie	41.62

[/toggle] [toggle title="RACE 10. CHRISTMAS TROPHY (formerly Fourex Trophy)"]

YEAR	WINNER	TIME
1978	Brigadier North	33.00
1979	Katie's Disco	32.74
1980	Wings Of Steel	32.92
1981	Call Me Roscoe	32.84
1982	Glanzend	32.60
1983	Duration	32.91
1984	Acacia Park	32.90
1985	Amber Flash	32.89
1986	(Jan) Sharyn's Vogue	33.08
1986	(Dec) Fifi She's Not	32.61
1987	Dancing Gamble	32.75
1988	Fifi She's Not	32.61
1989	Son of Ella	32.63
1990	Highly Blessed	32.47
1991	Soldier On	32.60

1992	Iceni Princess	32.93
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[/toggle] [/accordion]



An enormous amount of unpaid time and effort went into bringing this story to readers and lovers of greyhound racing. I wish to publicly thank the inaugural Secretary/Manager of the Gabba Greyhound Club – John Hicks – for supplying photography and entrusting me with many rare racing photos and news snippets which were one offs.

I also thank sincerely inaugural Gabba committeeman Bunny Hewton who gave freely of his time over many weeks, often at short notice, to help check his historical records against mine thus ensuring that the information concerning RACE results is correct.

Greyhound races most popular among Generation Y

- January 20 2016
- Finding No. 6636
- Topic: Press Release
- Country: Australia

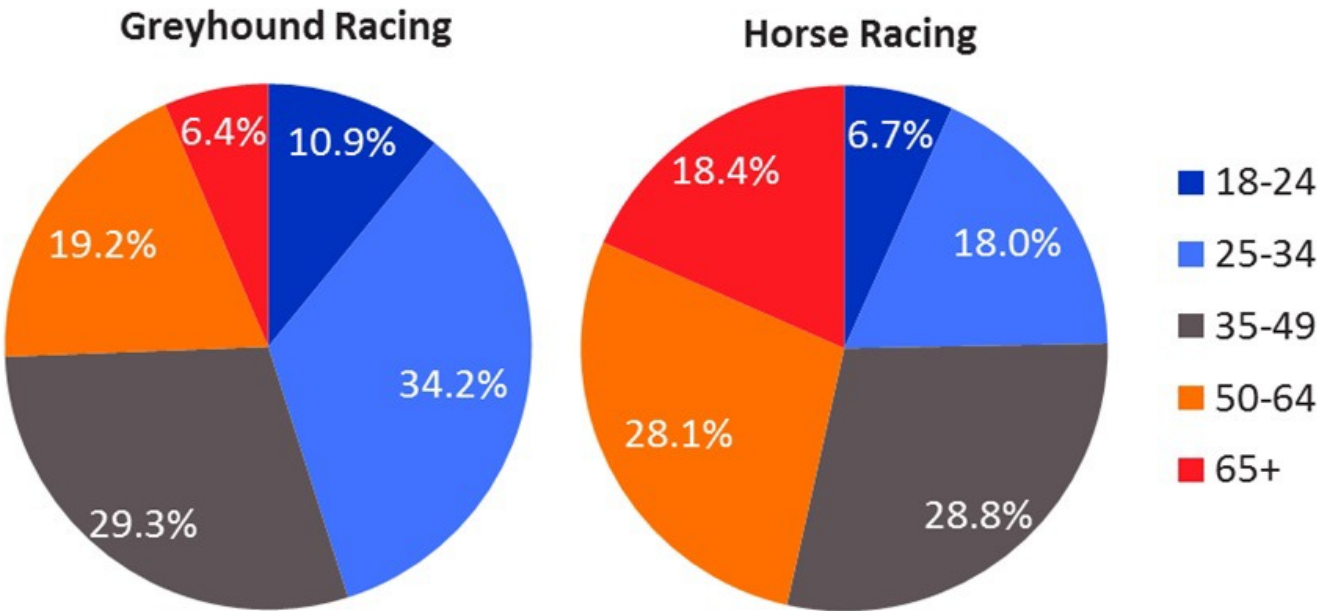
There may not be a greyhound race that stops the nation, but 600,000 Australian adults bet on at least one during the year—and, despite the scandals and controversy, this average doggie bettor is around eight years *younger* than the average horse race punter, the latest consumer gambling data from Roy Morgan Research shows.

3.3 million Australian adults (18.0%) gambled on at least one horse race (excluding harness trots) in the past year, and their average age is almost 49—a bit older than the national mean. But among the 3.2% who bet on greyhounds, the average age is not quite 41—younger than the average Facebook website visitor, *The Bachelor Australia* viewer, or *The Man from U.N.C.L.E* movie-goer.

Much of the lower age average is driven by the overwhelmingly popularity of greyhound racing among 25-34 year-olds. This group is 80% more likely than average to bet on dog races during the year, and make up the largest bloc of greyhound bettors (34.2%) despite being less than a fifth of the population.

As shown below, the age profile of greyhound bettors is a virtual mirror of horse racing: only around one in four greyhound gamblers is aged 50 -plus, compared with almost half of horse racing bettors—but the reverse is true for those aged 18-34. Those in the middle, aged 35-49, make up around 30% of each bettor group.

Age profiles of Greyhound vs Horse Racing bettors



Source: Roy Morgan Single Source (Australia), October 2014 – September 2015, samples $n = 367$ and 2641 Australians 18+ who bet on greyhound racing or horse racing respectively in the last 12 months.

Angela Smith, Group Account Director, Roy Morgan Research, says:

"Betting on horse-racing has declined in popularity over the past decade: In 2005, 24% of people bet on at least one horse race; in 2015, around 18% of us did. "Greyhound racing, meanwhile, seems to be on-trend—and last year's live baiting scandal, revealed on Four Corners in February last year, had only a marginal effect on betting incidence. Not only has its popularity been consistent over the past decade, but Aussies aged 18-34 now make up only nearly half of greyhound bettors, compared with only a quarter of horse-racing bettors. "But it's not just this generational difference that suggests greyhound racing is trendy: by far the most likely [Values Segment](#) to bet on greyhounds (at rates well over double the norm) are those defined as '[Look at Me](#)': a niche group of social butterflies who participate in cool or outrageous activities with the in-crowd of their peers, who follow trends and want to clearly distinguish themselves from previous generations. "And, as with the overall age trend, this group is among the least likely to be interested in placing a bet on horses."

For comments or more information please contact:

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5

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Greyhound races most popular among Generation Y

10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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Racing



TAB



Betfair



CrownBet



Luxbet



BlueBet



UBET



betting.club



Authenticator



Sportsbet





Annual Report



**Notice of Meeting together with the
Forty-Fifth Annual Report and
Financial Statement for the year ending
30th June, 2016**





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Notice of Annual General Meeting

Notice of Annual General Meeting

Notice is hereby given that the Forty-Fifth Annual General Meeting of the Brisbane Greyhound Racing Club Inc. will be held on Wednesday, 26 October 2016, at 7.00pm in Pacesetters, Albion Park Raceway, Amy Street, Breakfast Creek.

Business to be transacted shall be:-

- i) Apologies.
- ii) To confirm the Minutes of the previous Annual General Meeting held 26th November 2015.
- iii) To receive the report of the Committee.
- iv) To receive the audited Statement of Accounts of the Club for the year ended 30th June, 2016.
- v) To elect members of the Committee.
- vi) To appoint Auditors for the ensuing year.
- vii) To consider a recommendation of the committee for changes to the Club's Constitution.
- viii) General Business.

Election of the Committee:

The two retiring Members are Mr. Neil Beaton and Mr. Dennis Pegg.

Nominations for two Committee positions are to be in writing, duly signed by two financial members.

Every such nomination shall be lodged with the Secretary, not later than 5.00pm on **Wednesday 19th October, 2016**.

By order of the Committee
Luke Gatehouse
 Chief Executive Officer

President's Report



President's Report

It is my privilege to provide the Brisbane Greyhound Racing Club President's report for the 2015/16 racing season. It is my first report as Club President, following the appointment of Dale Cartwright to the Board of Racing Queensland. I wish to pay credit to Dale's contribution to the Club as a sponsor, a Committee Member and more recently as Vice-President and finally President of the Club since 2013. Dale has a great passion for the industry and I am confident that will shine through as our industry's representative of the Racing Queensland Board.

In 2015/16, greyhound racing continued to grow its wagering revenue, despite all of the obstacles that have confronted us over the last eighteen months. I must congratulate the Queensland Government's handling of the issues we have faced, including a thorough Commission of Inquiry, swift and decisive action following the release of the MacSporran Report, the introduction of The Racing Integrity Act and the establishment of the Queensland Racing Integrity Commission. Whilst there has been considerable pain for all of us in the industry, the actions taken by the Government have ensured the stability, reform and sustainability of the industry. It is now up to us to ensure that we maintain the highest standards for our industry, so that we are not threatened around our existence again.

As the most raced Club in the country, it is important to implement operational strategies to ensure a seamless delivery of greyhound racing. The Committee would like to recognise and congratulate all Club staff and contractors for their efforts in conducting a high volume operation of four race meetings and two public trial sessions each week.

Financial Performance

I am pleased to report that the Brisbane Club posted a surplus of \$90,315 in 2015/16. The Committee has continued its focus on long-term financial stability of the Club including the incorporation of investment strategies to build club equity. The Club's balance sheet shows an increase in total equity of 1.3% over the past year.

Since the Club sold the land at Woolloongabba in January 2013, we have produced the following surplus results:

2012/13 – \$177,755
 2013/14 – \$338,485
 2014/15 – \$296,678
 2015/16 - \$90,315

Over the past four years our balance sheet has grown by 32 per cent.

During 2015/16, the Committee continued its financial support to the industry by allocating \$56,500 to feature race prizemoney during the year. The Committee will continue to support the industry through additional prizemoney allocations where possible.

President's Report



Corporate Governance

During the past twelve months the Committee has focussed on increasing the corporate governance capability within the Club. This has involved training and development activities for Committee and Management and has resulted in a more robust corporate governance framework for the Club.

The Committee was please to reinvent the Club's Strategic Plan during the year, a copy of which was included with the distribution of the Annual Report.

Greyhound Racing Infrastructure

It has now been over eight years since the closure of the Russ Hinze Stand at Albion Park, with a number of unfulfilled commitments and promises from Racing Queensland. It is incumbent on the newly appointed Board of Racing Queensland to start delivering on long awaited enhancements to infrastructure for the greyhound racing industry.

Greyhound Winter Carnival

The Club, with significant support from Racing Queensland, staged one of the most successful Winter Carnivals in many years. We made a conscious effort to increase the off-track experience for patrons, and those that attended one of our many Group racing events this year would agree that the PaceSetters Room has never looked so good.

Digital Initiatives

The Club has focussed on improving our use of digital technology during the year. We have continuously improving our website with new additions and enhancements, and have increased our social media presence with a focus on engaging with our customers and stakeholders. We developed and introduced the Trial Booker on-line trial booking system during the year. This system was developed in-house and from the ground up with the goal of improving our service to trainers. The system has been an outstanding success and is proving to be a popular and user-friendly option for trainers. It has greatly improved the efficiency of our trial management system. Greyhound Racing South Australia has also purchased a licence to use Trial Booker, and have recently introduced it to trials at Angle Park. The Club will continue to market this product to greyhound racing Clubs across the Country.

Conclusion

In conclusion, the Club's financial position remains extremely strong. The Committee and management team enjoy a robust working relationship, and moving forward together we are continually working hard to improve our business model and grow our bottom line.

The Club's CEO, Luke Gatehouse celebrated ten years at the helm of the Club in March 2016. To achieve such a milestone as a CEO in any industry is a great accomplishment, let alone the, at times, highly charged racing industry.

Thank you to all who take the time to attend this year's Annual General Meeting, and on behalf of myself, the Committee and staff I wish you all the best for the coming twelve months and beyond.

President's Report



Racing

Congratulations are extended to the winners of the Group and Listed races conducted during 2015/16:

Group One

Garrard's Winter Carnival Cup	520m FABULOUS STORM	(Reg Hazelgrove)
Sky Channel Brisbane Cup	520m DYNA DOUBLE ONE	(Andrea Dailly)
Gold Cup	710m MY BOY BRODIE	(Trevor Rice)

Group Two

Bogie Leigh Queensland Futurity	520m FABREGAL	(Robyn Mackellar)
Glen Gallon @ Stud Queensland Derby	520m FRANCE SOIR	(Robert Cooke)

Group Three

Gold Coast Cup	520m NORM THE STORM	(Matthew Reid)
Queensland Cup	600m VELOCITY SHIRL	(Peter Wilson)

Listed

UBet Flying Amy Classic	520m FABULOUS BILL	(William Elson)
Superstayers	710m RING THE BELL	(Gerard O'Keeffe)

Nationals – Queensland Finals

National Distance State Final	710m MULLAWAY	(Joanne Price)
National Sprint State Final	520m KEYBOW	(Tony Brett)

Track Records

395m	ANJA(Frank Hancock)	22.30(Equalled) 25/10/2015
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President's Report



Sponsors

On behalf of the Club we thank our sponsors for their participation and support of our race meetings:

Major Sponsors

Garrard's Horse & Hound

SKY Racing

UBET

Racing Queensland

Sponsorship Partners

Glen Gallon @ Stud

Sulzanti @ Stud

Harris Family

Les Bein

President

Treasurer's Report



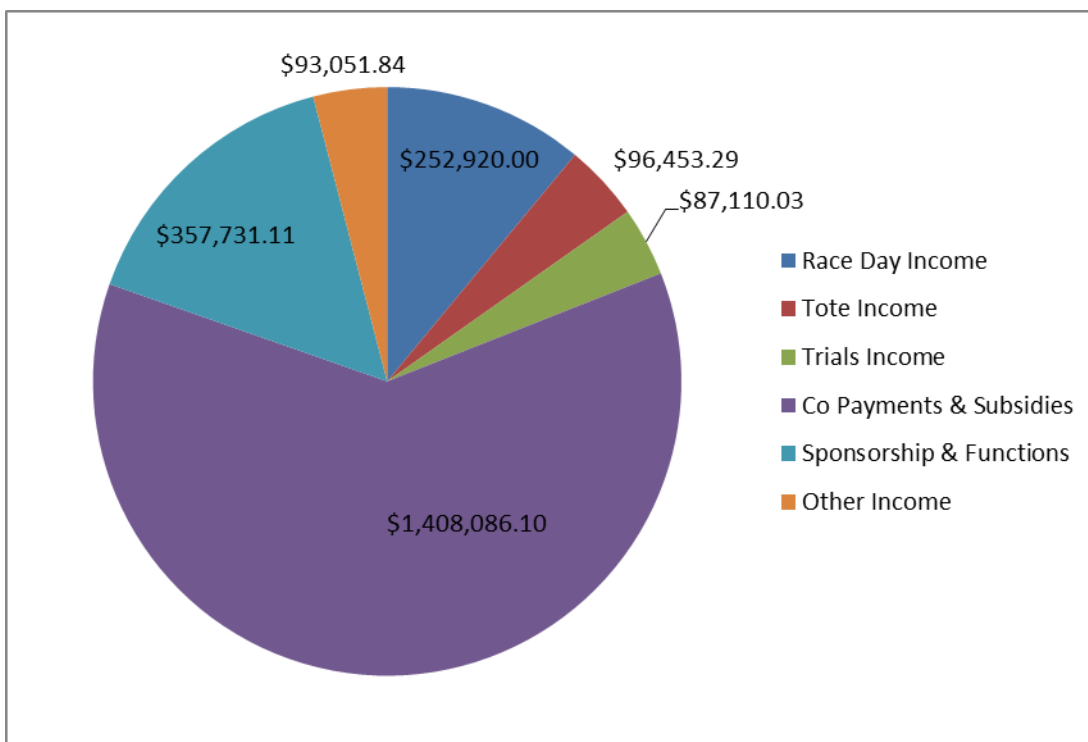
Treasurer's Report

The Brisbane Greyhound Racing Club posted an operating profit of \$90,315 and a Total Comprehensive Income of \$48,263 for the 2015/16 year.

The Club's Total Comprehensive Income for the 2015/16 year of \$48,263 is comprised of:

- A loss from normal operating activities of \$9,862;
- Investment income of \$132,930;
- Other income of \$10,244;
- Capital Gain on Sale of Assets \$21,780
- Asset revaluation decrease of \$42,052;
- Club prizemoney top-ups of \$56,500;
- Other Costs of \$8,277;

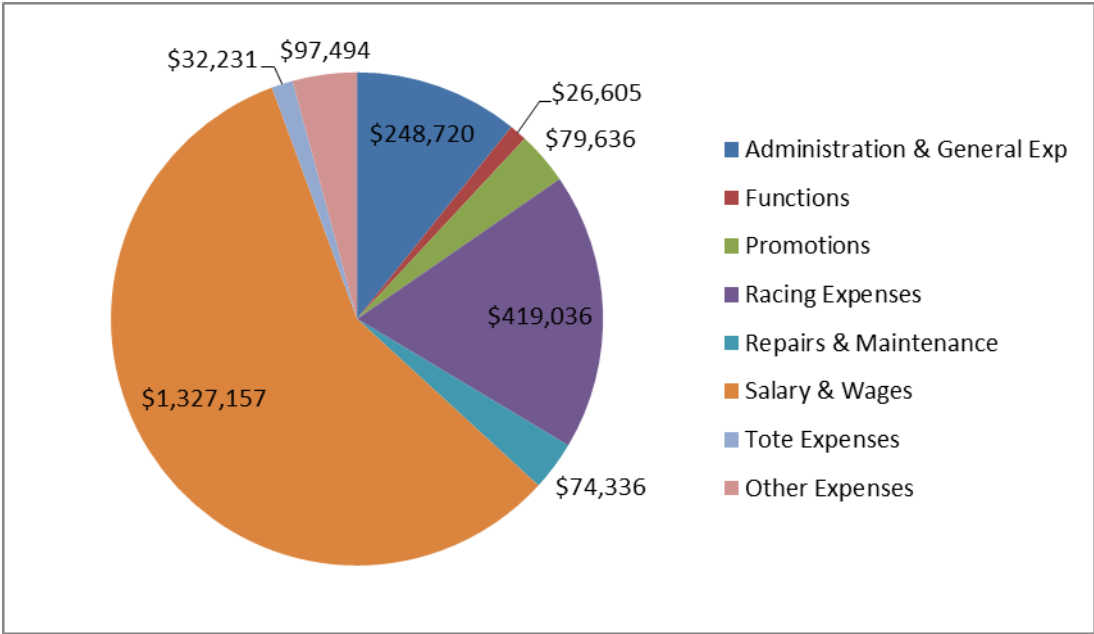
Sources of Income



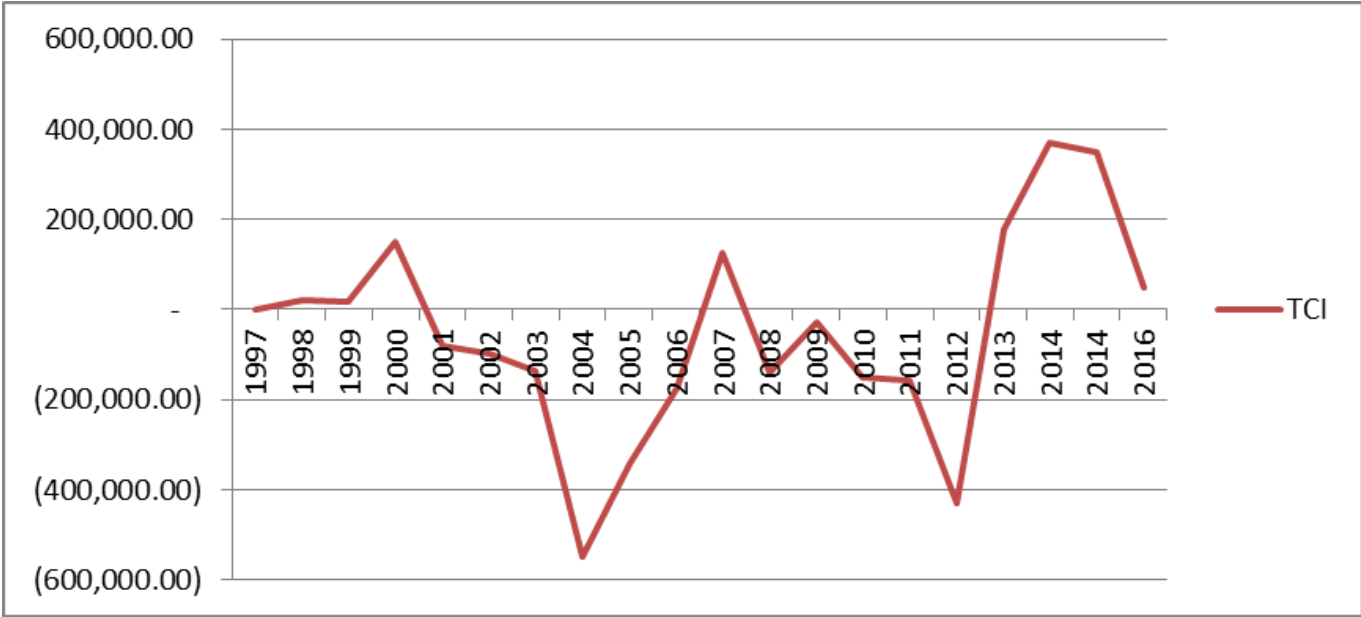
Treasurer's Report



Expenditure



Historical Total Comprehensive Income

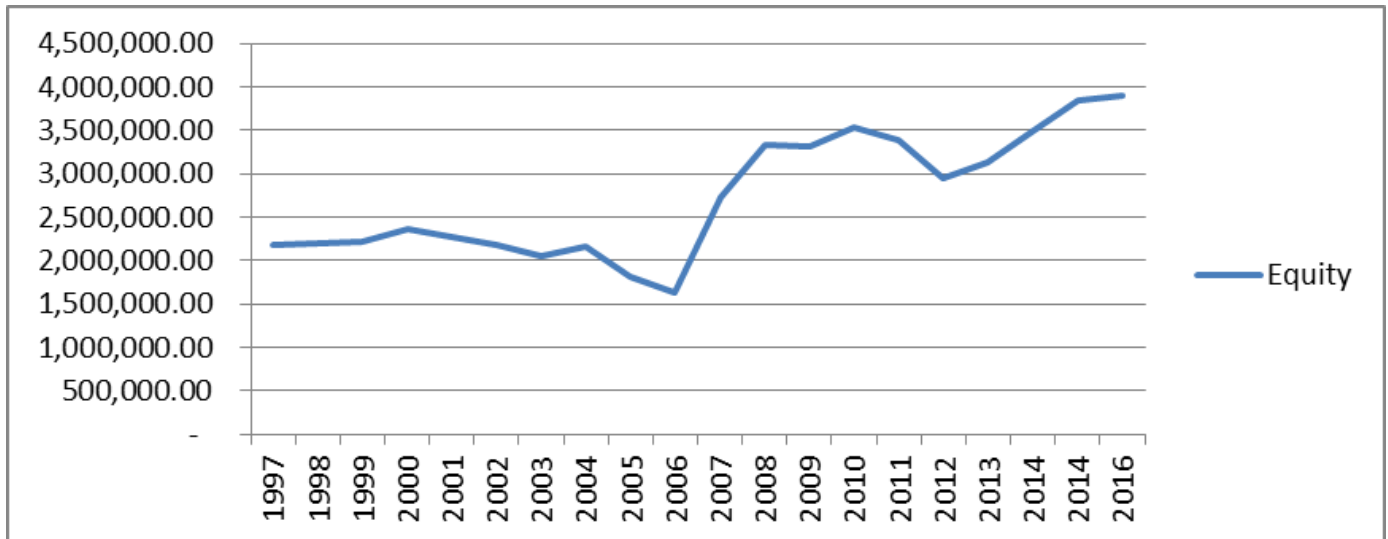


Treasurer's Report



Historical Total Equity

The Club's Balance Sheet continues to grow, with the Club's total equity increasing by \$48,263 over the course of the year.



Eleanor Wallis

Treasurer



Committee Meetings

Under Clause 7 (iv) of the Club Constitution, at the first meeting of the Committee held after the 2015 Annual General Meeting, Mr. D Cartwright was appointed President, Mr. R. Lambert and Mr. L. Bein were appointed Vice Presidents, and Ms E Wallis was appointed Hon. Treasurer for the ensuing year.

During the period under review, twelve General Meetings of the Club Committee were held.

Attendances at these Meetings were as follows:-

N. Beaton	12
L. Bein (Appointed President 23/05/16)	11
D. Cartwright (Resigned 18/04/16)	9
R. Lambert	11
D. Pegg	11
P. Smith	8
E Wallis	12
W Warner (Appointed 18/04/16)	2

Brisbane Greyhound Racing Club Inc
ABN 84 193 096 124
Financial Report for the Year Ended 30 June 2016

BRISBANE GREYHOUND RACING CLUB INC

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BRISBANE GREYHOUND RACING CLUB INC

COMMITTEE'S REPORT

The committee members submit herewith the annual report of the Brisbane Greyhound Racing Club Inc for the financial year ended 30 June 2016.

Committee Members

The names of the committee members during the year or since the end of the financial year are:

Les Bein – President	Robert Lambert – Vice-President
Peter Smith	Eleanor Wallis - Treasurer
Neil Beaton	Dennis Pegg
Dale Cartwright (Resigned 30/3/2016)	Bill Warner (Appointed 18/04/2016)

Principal Activities

The principal activities of the association during the financial year were:

- Host race meetings throughout the year; and
- To provide social facilities to members of the association.


Significant Changes

No significant changes in the nature of these activities occurred during the year.

Operating Result

The profit after providing for income tax amounted to \$90,315 (2015:\$ 296,678)

Signed in accordance with a resolution of the Members of the Committee.



L Bein - President



E Wallis - Treasurer

Dated this 10th day of October 2016

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	2,460,307	2,555,151
Accounting and audit fees		(13,625)	(21,550)
Committee expenses		(13,792)	(13,465)
Cost of merchandise sold		(31,000)	(27,027)
Depreciation and amortisation expense		(39,727)	(30,249)
Employee benefits expense	3	(1,339,974)	(1,123,794)
Equipment hire		(39,870)	(39,870)
Finance costs		(927)	(1,088)
Function expenses		(26,432)	(52,962)
Insurance		(24,974)	(17,146)
Investment expenses		(8,277)	(10,813)
Legal fees		(16,186)	(1,075)
Motor Vehicle expenses		(6,479)	(7,960)
Prize money		(56,500)	(45,000)
Promotions expense		(77,632)	(50,935)
Racing expense		(168,410)	(149,686)
Repairs and maintenance		(72,267)	(57,412)
Telephone expenses		(15,989)	(14,606)
Tote expenses		(32,231)	(26,141)
Trainer fee		(252,694)	(461,446)
Travel expenses		(35,750)	(26,768)
Other expenses		(97,256)	(79,480)
Current year surplus before income tax		90,315	296,678
Income tax expense	1a	-	-
Net current year surplus		90,315	296,678
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value remeasurement gain/(loss) on available-for-sale financial assets, net of tax		(42,052)	53,567
Total other comprehensive income for the year, net of tax		(42,052)	53,567
Total comprehensive income for the year, net of tax		48,263	350,245
Net current year surplus attributable to members of the entity		90,315	296,678
Total comprehensive income attributable to members of the entity		48,263	350,245

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	5	396,428	243,031
Accounts receivable and other debtors	6	204,883	374,212
Inventories on hand	7	4,193	3,586
Other	8	14,310	6,550
TOTAL CURRENT ASSETS		619,814	627,379
NON-CURRENT ASSETS			
Financial assets	9	3,362,445	3,301,824
Property, plant and equipment	10	312,526	282,572
TOTAL NON-CURRENT ASSETS		3,674,971	3,584,396
TOTAL ASSETS		4,294,785	4,211,775
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	217,195	192,373
Employee provisions	12	144,812	82,474
Financial liabilities	13	19,742	21,813
TOTAL CURRENT LIABILITIES		381,749	296,660
NON-CURRENT LIABILITIES			
Employee provisions	12	11,330	41,930
Financial liabilities	13	2,082	21,824
TOTAL NON-CURRENT LIABILITIES		13,412	63,754
TOTAL LIABILITIES		395,161	360,414
NET ASSETS		3,899,624	3,851,361
EQUITY			
Reserves	14	49,263	91,315
Retained surplus		3,850,361	3,760,046
TOTAL EQUITY		3,899,624	3,851,361

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Financial Asset Revaluation Reserve \$	Retained surplus \$	Total \$
Balance at 1 July 2014		37,748	3,463,368	3,501,116
Comprehensive income				
Net surplus for the year		-	296,678	296,678
Other comprehensive income for the year	14	53,567	-	53,567
Total comprehensive income attributable to members of the entity		53,567	296,678	350,245
Balance at 30 June 2015		91,315	3,760,046	3,851,361
Comprehensive income				
Net surplus for the year		-	90,315	90,315
Other comprehensive income for the year	14	(42,052)	-	(42,052)
Total comprehensive income attributable to members of the entity		(42,052)	90,315	48,263
Balance at 30 June 2016		49,263	3,850,361	3,899,624

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants (state) operating received		1,792,208	1,977,388
Receipts from customers		930,670	569,472
Payments to suppliers and employees		(2,530,908)	(2,505,091)
Interest paid		(927)	(1,088)
Net cash provided by operating activities	19	191,043	40,681
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	3,000
Purchase of property, plant and equipment		(69,681)	(35,941)
Investment income received		134,740	161,996
Purchase of financial assets		(163,310)	(1,454,656)
Proceeds from sale of financial assets		82,418	146,929
Net cash used in investing activities		(15,833)	(1,178,672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		-	36,740
Payment of borrowings		(21,813)	(19,415)
Net cash used in financing activities		(21,813)	17,325
Net increase in cash held		153,397	(1,120,666)
Cash on hand at beginning of financial year		243,031	1,363,697
Cash on hand at end of financial year	5	396,428	243,031

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover Brisbane Greyhound Racing Club Inc as an individual entity. Brisbane Greyhound Racing Club Inc is an association incorporated in Queensland and operating pursuant to the *Associations Incorporation Act 1981*.

The financial statements were authorised for issue on 10 October 2016 by the members of the committee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Brisbane Greyhound Racing Club Inc 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* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 1981*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

The club is exempt from Income tax, by virtue of Section 50-45 of the Income Tax assessment Act 1997.

b. Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value.

c. Property, Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5-10%
Motor Vehicles	22.5%
Plant and equipment	5-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains and losses) recognised included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial Instruments (Continued)

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and superannuation. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits (including long service leave entitlements) are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

h. Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j. Revenue and Other Income

Revenue from hosting race meetings are measured at the fair value of the consideration received or receivable.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Non-reciprocal grant revenue is recognised profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Revenue and Other Income (Continued)

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

All revenue is stated net of the amount of goods and services tax.

k. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

n. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

p. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Impairment – general

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Critical Accounting Estimates and Judgments (Continued)

Key judgments

(i) *Provision for impairment of receivables*

The association reviews the receivables outstanding at the end of the year for any debtors that are unlikely to be collected. A provision for impairment of receivables is recognised for those debts that are considered uncollectable.

(ii) *Available-for-sale investments*

The association has an investment in the shares of publically listed companies with a total value of \$3,362,445 at the end of the reporting period. Should share values decline to a level which is in excess of 50% below cost or should prices remain at levels below cost for a period in excess of 24 months, the association has determined that such investments will be considered impaired in the future.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

q. Fair Value of Assets

The association measures some of its assets at fair value on a recurring basis.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 2: REVENUE AND OTHER INCOME			
Racing revenue:			
– Admission		-	10,056
– Dog Trials		87,110	81,968
– Grants (state) operating		1,629,280	1,797,625
– Management fees		-	12,300
		<u>1,716,390</u>	<u>1,901,949</u>
Other revenue:			
– Bar and catering commission		31,726	25,611
– Investment income		132,930	145,432
– Capital grants		10,244	-
– Functions		27,365	34,106
– Profit on sale of property, plant and equipment		-	3,000
– Profit on sale of financial assets		21,781	40,212
– Sales of merchandise		32,921	26,115
– Sponsorships		330,366	262,636
– Tote income		96,453	89,958
– Other Income		60,131	26,132
		<u>743,917</u>	<u>653,202</u>
Total revenue		<u>2,460,307</u>	<u>2,555,151</u>

NOTE 3: EXPENSES

Employee benefit expense:

– Salaries and wages	1,187,205	993,544
– Superannuation expense	108,262	96,761
– Workcover	17,710	15,285
– Fringe benefits tax	13,980	18,204
– Payroll tax	12,817	-
	<u>1,339,974</u>	<u>1,123,794</u>

Interest expense on financial liabilities

927	1,088
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Rental expense on operating leases:

– minimum lease payments	64,582	61,285
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NOTE 4: AUDITORS' FEES

Remuneration of the auditor of the association for:

– Auditing or reviewing the financial report	16,000	11,000
– Accounting and taxation services	3,875	3,550
	<u>19,875</u>	<u>14,550</u>

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 5: CASH ON HAND			
Cash at bank		366,006	219,119
Cash on hand		30,422	23,793
Short-term investments – bank deposits		-	119
	20	<u>396,428</u>	<u>243,031</u>

Reconciliation of cash

Cash on hand at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank – unrestricted	366,006	219,119
Cash on hand – unrestricted	30,422	23,793
Short-term investments – bank deposits	-	119
	<u>396,428</u>	<u>243,031</u>

NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

CURRENT

Trade receivable		94,764	278,348
Provision for impairment		-	-
Other receivables		110,119	95,864
Total current accounts receivable and other debtors	20	204,883	374,212

NOTE 7: INVENTORIES ON HAND

CURRENT

Promotional material (at lower of cost and net realisable value)	4,193	3,586
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NOTE 8: OTHER ASSETS

CURRENT

Deposits	-	3,000
Prepayments	14,310	3,550
	<u>14,310</u>	<u>6,550</u>

NOTE 9: FINANCIAL ASSETS

NON CURRENT

Available-for-sale financial assets

a. Available-for-sale financial assets comprise:

Listed investments, at fair value:

– shares in listed corporations at fair value	20	<u>3,362,445</u>	<u>3,301,824</u>
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BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
Leasehold land improvements:			
At cost		49,170	49,170
Accumulated depreciation		(44,253)	(39,337)
		4,917	9,833
Leasehold improvements:			
At cost		12,288	15,400
Accumulated depreciation		(10,974)	(13,986)
		1,314	1,414
Plant and equipment:			
At cost		474,297	447,279
Accumulated depreciation		(218,957)	(233,921)
		255,340	213,358
Motor Vehicles:			
At cost		70,116	70,116
Accumulated depreciation		(19,161)	(12,149)
		50,955	57,967
Total property, plant and equipment		312,526	282,572

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold land Improvements	Leasehold Improve- ments	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$		\$
Balance at 1 July 2014	14,751	1,599	229,838	30,692	276,880
Additions	-	-	2,200	33,741	35,941
Disposals	-	-	-	-	-
Depreciation expense	(4,918)	(185)	(18,680)	(6,466)	(30,249)
Balance at 30 June 2015	9,833	1,414	213,358	57,967	282,572
Additions	-	-	69,681	-	69,681
Disposals	-	-	-	-	-
Depreciation expense	(4,916)	(100)	(27,699)	(7,012)	(39,727)
Balance at 30 June 2016	4,917	1,314	255,340	50,955	312,526

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 11: ACCOUNTS PAYABLE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities:			
Trade payables		94,881	96,294
Other payable		79,639	55,852
GST liability		42,675	40,227
		<u>217,195</u>	<u>192,373</u>

a.	Financial liabilities at amortised cost classified as accounts payable and other payables		
	Accounts payable and other payables:		
–	total current	217,195	192,373
–	total non-current	-	-
		<u>217,195</u>	<u>192,373</u>
	Financial liabilities as accounts payable and other payables	20	<u>217,195</u>
			<u>192,373</u>

NOTE 12: EMPLOYEE PROVISIONS

CURRENT			
Employee provisions – annual leave entitlements		67,123	35,189
Employee provisions – long service leave entitlements		77,689	47,285
		<u>144,812</u>	<u>82,474</u>
NON CURRENT			
Employee provisions – long service leave entitlements		11,330	41,930
		<u>11,330</u>	<u>41,930</u>

Analysis of Employee Provisions

	Annual Leave Entitlements \$	Long Service Leave Entitlements \$
Opening balance at 1 July	35,189	89,215
Additional provisions	83,149	2,176
Amounts used	(51,215)	(2,372)
Balance at 30 June	<u>67,123</u>	<u>89,019</u>

Employee Provisions – Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave and long service leave.

Based on past experience, the association does not expect the full amount of annual leave to be settled within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 13: FINANCIAL LIABILITIES			
Chattel Mortgage - secured		21,824	43,637
	20	21,824	43,637
Current		19,742	21,813
Non Current		2,082	21,824
		21,824	43,637

The Chattel Mortgages are secured by mortgages over motor vehicles with a carrying value of \$50,955 (2015:\$57,967).

NOTE 14: RESERVES

Financial Asset Revaluation Reserve

The financial assets revaluation reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in shares in listed companies.

NOTE 15: LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments:

– not later than 12 months	67,326	61,512
– between 1 year and 5 years	134,652	184,536
– later than 5 years	-	-
	201,978	246,048

The lease commitment consists of the lease of two (2) photocopiers with a term of 5 years with payments made monthly in advance and a lease of photo finish camera equipment with a lease term of 6 years, paid monthly in arrears.

The club has a commitment with Racing Queensland Limited with respect to its occupancy at the Albion Park Raceway. From 1 July 2011, no rent was payable by the club to Racing Queensland Limited for rent of the Albion Park facility.

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets for the year ended 30 June 2016 (2015:\$nil)

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events since the end of the reporting period.

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 18: RELATED PARTY TRANSACTIONS			
a. Key Management Personnel			
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.			
Key management personnel compensation:			
– short-term benefits		347,930	280,143
– post-employment benefits		32,598	23,682
		<u>380,528</u>	<u>303,825</u>
The association's committee members are not entitled to receive remuneration for the services provided to the association.			
b. Other Related Parties			
Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.			
There were no transaction between the association and any other related parties.			

NOTE 19: CASH FLOW INFORMATION**Reconciliation of cash flow from operating activities with net current year surplus**

Current year surplus/(deficit) after income tax	90,315	296,678
Non-cash flows in current year surplus:		
– depreciation expense	39,727	30,249
– net (gain)/loss on disposal of property, plant and equipment	-	(3,000)
– Net (gain)/loss on sale of financial assets	(21,781)	(40,212)
– Interest and dividends recognised as Investing Activities	(134,740)	(161,996)
Changes in assets and liabilities:		
– (Increase)/decrease in accounts receivable and other debtors	169,329	(34,339)
– (Increase)/decrease in inventories on hand	(607)	(1,639)
– (Increase)/decrease in other assets	(7,760)	(6,550)
– Increase/(decrease) in accounts payable and other payables	24,822	(5,632)
– Increase/(decrease) in employee provisions	31,738	(32,878)
	<u>191,043</u>	<u>40,681</u>

BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
NOTE 20: FINANCIAL RISK MANAGEMENT			
The association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.			
The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Cash on hand	5	396,428	243,031
Accounts receivable and other debtors	6	204,883	374,212
Available-for-sale financial assets - investments in listed shares	9	3,362,445	3,301,824
Total financial assets		3,963,756	3,919,067
Financial liabilities			
Financial liabilities at amortised cost:			
– Accounts payable and other payables	11	217,195	192,373
– Chattel mortgage	13	21,824	43,637
Total financial liabilities		239,019	236,010

Financial Risk Management Policies

The association's committee is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The committee monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held by the committee.

The committee's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

NOTE 21: FAIR VALUE MEASUREMENTS

The association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

The association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Recurring fair value measurements**Financial assets**

Available-for-sale financial assets			
– shares in listed companies	9	3,362,445	3,301,824
Total financial assets recognised at fair value		3,362,445	3,301,824

For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

BRISBANE GREYHOUND RACING CLUB INC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016****NOTE 22: ECONOMIC DEPENDENCE**

The association's activities are largely funded by operating grants received from Racing Queensland Limited. At the date of this report, the members of the committee had no reason to believe that Racing Queensland Limited would not continue to provide financial support to the Club.

NOTE 23: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Brisbane Greyhound Racing Club Inc.

Albion Park Raceway

Amy Street

BREAKFAST CREEK QLD 4010

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT BY MEMBERS OF THE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2016

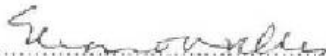
In the opinion of the committee, the financial report as set out on pages 4 to 22:

1. Presents a true and fair view of the financial position of the Brisbane Greyhound Racing Club Inc. as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the Association Incorporations Act 1981.
2. At the date of this statement, there are reasonable grounds to believe that the Brisbane Greyhound Racing Club Inc. will be able to pay its debts as and when the fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



L Bein
President



E Wallis
Treasurer

Dated this 10th day of October 2016

BRISBANE GREYHOUND RACING CLUB INC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISBANE GREYHOUND RACING CLUB INC.

Report on the Financial Report

We have audited the accompanying financial report of Brisbane Greyhound Racing Club Inc. (the association), 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 certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 1981* and for such internal control as the committee determines is necessary to enable the preparation and fair presentation 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.

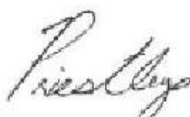
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.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

Opinion

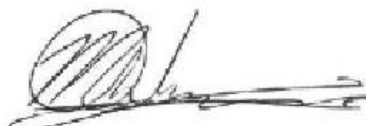
In our opinion, the financial report of Brisbane Greyhound Racing Club Inc. is in accordance with the requirements of the *Associations Incorporation Act 1981*, including:

- i. giving a true and fair view of the association's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards - Reduced Disclosure Requirements.



PRIESTLEYS
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation



M C ANDREASSEN
Partner

Signed at Brisbane on this 10th day of October 2016

ASX ANNOUNCEMENT

27 June 2014



NEW FRAMEWORK FOR RACE AND SPORTS WAGERING IN QUEENSLAND

Tatts Group today reached in-principle agreement with the Queensland Government and Racing Queensland (**RQ**) to establish a new framework for the conduct of race and sports wagering in Queensland. This new model has been established following the call for Expressions of Interest issued by RQ on 17 January 2014. The new arrangements are subject to legislative amendments.

In announcing the new framework Tatts Group's Managing Director and CEO, Robbie Cooke said:

"We believe the new model builds a true partnership approach between Racing Queensland, the Government and Tatts to drive a prosperous future for racing in Queensland through a sustainable model that recognises the needs of all participants."

The new arrangements will see the term of Tatts' sports wagering licence extend 61 years and brought into line with the Group's race wagering licence, with both licences to expire on 30 June 2098. Importantly retail exclusivity has been secured for a further 30 years under each licence (until 30 June 2044).

The new framework seeks to level the playing field, which to date has enabled out-of-state betting operators to exploit more beneficial tax regimes to target Queensland customers, siphoning significant revenues away from the Queensland industry. Specifically the new Queensland regime will see the tax rate on pari-mutuel betting reduce from 20% to 14% of commissions, whilst the rate applicable to fixed-price betting will decrease from 20% to 10% of gross revenue. In commenting on this Robbie Cooke said:

"Our wagering franchise is now well positioned to fight back against the predatory operators who have for too long exploited the fiscal imbalance that has existed in the Australian wagering landscape"

Existing product fee arrangements with the racing industry will be maintained with the continuation of the current variable product fee at 39% of gross wagering revenue. Tatts' right to directly offset race field fees from the product fee payable will continue as has occurred in the past - except in the event that the offset exceeds RQ's race field fee receipts from other operators (or if the offset exceeds the portion of product fee generated from non-Queensland racing), in which case the shortfall will be shared 60% by Tatts and 40% by RQ. In this scenario the parties may seek to renegotiate the appropriate approach in apportioning any future shortfall.

A new \$15 million (indexed to 80% of CPI) annual fixed product fee will be paid to the racing industry, together with a 2.5% share of fixed-price sports betting revenue generated from 'bricks and mortar' retail outlets (capped at a maximum of \$5 million p.a. indexed).

Tatts will pay the State \$150 million as a license fee, to be paid in four equal instalments on 1 July 2014, 1 July 2016, 1 July 2020 and 1 July 2023.

In addition RQ and Tatts have agreed to form joint ventures in the future on a number of initiatives that will generate potential additional revenue for the racing industry.

In announcing this new deal, RQ and Tatts have also agreed to end the current litigation with respect to the treatment of race field fees on the basis that each party release each other from all claims and meet their own costs.

More details with respect to the new arrangements can be found in the Annexure attached.

Contact: Robbie Cooke, CEO & Managing Director (07) 3435 4478

TATTS GROUP LIMITED ABN 19 108 686 040 | www.tattsgroup.com



For personal use only

ASX ANNOUNCEMENT

27 June 2014



ANNEXURE

KEY TERMS – NEW FRAMEWORK FOR RACE AND SPORTS WAGERING QUEENSLAND

Item	Existing Framework	New Framework
1. Licencing Framework	<p>A. <u>Race Wagering Licence</u></p> <p>(a) Expiry date 30 June 2098</p> <p>(b) Sole retail license</p> <p>B. <u>Sports Wagering Licence</u></p> <p>(a) Expiry date 30 June 2037</p> <p>(b) Sole retail income until 30 June 2014</p>	<p>A. <u>Race Wagering Licence</u></p> <p>(a) No change</p> <p>(b) Sole retail license</p> <p>B. <u>Sports Wagering Licence</u></p> <p>(a) Expiry date 30 June 2098</p> <p>(b) Sole retail license until 30 June 2044 (30 years)</p>
2. Tax Framework (inc. GST)	<p>A. <u>Pari-mutuel Racing & Sport</u></p> <p>(a) 20% of commission (gross deduction)</p> <p>B. <u>Fixed-price Racing & Sport</u></p> <p>(b) 20% of gross revenue (player loss)</p>	<p>A. <u>Pari-mutuel Racing & Sport</u></p> <p>(a) 14% of commission (gross deduction)</p> <p>B. <u>Fixed-price Racing & Sport</u></p> <p>(b) 10% of gross revenue (player loss)</p>
3. Product Fee	<p>A. <u>Variable Product Fee</u></p> <p>(a) 39% of gross wagering revenue</p> <p>(b) Direct offset against variable product fee for Australian race field fees and international racing costs (Offset)</p>	<p>A. <u>Variable Product Fee</u></p> <p>(a) No change</p> <p>(b) No change – except in circumstances where Offset amount exceeds Racing Queensland race field receipts (or exceeds portion of product fee generated from non-Queensland racing product) – in which case resultant shortfall shared 60/40 Tatts/Racing Queensland. In this situation any party may seek to renegotiate the appropriate approach to apportioning any future shortfall.</p> <p>(c) A 2.5% share of fixed-price sports betting revenue generated from Queensland 'bricks and mortar' retail outlets capped at \$5 million p.a. (indexed).</p> <p>B. <u>Fixed Product Fee</u></p> <p>(a) \$15 million per annum (Indexed to 80% of CPI percentage increase).</p>
4. Licence Payment	-	<p>\$150 million paid to the State via staged payments:</p> <ul style="list-style-type: none"> - 25% 1 July 2014 - 25% 1 July 2016 - 25% 1 July 2020 - 25% 1 July 2023
5. Regional Marketing Fund	-	Commitment to expend \$5 million over 5 years on incremental marketing and promotional activities to promote regional and country racing in Queensland.

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6. Joint Ventures	-	RQ and Tatts have agreed to create 50/50 joint ventures in the future on a number of initiatives that will generate potential additional revenue for the racing industry. The conduct of virtual racing in 'bricks and mortar' retail outlets is expected to be the first opportunity investigated
7. On-course betting signage	-	Exclusive betting partner for on-course advertising.
8. Business Commitment Undertaking	-	Tatts has committed to agreed levels of marketing activities and network expansion (including Self Service Terminals).